

MINNESOTA PUBLIC OFFERING STATEMENT

**MARATHON PETROLEUM COMPANY LP
a Delaware Limited Partnership**

**539 South Main Street
Findlay, Ohio 45840
(419) 422-2121**

As a franchisee, you will purchase motor vehicle fuel for resale or delivery to retail motor fuel facilities under the trade name ARCO, MARATHON, or TESORO.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISES ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

ISSUANCE DATE: March 27, 2025

Effective in Minnesota: _____, 2025

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EXHIBITS

- Exhibit A - Branded Product Supply and Trademark License Agreement
- Exhibit B - State Addendum and Agreement Rider
- Exhibit C - List of Branded Buyers
- Exhibit D - Financial Statements and Guarantee of Performance
- Exhibit E - Receipts

Minnesota state law might require additional disclosures related to the information contained in this public offering statement, and might require a rider to the Branded Supply Agreement. These additional disclosures and riders, if any, appear in Exhibit B.

ITEM 1

FRANCHISE AGREEMENT

See the Branded Product Supply and Trademark License Agreement attached as Exhibit A.

ITEM 2

SUMMARY

As a franchisee of Marathon Petroleum Company LP (“*MPC LP*”), you will enter into a Branded Product Supply and Trademark License Agreement (“*Branded Supply Agreement*”). Each Branded Supply Agreement contains the legal rights and obligations of you, as franchisee, and of MPC LP, as franchisor, regarding the establishment and operation of a wholesale business through which you will purchase ARCO, MARATHON, or TESORO branded gasoline and diesel fuel from MPC LP, and distribute to branded outlets you own, or resell to retail motor fuel facilities operated by third parties, for resale to the public. The motor vehicle fuel franchise agreement and any addenda to such agreement that will govern your relationship with MPC LP with respect to your Minnesota franchised business have been attached to this public offering statement. You should review these documents carefully before signing any Branded Supply Agreement with MPC LP. All section references in this summary refer to sections of the Branded Supply Agreement.

You will be obligated to purchase from MPC LP the requirements of the ARCO, MARATHON, and TESORO branded outlets you supply, as identified in the Branded Supply Agreement (Section 2.1). Your purchases of fuel will meet the applicable minimum monthly volume (Section 2.3). MPC LP will not be required to deliver fuel unless you and your carriers have executed access agreements to enter and access supply terminals (Section 3.4). You will also be obligated to properly utilize the ARCO, MARATHON, and TESORO marks in connection with the operation of each branded outlet identified in the Branded Supply Agreement (Sections 5.1(a) & (b)). Only the brand of products identified in the Branded Supply Agreement for each branded outlet may be sold, unless otherwise permitted by law or MPC LP (Section 5.4). You shall use the ARCO, MARATHON, and TESORO trademarks and trade dress in accordance with the Branded Supply Agreement and standards periodically set by MPC LP (Section 5.4). You also must comply, and cause all operators of retail outlets to comply, with all standards of operation issued by MPC LP for the operation of outlets to protect the goodwill and value of the trademarks (Sections 6.1 and 6.2). You must at all times permit, and cause operators of branded outlets to permit, MPC LP to audit the books and records and inspect the branded outlets (Section 3.7). If a branded outlet fails a “mystery shop” you will promptly take corrective measures, or cause the operator to take corrective measures, necessary to improve appearance or customer satisfaction (Section 6.3). You will establish, and cause all operators of retail outlets to establish, procedures to detect presence of fuel contamination (Section 6.4). You will be responsible for and will cause each operator to take corrective action on discovery of defective products; comply with applicable laws, regulations and ordinances relevant to the operation of motor fuel retail outlets; keep the fuel storage and dispensing systems and other equipment in clean and good working condition; to train employees in compliance with fuel regulations; and take recommended corrective measures to cure non-compliance with product quality assurance expectations, which are expressed in the Branded Supply Agreement and MPC LP’s guide as amended from time to time (Sections 5.4(c) and 6.4). So long as MPC LP elects to issue its own or to accept third party credit or other transaction authorization cards, you shall honor and cause all outlets to honor them and shall be responsible for compliance with all payment card industry data

security standards (Section 6.5). In connection with your operation of the wholesale business, you shall also be responsible for: (i) timely payment of all taxes or other governmental assessments levied as a result of your operation of the wholesale business (Section 3.3(d)); (ii) maintaining at all times the minimum amount and type of insurance required by law and the Branded Supply Agreement and providing to MPC LP certificates of such insurance (Section 4.5); (iii) complying with all applicable laws, regulations, permits and court orders and causing the operators to comply with all applicable laws, regulations, permits and court orders relevant to the subject matter of the Branded Supply Agreement (Section 9.1); and (iv) indemnifying MPC LP for any claims arising as a result of or incident to your operation of the wholesale business, unless such claim is the result of MPC LP's sole negligence or willful misconduct or MPC LP's breach of the Branded Supply Agreement (Section 4.3). Upon termination or expiration of the Branded Supply Agreement, or revocation of approval to use the ARCO, MARATHON, or TESORO trademarks at a branded outlet, you must comply with the debranding guidelines (Section 7.2).

MPC LP will be obligated to supply you with branded products in a volume sufficient to satisfy requirements of the ARCO, MARATHON, and TESORO branded outlets identified in the Branded Supply Agreement, subject to the limitation of applicable monthly minimum volume (Sections 2.1 & 2.3). During the term of the Branded Supply Agreement, MPC LP will grant you the right to use the applicable trademarks and trade dress (Section 5.1). Further, MPC LP shall provide products that meet the warranties expressed in the Branded Supply Agreement at the time and place of delivery (Section 3.5).

ITEM 3

OFFERS ON LOCATION

Not applicable – no real property involved.

ITEM 4

ALTERATIONS OR DEMOLITION OF THE LOCATION

Not applicable – no real property involved.

ITEM 5

MPC LP'S INTEREST IN REAL PROPERTY

Not applicable – no real property involved.

ITEM 6

SECURITY DEPOSIT

MPC LP does not require you to pay any security deposits.

ITEM 7

TRAINING PROGRAM; GOODS AND SERVICES

Training Program

MPC LP does not provide training to franchisees.

Goods and Services

You will purchase either ARCO, MARATHON, or TESORO branded gasoline and diesel fuel, whichever is applicable, from MPC LP.

MPC LP may, at its election, issue its own or accept specified third party credit cards, debit cards, credit identifications, or other transaction authorization cards (“*Transaction Cards*”). If MPC LP elects to accept Transaction Cards, it may provide you with the Transaction Card processing equipment, and processing and billing services, for the fees then in effect under the operations manuals. Further, if MPC LP elects to accept Transaction Cards, then you will be obligated to honor them, and cause all outlets to honor them, for all authorized products and services sold at or from outlets. You will account for all such transactions in strict compliance with the terms of the Branded Supply Agreement and any credit card sales procedures and requirements furnished to you included in any operations manuals. MPC LP shall accept from you all authorized invoices or transactions based on Transaction Cards, and, at MPC LP’s option, it shall pay the amount of the invoice or transaction to you by check, credit the amount to your bank account electronically or, under certain circumstances relative to your creditworthiness, set off the amount against your account with MPC LP, in each case after deducting any service charge to you by MPC LP in effect under the operations manuals, as then currently revised.

MPC LP also provides a point-of-sale software maintenance program. Such services are provided by a designated third party, but you will be billed by MPC LP.

ITEM 8

VOLUME HISTORY

Not applicable – no location involved.

ITEM 9

PRIOR BRANDED BUYERS

Not applicable – no location involved.

ITEM 10

BUYER INFORMATION

Exhibit C contains a list of ARCO, MARATHON and TESORO branded buyers within the State of Minnesota as of December 31, 2024.

ITEM 11

FINANCIAL STATEMENTS

Attached as Exhibit D are the audited financial statements of Marathon Petroleum Corporation (“MPC”), including the consolidated balance sheets as of December 31, 2023 and December 31, 2024, and the related consolidated statements of income, cash flows and equity and redeemable noncontrolling interest for fiscal years ended December 31, 2022, December 31, 2023 and December 31, 2024. MPC, as MPC LP’s ultimate parent, guarantees MPC LP’s performance of all obligations under each Wholesale Marketer Agreement MPC LP executes (Guarantee of Performance included in Exhibit D).

ITEM 12

RECEIPTS

Exhibit E contains detachable documents acknowledging your receipt of this public offering statement.

EXHIBIT A

BRANDED PRODUCT SUPPLY AND TRADEMARK LICENSE AGREEMENT

BRANDED PRODUCT SUPPLY AND TRADEMARK LICENSE AGREEMENT

This **BRANDED PRODUCT SUPPLY AND TRADEMARK LICENSE AGREEMENT** (“Agreement”) is between Marathon Petroleum Company LP, a Delaware limited partnership having its principal place of business at 539 South Main Street, Findlay, Ohio 45840 (“SELLER”), and {name of jobber}, a(n) {state in which entity incorporated/formed} corporation having its principal place of business at {address} (“BUYER”).

Now, Therefore, SELLER and BUYER, intending to be legally bound, agree as follows:

1. DEFINITIONS

1.1 Definitions. For purposes of this Agreement, the following terms shall have the indicated meanings:

Brand: a brand owned or authorized for use by SELLER, including but not limited to the MARATHON®, ARCO® and TESORO® brands, which SELLER in its sole discretion may change from time to time.

Brand Signage: a sign, point of sale materials, advertising, or promotional materials bearing or including the Marks, logos associated with SELLER or its proprietary cards (if any) and Brands.

Branded Outlet: a Retail Outlet, Bulk Plant and other outlet or storage facility supplied with Products by BUYER and agreed to by SELLER and listed on Exhibit B, whether such facility is owned or operated by BUYER or an Operator.

Bulk Plants: the storage facilities designated as “Bulk Plants” on Exhibit B, attached to, and as amended from time to time as called for under, this Agreement.

Confidential Information: includes all software provided or made available to BUYER by SELLER, any information or materials designated by SELLER as Confidential Information when provided or disclosed to BUYER, all information about or describing the contents, qualities, or characteristics of the Products or SELLER’s pricing to BUYER for the Products, and all information contained in any manuals, handbooks or other materials provided by SELLER describing SELLER’s marketing programs, including, but not limited to credit card processing procedures, operational elements and forms, fleet card marketing information, operational elements and forms, loyalty program materials and operational manuals, and mystery shop program elements and scores.

Distillates: the branded diesel fuels which SELLER may offer for sale under the Marks to SELLER’s branded jobbers.

EFT: electronic funds transfer.

Exhibit A Volume: the aggregated monthly quantities (all brands) specified for each of the Products as indicated on Exhibit A as it may be amended from time to time.

Gasoline: the gasoline fuels which SELLER normally holds out for sale under the Marks to branded jobbers.

Marks: trademarks, services marks, trade names, trade dress, brand names, grade designations, logos, insignia, canopy striping and other color schemes and design schemes used by SELLER in the advertising and marketing of the Brands and Products, now and as developed, adopted or acquired in the future.

Maximum Volume: one hundred ten (110) percent of the Exhibit A Volume of Gasoline.

Minimum Volume: ninety (90) percent of the Exhibit A Volume of Gasoline.

Party: SELLER or BUYER, as applicable. Together, SELLER and BUYER are sometimes referred to as “Parties”.

PMPA: The Petroleum Marketing Practices Act, 15 U.S.C. Sections 2801, et seq.

Product(s): SELLER’s offered and available branded: (i) motor gasoline, (ii) Distillates, and (iii) other branded products, as determined and designated by SELLER and as offered and available from time to time during the Term, which are purchased by BUYER from SELLER for resale or delivery to the Branded Outlets. Products to be sold and delivered hereunder shall be of the kinds, grades, octanes, brands and quality generally sold by SELLER at the time and place of delivery to BUYER.

Ratable Lifting: the purchase of Products by BUYER, directly from SELLER, in approximately equal quantities, with such frequency as will satisfy the Requirements of the Branded Outlets and the Minimum Volume throughout an entire month; except that the purchase by BUYER, on any day of a month, of a volume of Gasoline in excess of 150% of that number of gallons determined by dividing the month’s Exhibit A Volume by the number of days in the month is not the purchase of Gasoline by Ratable Lifting.

Requirements: the quantity of Products that satisfies the sales expectations of SELLER and BUYER for a Branded Outlet, otherwise to provide for the consuming public’s demand for Products at one or more Branded Outlets (1) on execution of this Agreement, and (2) when Exhibit B is amended.

Retail Outlets: the retail motor fuel outlets listed on Exhibit B, as amended from time to time pursuant to this Agreement.

Retail Payments Guide: the published documentation made available to BUYER and Operators, as may be amended from time to time, that governs, among other things, the use of SELLER’s proprietary payment card system and the acceptance of Transaction Cards.

SDN List: the Specially Designated Nationals and Blocked Persons List, 31 Code of Federal Regulations, Part 500, Chapter V, Appendix A.

Operator: a person or entity authorized by BUYER through the rights granted by SELLER in this Agreement to utilize the Marks in connection with the sale of Products supplied by BUYER, typically an operator of a Retail Outlet.

Transaction Cards: Credit cards, debit cards, fleet cards credit identifications, gift cards, or other transaction authorization cards, including electronic or mobile, plastic or paper, virtual or biometric payment methods issued by either SELLER or specified third parties. From time to time, the Transaction Cards may be identified in the Retail Payments Guide.

1.2 Term. This Agreement will be effective as to each Party upon execution by both Parties, with

respect to the period commencing on {First date of Term} and ending on {Last date of Term} (the "Term"), unless terminated earlier by a Party as provided for in this Agreement.

2. PURCHASE, SALE AND DELIVERY OF PRODUCTS

2.1 Purchase and Sale.

SELLER will sell to BUYER, and BUYER agrees to purchase and receive, Products sufficient to satisfy the Requirements of each Branded Outlet during the Term, in such grade or grades as SELLER has or may have available, at designated terminals (if indicated on Exhibit A) and in the Exhibit A Volumes.

2.2 Volume Limitation.

If SELLER determines, in good faith, that BUYER is not purchasing a Product by Ratable Lifting in a month, SELLER may, but is not obligated to, implement an allocation program for BUYER's subsequent purchases of the Product during the month, at such terminals and of such duration and volume limitations as SELLER, acting with commercial reasonableness and for the purpose of restoring Ratable Lifting of the Product, determines. SELLER will utilize its terminal reporting systems to implement limitations on BUYER's purchases of the Product in the month. If, however, SELLER's terminal reporting systems are not available, or if SELLER determines that its terminal reporting systems have failed or are unable to implement a limitation on BUYER's purchases of the Product in the month, SELLER will notify BUYER of the unavailability, failure or inability, and of any per gallon liquidated damage amount for which BUYER will be liable for purchases of the Product in excess of the limitation in the month. BUYER agrees that, upon receipt of SELLER's notice in any month, BUYER will bear the sole responsibility for compliance with the terms of SELLER's allocation program. If, following receipt of SELLER's notice, BUYER purchases a Product in excess of a limitation established by SELLER for a Product in a month, BUYER will be liable to SELLER for liquidated damages in an amount calculated by multiplying (a) the number of gallons of the Product purchased by BUYER in the month, after receipt of SELLER's notice, in excess of the limitation by (b) a cents per gallon amount determined by SELLER, in good faith, as reasonable compensation for supplying BUYER the Product in volumes which exceed the limitation.

2.3 Minimum Purchase Obligation.

Section 2.1 notwithstanding, BUYER will purchase from SELLER, in each month during the Term, Products in a quantity not less than the Minimum Volume. SELLER has no obligation to sell Products in excess of the Minimum Volume.

(a) The agreement to sell the Minimum Volume is not a representation or guaranty by SELLER that the BUYER will sell the Minimum Volume or that the Requirements of the Branded Outlets for Products in that month will equal the Minimum Volume. BUYER's purchase of Products in excess of the Minimum Volume during any month will not be applied to offset BUYER's failure to purchase the Minimum Volume during any other month. BUYER's obligation to purchase the Minimum Volume from SELLER is not affected by BUYER's loss or termination of any Branded Outlet, or by the establishment or existence of an outlet or facility selling Products established or operated by SELLER or by another customer or distributor of SELLER. SELLER's sale of Products during any period in excess of the Minimum Volume will not affect the Minimum Volume as to any future period.

(b) If BUYER fails to purchase the Minimum Volume from SELLER in: (i) any three consecutive months, or (ii) six months of any twelve-month period, then SELLER will have the right, but not the obligation, to reduce the Minimum Volume by the average of the ratios of the actual purchases of Products to the Minimum Volume, in the months in which BUYER failed to purchase the Minimum Volume. Exhibit A will then be deemed to be amended and SELLER will issue a revised Exhibit A to reflect such reduction.

(c) No amendment of Exhibit A or Exhibit B will alter or relieve the parties' respective obligations under any other agreement between them.

2.4 Sections 2.1 and 2.3 notwithstanding, SELLER may, but is not obligated to, sell more than the Maximum Volume to BUYER in any month.

2.5 Amending Exhibits.

(a) BUYER and SELLER agree that they will periodically, but no less frequently than once in each twelve (12) month period during the Term, review Exhibits A and B to consider (1) the addition or deletion of Branded Outlets from Exhibit B, (2) change in Requirements at one or more existing Branded Outlet, and (3) any recalculation of the Exhibit A Volume in SELLER'S sole discretion. Exhibits A and B may be amended according to the Parties' agreement on one or more of these factors. The Exhibit A Volume will be increased by the mutually agreed projected monthly sales of Product at each existing or added Branded Outlet. Any increases in the Exhibit A Volume associated with the addition of a Branded Outlet will be effective as of the first day of the month in which the installation of the Marks is completed.

(b) Exhibits A and B may be amended in electronic form via electronic communication such as an email expressing the acceptance of the amended Exhibits by SELLER and BUYER.

(c) No amendment of Exhibit A or B pursuant to this Section 2.5 will alter or relieve the Parties' respective obligations under any Incentive Agreement, Improvement Agreement, Master Agreement, Conversion Agreement, Branding Agreement, Wholesale Assistance Agreement, Rollover Agreement or other agreement between them.

(d) Exhibits A and B will be amended to add an outlet or storage facility that is, at the time, the subject of another agreement for the supply of Products to which SELLER is a party if, but only if:

(1) SELLER determines, in its reasonable judgment, that amending Exhibits A and B to add the outlet or storage facility will not result in the breach of, or actionable interference with, any contractual relationship between the operator of the outlet or storage facility and the supplier of Products to the outlet or storage facility; and

(2) BUYER assumes the obligations of the other supplier under any Improvement Agreement, Master Agreement, Conversion Agreement, Branding Agreement, Rollover Agreement, Wholesaler Assistance Agreement, or other agreement with SELLER relating to the outlet or storage facility.

2.6 Products; Characteristics. BUYER will not supply or sell at the Branded Outlets any Products having octane levels different than the octane levels SELLER is at that time offering without the prior written consent of SELLER. SELLER reserves the right to change the grade, specifications, characteristics, delivery package, brand name or other distinctive designation of any Product from time to time, and to discontinue marketing any of the Products at any time without liability or further obligation to BUYER with respect to the purchase and sale thereof.

2.7 Purchase and Sale of Motor Oils and Lubricants. BUYER agrees to use commercially reasonable efforts to purchase and offer a representative stock of SELLER's branded motor oils and lubricants for sale at all Branded Outlets operated by BUYER and will use commercially reasonable efforts to cause a representative stock of branded motor oils and lubricants to be offered for sale at Branded Outlets operated by Operators.

3. COMMERCIAL TERMS

3.1 Price.

(a) Subject to change or substitution as provided below, BUYER agrees to pay the following prices for the products sold hereunder:

(1) for Products: SELLER's established branded jobber terminal price per gallon, f.o.b. terminal for the particular Product, in the particular Brand, in effect on the date and time of completion of loading and at the terminal of delivery to BUYER; and,

(2) (if applicable) for motor oils, lubricants, industrial oils, antifreeze, and related merchandise: SELLER's branded jobber automotive oil, lubricant and merchandise price schedule in effect on the date of BUYER's order.

The stated prices are exclusive of applicable taxes, inspection fees, and other governmental charges and assessments. All taxes or other charges now or hereafter imposed by law on any Products sold hereunder, or on the production, manufacture, sale, transportation or delivery thereof, or on this Agreement or the transactions contemplated hereby, which SELLER is required to pay or collect, shall be added to the applicable price and paid by BUYER.

(b) SELLER may assess and state, as a separate line item on its invoices for some or all Products purchased and sold hereunder, a per gallon charge to defray a portion of the costs incurred in advertising the Brands from time to time.

(c) SELLER reserves the right to unilaterally change any prices at any time, and also reserves the right to change its pricing notification system including, but not limited to, the method by which prices are posted, at any time.

3.2 Measurement. BUYER shall be invoiced for the actual number of U.S. gallons of Products delivered to BUYER by SELLER, with or without correction for temperature, at SELLER's option, using standards accepted by government agency or industry-accepted practice (e.g., API, ASTM); provided, however, that upon request of BUYER by thirty (30) days' advance written notice once, but only once, in any period of twelve (12) consecutive months, SELLER will change the method of measurement of invoiced Products to be with or without temperature correction. The foregoing notwithstanding, in any jurisdiction in which applicable law dictates the method of measurement of Products delivered, such method shall be used.

3.3 Payment.

(a) BUYER agrees to pay for all Products and other goods and merchandise sold hereunder in the manner, at the times and on such credit terms as SELLER's Credit Department may establish from time to time. Payment terms established for sale of Products to BUYER are subject to change by SELLER at any time.

(b) If BUYER fails to make timely payment of any amount due and owing under this Agreement, SELLER may:

(1) impose a late payment charge not to exceed the maximum amount allowed by law;

(2) immediately set off any amounts owed by BUYER to SELLER against amounts owed by SELLER to BUYER under this or any other agreement between the Parties, or between BUYER and any affiliate of SELLER; or,

(3) treat such failure as a failure by BUYER to comply with a reasonable and materially significant provision of this Agreement, entitling SELLER to terminate this Agreement and the relationship between SELLER and BUYER.

PAYMENTS TENDERED IN FULL SETTLEMENT OF A DISPUTED AMOUNT MUST BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO “COMMERCIAL CREDIT MANAGER, MARATHON PETROLEUM COMPANY LP, 539 SOUTH MAIN STREET, FINDLAY, OHIO 45840.”

(c) If SELLER decides, in its reasonable discretion, that the creditworthiness of BUYER is at any time unsatisfactory, SELLER shall have the right to require assurances of BUYER's ability to perform its obligations under this Agreement including, but not limited to, any or all of the following, until BUYER's creditworthiness becomes satisfactory in SELLER's reasonable discretion:

- (1) SELLER may require payment in cash in advance of each purchase of Products;
- (2) SELLER may discontinue further sales or shipments of Product until all payments due have been received; or,
- (3) SELLER may withhold payment for Transaction Card sale transaction receipts due to BUYER under this Agreement for transactions at any Branded Outlet, whether operated by BUYER or an Operator.

(d) BUYER shall promptly pay when due all taxes, or other governmental assessments, levied or assessed by reason of BUYER's operations and its performance under this Agreement. BUYER shall also pay when due any tax (including, but not limited to, sales, use, value added, occupation, gross receipts, registration, ad valorem, excise, environmental (including Superfund), and documentary taxes, including any interest charge or penalty that may result therefrom), duty, fee or other governmental charge, or any other public or private fee, charge or assessment now or hereafter levied on any Products delivered hereunder, or on SELLER, or required to be paid or collected by SELLER, by reason of the purchase, receipt, importation, manufacture, or removal of such Products by SELLER, or levied on or incurred in connection with or incidental to the sale, transportation, storage, delivery, use or removal of such Products, insofar as the same is not expressly included in the prices hereunder. BUYER shall furnish SELLER with satisfactory tax exemption certificates where an exemption is claimed. With respect to any equipment or personal property which SELLER may loan to BUYER, BUYER shall be responsible for reporting and paying all personal property taxes associated with such equipment or personal property. Upon SELLER's request, BUYER shall provide SELLER proof of proper reporting and payment of all taxes for which the BUYER is responsible under this Agreement. BUYER shall not permit or allow any tax or governmental lien, tax sale, or seizure by levy or execution of similar writ or warrant to occur against BUYER's Branded Outlet, or any of the inventory, supplies, or equipment located thereon.

SELLER may institute a line-item charge reflecting any carbon taxes, fees, assessment and similar charges or cost of compliance levied, assessed or otherwise incurred as a result of compliance with regulatory requirements by any government or instrumentality or subdivision thereof, applicable to the manufacture, sale, purchase, import, distribution, exchange, use, resale, transportation, delivery, inspection or handling of the Products sold, or proportionately upon feedstock from which Products are derived, including taxes, fees, assessment and any other cost of compliance related to the Low Carbon Fuel Standard for transportation fuels, Cap-at-the-Rack assessment, or similar governmental or regulatory requirements established by a state or federal government (collectively, the “Carbon Surcharge”). BUYER shall bear any Carbon Surcharge incurred, levied or assessed after the date of the Agreement by any government authority or regulatory authority upon the transactions provided for in the Agreement, whether or not paid directly to the government authority.

(e) Nothing in this Section shall operate or be construed as the waiver by SELLER of any legal or equitable remedy to which they are entitled as a result of BUYER's failure to pay any amount when due. No failure on the part of SELLER to exercise any rights or remedies upon BUYER's failure to make timely payment of any amount due and owing shall be construed as a waiver of those rights in the event of any subsequent failure.

3.4 Delivery.

(a) SELLER shall not be required or obligated to make any delivery outside of its usual business hours or in any quantity which would exceed maximum load weights permitted by law. Except as set forth in Section 3.4(b), deliveries of Products shall be made f.o.b. the terminal(s) listed at Exhibit A, as amended from time to time;

Title to, and risk of loss, of all Products delivered at terminal(s) shall pass to BUYER when such Products pass the inlet flange on the transport trucks of BUYER or BUYER's common carrier, except that SELLER shall retain title to any vapors or condensate recovered during delivery. Title to and risk of loss of products other than the Products shall pass to BUYER when such products are loaded for delivery at the point of origin.

(b) Deliveries of all Products delivered to BUYER, directly or through hired common carrier, shall be made, and title to and risk of loss of such Products shall pass to BUYER, as the Product enters BUYER's storage tanks. Transportation arranged for BUYER shall be at BUYER's cost and shall not affect title and risk of loss.

(c) SELLER shall have no obligation to deliver Products to BUYER at any terminal unless BUYER, its agents, and its carriers have entered into, and are in compliance with, agreements with the terminal operator governing access to the terminal.

(d) The place of delivery of any Product(s) may be changed by giving BUYER at least fifteen (15) days prior written notice, or such lesser time as is reasonable under the circumstances, in which case the new supply terminal shall be added to Exhibit A where appropriate and the no longer available supply terminal shall be deleted. If a Product is discontinued at the only terminal for such Product and a different terminal is not designated for that Product, then both SELLER and BUYER shall be relieved of any further obligation hereunder with respect to that Product.

3.5 Warranty. SELLER warrants good title to all Products supplied hereunder at the time of delivery to BUYER, and that each Product supplied hereunder shall comply with all applicable federal, state and local rules and regulations in effect at the time and place title thereto passes to BUYER.

SELLER DISCLAIMS ANY AND ALL OTHER WARRANTIES AND REPRESENTATIONS WITH RESPECT TO THE PERFORMANCE OR QUALITY OF PRODUCTS SUPPLIED HEREUNDER INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR BUYER'S PARTICULAR OR INTENDED PURPOSES OR USAGE. FURTHERMORE, UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE FOR INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, WHETHER UNDER WARRANTY, TORT, CONTRACT, STRICT LIABILITY, OR OTHERWISE.

3.6 Safety and Health. BUYER has received Material Safety Data Sheets (a/k/a Safety Data Sheets) and other information about the safety and health aspects of Products, shall communicate this information to its employees, agents, carriers and customers, and shall require them to further communicate this information. Material Safety Data Sheets (MSDS) for Products are also available at the following Internet address: <https://www.marathonpetroleum.com/Operations/Retail/Safety-Data-Sheets/> or such other address as may be designated from time to time.

3.7 Audit Rights. To verify BUYER's performance under this Agreement and any related agreements, or in furtherance of compliance and quality assurance programs instituted and amended by SELLER from time to time:

(a) BUYER will cooperate fully and completely with audits and inspections conducted by SELLER from time to time. SELLER shall have the right to audit records pertaining to this Agreement in the possession or control of BUYER, inspect the Branded Outlets, inspect and copy each Branded Outlet's daily inventory control and reconciliation records, conduct audits of dispensers and meter readings, and obtain and remove samples of Products taken from underground tanks, dispensers or other components of each Branded Outlet's motor fuel delivery system. SELLER may delegate the conduct of such audits to a third-party designee.

(b) BUYER will ensure that each Operator cooperates fully and completely with such audits and inspections. SELLER will have the right to enter and inspect the facilities at any Branded Outlet operated by the Operator, sample Products stored in underground tanks or located elsewhere in equipment within the possession or control of the Operator, and inspect the books, records, daily inventory control and reconciliation records, and meter readings of the Operator relating to operation of any Branded Outlet operated by the Operator, wherever such books, records and readings are located.

3.8 Electronic Communication.

(a) BUYER agrees that all Branded Outlets operated by BUYER, and by any Operator, will be and remain, during the Term, equipped with hardware and software, including upgrades, as necessary for e-mail capability and access to the Internet, so that SELLER may communicate and exchange business transaction and other information via SELLER's my MPC community portal or other designated means or portal established by SELLER in replacement thereof.

(b) BUYER consents to the receipt of notices, advertisements, announcements, brochures and other information pursuant to or relating to this Agreement via facsimile, telephone, e-mail and other modes of electronic communication. BUYER further agrees that electronic signature methods are valid means of executing this Agreement as well as any other related agreements between BUYER and SELLER.

4. ALLOCATION OF RISK

4.1 Supply Shortage.

(a) Any term or provision of this Agreement to the contrary notwithstanding, if SELLER anticipates a shortage of Products, crude oil, raw materials, fuels, or refining capacity, from whatever cause, and regardless of whether such shortage is anticipated to affect its own or its other regular sources of supply, or supply in the industry generally, which in its sole discretion determines will require a limitation generally on the type or quantities of Products to be supplied hereunder, or if such a limitation is recommended or imposed by any governmental authority, whether or not ultimately held to be valid, SELLER may implement a plan, formula or method to reduce demand for Products, allocate supply of Products among BUYER and its other customers, or both.

(b) SELLER will not be required to make up Product volumes not supplied to BUYER as a result of, and are not liable to BUYER for damages, losses, freight or other costs or expenses incurred by BUYER in connection with, a plan, formula or method instituted pursuant to Section 4.1(a).

(c) In any month in which measures pursuant to Section 4.1(a) are implemented, the Exhibit A Volume will apply only on a pro rata basis to those days of the month in which the allocation is not in

effect. The Exhibit A Volume in any month following the month in which such measures cease shall be as provided in this Agreement.

4.2 Force Majeure.

SELLER will be excused from delay or nonperformance if they are unable to meet the demand for Products at their usual distribution points, for reasons including a refinery turnaround, unavailability of Products or an element or component necessary in the production or delivery of Products, unavailability of or interference with usual sources of Products or crude oils or other constituent materials, or the usual means of transporting any of the same. SELLER or BUYER will be excused from their respective obligations under this Agreement to the extent that performance of any obligation is delayed or prevented by circumstances beyond the non-performing party's reasonable control, including the following: acts of God, acts of federal, state or local governments or agencies, compliance with requests, recommendations, laws or orders of any governmental authority or any instrumentality thereof, fire, explosion, mechanical breakdown, strikes, plant slow down or shutdown, riots or other civil disturbances ("Event of Force Majeure"). Promptly upon an Event of Force Majeure that will materially delay or prevent performance of a party, the party experiencing the Event of Force Majeure shall give notice to the other party specifying the nature of the Event of Force Majeure and the expected time that it will continue. Neither party shall be relieved of any obligation to pay any sums due on the basis of an Event of Force Majeure. If, due to any of the foregoing reasons, there should be a shortage of any Product from any source, SELLER shall not be obligated to purchase supplies from any other than their usual sources or to divert supplies in order to perform this Agreement and may allocate available supplies in their sole discretion among their customers and internal uses in any manner they find reasonable.

4.3 Indemnification.

To the fullest extent authorized under applicable law, except to the extent of SELLER's sole negligence, SELLER's willful misconduct, or SELLER's breach of this Agreement, BUYER agrees to indemnify, defend and hold harmless SELLER (including its directors, officers, agents and employees) from and against any and all claims, actions, liabilities, losses, costs and expenses (including reasonable attorneys' fees and expert witness fees) for or involving any property damage, personal injury, bodily injury, death, remediation or clean-up, fines, penalties, taxes, business interruption, or any other cause of action or claim of every nature or kind whatsoever, in any way arising out of or incident to or related to BUYER's purchase of Products under this Agreement, BUYER's and its Operators' participation in and usage of the websites and mobile applications associated with SELLER's loyalty programs (including Marathon ARCO Rewards), or BUYER's sale or consignment of Products to any Branded Outlet, including, but not by way of limitation, any and all claims arising out of or based on (i) any breach by BUYER of any provision of this Agreement or of any duty owed by BUYER to SELLER or to the public, (ii) BUYER's purchase, storage, use, sale, transportation, loading or unloading, delivery, or disposal of Products, including any claims in any way arising out of BUYER's or BUYER's agents, servants, employees, Operators, contractors, or carriers entering, leaving or being upon SELLER's premises (SELLER's premises as used herein shall mean any delivery point or any location where Products are made available to BUYER under this Agreement), (iii) any violation of any federal, state or local regulations, by BUYER or its agents, servants, workmen, employees, Operators, contractors, or carriers, (iv) any cleanup, remediation, or damages caused in whole or in part by any release or discharge of Products (or other pollutant or hazardous substance) by BUYER, or BUYER's agents, servants, employees, Operators, carriers, or contractors, (v) the use or occupancy of BUYER's Branded Outlet or a Branded Outlet, (vi) BUYER's or an Operator's operation of its business or the use, custody or operation of equipment owned by SELLER, or any other equipment, or BUYER's or its Operators' failure to perform any obligations hereunder, including but not limited to the obligations set forth in 5.5(c); (vii) any sale or consignment of Products to any Branded Outlet (including any dispute related to the terms of sale (e.g., price) or the condition, quantity, or quality of the Products sold), (viii) BUYER's breach of or

failure to perform any contractual or other duty owed to an Operator or to any third person, (ix) any intentional or unintentional violation by BUYER of any legal duty, obligation, or requirement applicable to BUYER's business, BUYER's Branded Outlet, BUYER's storage, transportation, or sale of Products, or the disclosure or warning of risks associated with Products at BUYER's Branded Outlet or any Branded Outlet, (x) for any fines, penalties, damages, claims or assessments incurred by SELLER as a result of any violation or alleged violation of PCI DSS or any other applicable laws, rules and regulations pertaining to data privacy, Transaction Cards, or credit card security by BUYER or any Operator, (xi) BUYER's or its Operators' misuse of any trademarked or other intellectual property belonging to a third party in connection with inclusion of any offers in SELLER's Marathon ARCO Rewards loyalty program, or (xii) BUYER's or its Operators' violation of any law in connection with their use of the Marathon ARCO Rewards loyalty program websites and applications. To the extent that BUYER may be immune from any liability under or by virtue of any applicable industrial insurance or workers' compensation statute, BUYER agrees to waive such immunity to the extent such immunity would otherwise extend to its defense and indemnification obligations under this Agreement. The provisions of this Paragraph shall survive the termination or expiration of this Agreement.

4.4 Notice of Claim and Limitations on BUYER's Claims.

BUYER shall notify SELLER in writing of the exact nature of any nonconformity in the type, quantity, quality, or price of any Products delivered to or purchased by BUYER under this Agreement within thirty (30) calendar days after taking delivery of the Products. BUYER hereby waives any claim based on any such nonconformity, including any product defect, of which BUYER does not so notify SELLER. Should BUYER claim that any Product sold was in any way defective, BUYER shall promptly furnish samples of the Product claimed to be defective, but SELLER shall have the right to take its own samples, and BUYER shall preserve an adequate quantity of the Product for a reasonable period of time to allow SELLER to take such samples. In any event, SELLER shall not be liable for any claim in excess of the purchase price of the Product or for any special, indirect, incidental, or consequential damages of any kind, whether based in contract, tort (including negligence or strict liability), warranty or otherwise. Every notice of claim shall set forth fully the facts on which the claim is based.

4.5 Insurance.

Without limiting in any way BUYER's obligations and liabilities under this Agreement, BUYER shall procure and maintain at its expense, for the duration of the Term, the following insurance policies:

(a) Worker's Compensation and Employer's Liability covering the employees of BUYER for all compensation and other benefits required of BUYER by the Worker's Compensation law or other statutory insurance laws in the state having jurisdiction over such employees and the location of their employment with BUYER. Employer's Liability Insurance shall have limits of not less than Five Hundred Thousand Dollars (\$500,000) per occurrence. The Workers' Compensation and Employer's Liability policies shall provide that all rights of subrogation against SELLER and its affiliates are waived when permitted by law.

(b) General Liability Insurance, including contractual liability, XCU (explosion, collapse and underground) hazards, premises and completed operations, and products liability, to cover liability for bodily injury and property damage, with a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence.

(c) Insurance for BUYER's garagekeeper's legal liability for property under BUYER's care, custody and control, where BUYER operates repair or lubrication bays at Branded Outlets, including coverage for fire, theft, or collision of automobiles, and including vandalism and malicious mischief with such insurance having limits of not less than One Hundred Thousand Dollars (\$100,000); and

(d) Automobile Liability Insurance covering bodily injury including death, and property damage for the operation of owned, hired, or otherwise operated non-owned automotive equipment used in performance of the business of BUYER, with a single limit of not less than One Million Dollars (\$1,000,000).

BUYER's insurance under Sections 4.5(b), (c), and (d) shall be endorsed to include SELLER as an additional insured with respect to liability arising out of BUYER's operations or any premises owned or leased by BUYER. BUYER shall furnish SELLER with certificates of insurance which document that all coverages and endorsements required by this Section 4.5 have been obtained. Renewal certificates shall be obtained by BUYER as and when necessary, and copies thereof shall be forwarded to SELLER as soon as same are available and in any event prior to the expiration of the policy so renewed. These certificates shall provide that the insurer shall give thirty (30) days written notice to SELLER prior to change or cancellation of any policy. In no event shall SELLER's acceptance of an insurance certificate that does not comply with this Section 4.5 constitute a waiver of any requirement of this Section 4.5.

5. USING, PROTECTING THE MARKS

5.1 Grant of License.

(a) Upon and subject to the terms and conditions of this Agreement, SELLER grants to BUYER the non-exclusive and limited right to use the Marks in connection with the advertising, distribution, and resale of Products at the Branded Outlets owned, operated or supplied by BUYER, while this Agreement remains in effect. BUYER will use the Marks in strict accordance with this Agreement.

(b) Upon and subject to the terms and conditions of this Agreement generally and, specifically, the following, SELLER consents to BUYER's grant of use of the Marks to Operators for use, in strict accordance with this Agreement, in connection with the advertising and resale of Products at Branded Outlets operated by Operators, while this Agreement remains in effect:

(1) BUYER represents that each Operator as of the date of this Agreement has been identified and disclosed to SELLER. BUYER agrees to disclose to SELLER, and obtain SELLER's prior approval of, any other party to whom BUYER desires to sublicense the Marks during the Term.

(2) SELLER has the right, and not the obligation, to approve the grant of use of the Marks to any Operator. SELLER will not unreasonably withhold its approval, but BUYER agrees that in making its decision to approve an Operator, SELLER may consider all factors relevant to the protection of SELLER's rights to, and preservation of the brand value of, the Marks including, but not limited to:

(i) the location, appearance, operations, volumes, canopies, dispensers, payment card readers and other improvements, facilities or equipment of any retail location(s) that will become Branded Outlets;

(ii) the then-current image and identification standards for the Brand proposed for the location;

(iii) SELLER's marketing strategies and development plans; and

(iv) Geographic density.

BUYER agrees not to enter into any agreement, relationship or arrangement for the supply of Products

to, or the use of the Marks by, any third party until SELLER has approved the third party as an Operator.

(c) SELLER's approval notwithstanding, Exhibit B shall not list, add, or be amended with respect to add any Branded Outlet of any Operator unless BUYER shall have delivered to the Operator copies of SELLER's then-current Retail Payments Guide, the then-current image and identification standards for the Brand proposed for the location, and SELLER's then-current appearance and customer service objectives and expectations for Branded Outlets. BUYER may deliver the above-referenced information to Operator by referring Operator to an appropriate web site where the above-referenced information has been posted by SELLER.

5.2 Rights and Benefits Derivative.

BUYER acknowledges that all of its rights to display, use and sublicense the Marks are derived from this Agreement, and that BUYER's use and the use by Operators of the Marks shall inure fully to the benefit of SELLER. BUYER acknowledges that the Marks are a valuable and important property right of SELLER and BUYER agrees to refrain, and to cause the Operators to refrain from any action to infringe upon or dilute SELLER's rights to the Marks.

5.3 Limitations on Scope of License.

No right to use any variant of the Marks is granted under this Agreement. Neither BUYER nor any Operator shall use any of the Marks as part of a company name, or the name of any subsidiary now existing or acquired later. Neither BUYER nor any Operator shall use any of the Marks in connection with any advertisement or other display that, in SELLER's sole judgment, is likely to cause confusion as to the ownership of the Marks or reflects unfavorably upon SELLER's reputation, business, or any of their Brands. **SELLER has the exclusive right to determine which Marks will be available to each Branded Outlet, and the manner in which the Marks will be used or displayed at each Branded Outlet.**

5.4 Image and Identification Standards.

While this Agreement remains in effect, BUYER agrees to:

(a) use, and to cause the Operators to use, the Marks in strict compliance with this Agreement and the image and identification standards established from time to time by SELLER for the Marks. BUYER acknowledges that BUYER has received, read, and understands SELLER's image and identification standards for the Marks, as published via SELLER's web portals for branded jobbers, which is currently located at: www.myMPCcommunity.com. SELLER reserves the right to change, from time to time, all or part of its image and identification standards, effective ten (10) days after written notice of the changes is given to BUYER.

(b) cause the Branded Outlets and the Operators to store only Products in Branded Outlet storage tanks and receptacles, dispense only Products from Branded Outlet dispensers, refrain from the dilution, adulteration, mixture or blending of Products with any other product or substance, whether supplied by SELLER or another party, and otherwise to refrain from the commingling of Products with other petroleum products, whether branded or unbranded, including but not limited to SELLER's unbranded petroleum products.

The Parties agree that only the Brand of Products identified in Exhibit B as approved for sale at each Branded Outlet may be sold to the public at Branded Outlets, unless required by law or by written approval of SELLER. The Parties further agree that the adulteration of Products, the misbranding as Products of petroleum products from a source other than SELLER, the sale of a Brand of Product other than the Brand approved for sale at the Branded Outlet as set forth on Exhibit B, or the misbranding of unbranded gasoline as Products at any Branded Outlet, constitutes grounds for termination or non-renewal of this Agreement under the PMPA. If gasoline or diesel products other than the Products are

allowed to be sold at a Branded Outlet, all such products must (i) be clearly identified to SELLER's sole satisfaction as NOT being SELLER branded Products and, (ii) unless otherwise allowed by law, be sold out of dispensers not located under a branded canopy.

(c) notify SELLER and take immediate corrective action upon discovery of any Product commingling, adulteration, dilution, mixing, blending, or misbranding, regardless of source, and regardless of whether discovered by BUYER, SELLER or an Operator.

5.5 BUYER Property and Websites.

(a) BUYER may use the Marks, in strict compliance with this Agreement and the identification standards established from time to time by SELLER for the Marks, in conjunction with BUYER's websites, business forms, advertising materials, vehicles and other property related to the advertising, distribution or sale of Products, provided BUYER is clearly identified as a "jobber" or otherwise as a distributor of Products in connection with such use. SELLER has the right to approve any such use of the Marks in advance and revoke its approval at any time and for any reason.

(b) In connection with transporting and delivering Products to Branded Outlets, BUYER may use a transport, delivery vehicle or tankwagon which does not carry the Marks; provided that, other than the trademark, trade name, logotype, or other identification of BUYER, such vehicle shall not bear the trademark, trade name or other identification of any other gasoline or related products refiner, marketer or distributor.

(c) Site Approval and Marks Revocation; De-Branding. SELLER will have the right to revoke its prior approval identifying Branded Outlet if the site no longer conforms to or fails to conform to: the terms or conditions of this Agreement and related agreements; SELLER's then current image programs or standards (both operational and visual), as amended from time to time. BUYER agrees that its right to use the Marks under this Agreement will be subject to SELLER's then-current retail marketing strategies and development plans, as amended from time to time. SELLER may, but is not obligated to, give conditional approval to display the Marks before all standards are implemented at a Branded Outlet. In such event, SELLER will have the right to revoke its prior approval or any conditional approval identifying a Branded Outlet if after six months from such conditional approval, the site is not fully identified with approved Marks or sites are not equipped with required equipment. If SELLER revokes its approval to use the Marks at any Branded Outlet, BUYER will immediately cease using or displaying, or cause its Operator to cease using or displaying the Marks at that location, including obliterating the Marks such that a reasonable consumer would not be misled as to the identity, brand and origination of the products being sold at such location. BUYER agrees to bear the full costs associated with causing its Operators to cease using or displaying the Marks, and to fully reimburse SELLER in the event that SELLER incurs costs and expenses, including attorneys' fees, in association with causing BUYER and BUYER's Operators to cease using or displaying the Marks. SELLER will also have the right, at any time and for any reason, to revoke its prior approval to use certain or all of its Marks at certain or all Branded Outlets (or at certain locations at an approved Branded Outlet) and, where applicable and in its sole discretion, to substitute any other Marks in their place.

5.6 Signs.

(a) SELLER may, but is not obligated to, provide to BUYER and the Operators, for use on buildings, dispensers, canopies, valance skirts, and other equipment at Branded Outlets, such Brand Signage and related items bearing the Marks as SELLER deems necessary, and on such terms and conditions as SELLER may establish from time to time. BUYER will locate and display all Brand Signage at the Branded Outlets in compliance with SELLER's image and identification standards for branded retail outlets then in effect and as amended from time to time.

(b) Unless otherwise agreed in writing by SELLER and BUYER, any Brand Signage provided by SELLER to BUYER or an Operator at any time shall be and shall remain the property of BUYER. BUYER shall not relocate any Brand Signage furnished by SELLER from one Branded Outlet to another, or to any other retail location, without SELLER's prior written consent.

(c) BUYER shall be responsible for all of the costs and expenses of maintenance and operation of all Brand Signage. BUYER agrees to keep, and to cause each Operator to keep, all Brand Signage in good repair and condition at all times.

(d) Prior to the sale, lease or other disposition of a Branded Outlet upon which Brand Signage owned by SELLER (if any) is located, BUYER will, or will cause the Operator of the Branded Outlet to inform the other party to such transaction of SELLER's ownership thereof.

5.7 Use of Confidential Information.

SELLER may make available to BUYER certain Confidential Information. BUYER shall not use the Confidential Information for any purpose other than the performance of BUYER's obligations under this Agreement. BUYER agrees that it shall return all Confidential Information to SELLER after termination of this Agreement, and agrees further that during the Term, BUYER shall not disclose or provide any Confidential Information to third parties and shall take precautions to guard against the inappropriate disclosure of Confidential Information to third parties by BUYER's officers, directors, employees, agents, and representatives.

5.8 Change of Brand.

In addition to the provisions of Section 5.4 concerning Image and Identification Standards, SELLER has the right, on One Hundred Eighty (180) days prior written notice, to change the Brand set forth in Exhibit B for any Branded Outlet supplied by BUYER under this Agreement. If a rebranding of a Branded Location is required under this Section 5.8, SELLER and BUYER will negotiate and agree to the terms of an incentive program applicable to such rebrand.

5.9 Nonexclusive Distributor.

BUYER is a nonexclusive distributor of the Products specified in this Agreement. BUYER's right to sell any Product and BUYER's right under this Agreement to use or further grant the use of the Marks is not exclusive and BUYER has no exclusive territory. SELLER specifically reserves, without limitation, the unqualified right to sell and distribute the Products and other branded products and to directly compete with BUYER and Branded Outlets and to establish, either directly or through other jobbers, wholesalers and distributors, gasoline outlets and facilities, whether using the Marks, other brands or no brand.

5.10 Independent Business Relationship.

This Agreement does not establish a partnership, joint venture, or fiduciary relationship between the Parties. BUYER is, and at all times shall remain, an independent contractor, and shall not make any representations or take any action which might establish any actual or apparent agency, joint venture, partnership, or employment relationship with SELLER, and SELLER shall not be obligated in any manner by any agreements, warranties, or representations made by BUYER to third parties. Nothing in this Agreement shall be construed as reserving to SELLER any right to exercise any control over, or to direct in any respect the conduct or management of BUYER's or its Operators' businesses or operations related to this Agreement.

6. PRESERVING BRAND VALUE

6.1 Appearance and Customer Satisfaction.

BUYER acknowledges that the appearance of and customer experience at every Branded Outlet reflects on the good will value of SELLER and the Brands to every customer, and are essential to the reputation of the Marks, Brands and Products. BUYER accordingly agrees, and agrees to cause the Operators, while this Agreement remains in effect, to comply with all of the following, as well as those requirements set forth for each specific Brand which can be found at: www.myMPCcommunity.com.

(a) fulfill, at each Branded Outlet, the appearance and customer service objectives and expectations established from time to time by SELLER for its branded outlets, including those set forth in Section 6.2, below;

(b) refrain from use, and from allowing the use, of any Branded Outlet for sale, use, storage, rent, display, or offering of:

(1) illegal gambling, illegal gaming, or any gaming that, in SELLER's sole judgment, may constitute an unlawful activity, regardless of whether such sale, use, storage, rent, display or offering is lawful, including without limitation, such activities at a facility that may be confused by the consuming public as associated with the Branded Outlet;

(2) scheduled or controlled substances, illegal drugs and any item that, in SELLER's sole judgment, would have the potential to negatively impact its brand reputation or is analogous to a scheduled or controlled substance, regardless of its labeling and regardless of whether its sale, use or distribution is lawful, including but not limited to, substances known or marketed as synthetic drugs, "spice", "herbal incense", "K2", "bath salts" or the like; and

(c) refrain from charging unlawful prices for Products sold during a declared or undeclared crisis or emergency; and

(d) train employees and establish and enforce reasonable controls, procedures and safeguards for the detection and prevention at the Branded Outlets of:

(1) skimming, identity theft, and other forms of fraud involving the use of Transaction Cards; and

(2) the sale of tobacco or alcohol content products, and any other age-restricted products, to underage customers.

For the avoidance of doubt, the appearance and customer service objectives and expectations of SELLER in effect on the date of this Agreement are represented by the requirements of this Agreement and by "mystery shop" assessments conducted pursuant to SELLER's then-existing guidelines, including as set forth in the then-current "Customer First Improvement Program" or any similar program then in effect for each Brand. SELLER reserves the right to change, from time to time during the Term, the appearance and customer service objectives and expectations, to change the terms and conditions of, and manner of implementing the "Customer First Improvement Program" guide or any similar guide (as well as all "mystery shop" assessments), to discontinue the "Customer First Improvement Program", and to institute other programs and assessment methods in furtherance of SELLER's appearance and customer service objectives and expectations, provided that such changes shall be applicable to all members of SELLER's branded jobber class of trade.

6.2 Operation of Branded Outlets.

BUYER shall at all times operate, or cause the Operators to operate, each Branded Outlet in accordance with the standards of operation and appearance which SELLER may from time to time specify to protect SELLER's goodwill and the value of the Marks and Brands, which can be found at: www.myMPCcommunity.com. In the absence of any other written specification or standard to the contrary which may be issued by SELLER, BUYER shall at all times operate, or cause the Operators to operate, each Branded Outlet in accordance with at least the following standards of operation and appearance, but the means and manner of performance shall be within the sole discretion of BUYER or its Operators. See www.myMPCcommunity.com for a complete list of Brand-specific standards.

(a) Merchandising. Branded Outlets shall not display or offer merchandise or paraphernalia, which SELLER, in its sole discretion, deems morally offensive or distasteful to the general public.

(b) Service Work. All service work, if any, shall be done in such a manner as not to disparage the Marks or the goodwill of the Brand or Marks.

(c) Customer Complaints. BUYER or its Operator shall conduct the operations of the Branded Outlet in a professional and business-like manner in order to avoid customer complaints. BUYER and the Operator shall, within ten (10) days, courteously respond to any customer complaints received.

(d) Maintenance - Housekeeping. Branded Outlets and equipment (including adjacent sidewalks and driveways, easements and all landscaped areas) shall be maintained in good condition and repair.

(e) Lighting. Sufficient lighting and illuminated signs to provide full visibility of the Branded Outlet, including enclosed areas, at all times while open for operation shall be used.

(f) Signs. In no event shall signs, posters and other obstructions be placed in a position which would block any view of the Marks.

(g) Image. Branded Outlets shall be maintained in compliance with the trademark and trade dress requirements provided by SELLER, and which SELLER may change from time to time. Within one hundred eighty (180) days after execution of this Agreement, BUYER agrees that all Branded Outlets shall have at BUYER's expense, completed all renovations, improvements, or upgrades necessary to conform to and comply with the then current trademark and trade dress standards and specifications provided by SELLER.

(h) Reputation; Publicity. BUYER and its Operators must at all times operate Branded Outlets in a manner that promotes the favorable reputation of SELLER, the Marks, the Products and the Brands. If, in SELLER's sole judgment, a Branded Outlet gains a negative reputation or generates negative publicity in the general or social media for reasons including, but not limited to, excessive instances of customer fraud, multiple instances of skimmers discovered on dispensers, loitering, crimes against persons or property, unsafe conditions, discrimination and other situations likely to impact the reputation and goodwill of SELLER, SELLER reserves the right to require the de-branding of such Branded Outlet in accordance with Section 7 of this Agreement.

6.3 Assessments.

BUYER acknowledges that BUYER has received, read and understands, and will ensure that each Operator has received, read and understands SELLER's "Customer First Improvement Program" guide, as such guide may be amended from time to time, or the analogous guide associated with Brands being offered to BUYER (each an "Assessment Guide"). If a "mystery shop" or other assessment of a Branded

Outlet indicates that SELLER's appearance and customer service objectives and expectations are not being fulfilled at a Branded Outlet, BUYER agrees to promptly take, or to cause the Operator of the Branded Outlet to take, any corrective measures recommended by SELLER and reasonably related to the improvement of customer service at, or the appearance of, the Branded Outlet. BUYER agrees that the failure of any Branded Outlet to achieve a satisfactory score on "mystery shop" or other assessments of the Branded Outlet due to causes reasonably related to the improvement of appearance or customer satisfaction at the Branded Outlet, as described further in the applicable Assessment Guide, is a failure to fulfill SELLER's appearance and customer service objectives and expectations for the Brand. SELLER reserves the right to charge BUYER for all or a portion of the cost incurred in conducting any "mystery shop" or other assessments, including the cost of follow-up compliance assessments to evaluate cure actions, at the Branded Outlets, as set forth in the Assessment Guides.

6.4 Care and Handling of Products; Product Quality Assurance.

BUYER acknowledges that the quality of the Products at every one of the Branded Outlets reflects on the goodwill value of the Brands, and are essential to the reputation of SELLER, the Marks, the Products and the Brands. BUYER accordingly agrees, and shall cause each Operator, to:

(a) establish, for the Branded Outlets, procedures for the routine inspection and sampling of above ground and underground storage tanks (including, but not limited, to fill caps and gaskets) and dispenser filters, to detect the presence of excessive water or sediment levels, microbiological growth, equipment damage, or other potential causes of Product contamination;

(b) take immediate corrective action upon discovery of any defective Products at a Branded Outlet, regardless of cause, and regardless of whether discovered by BUYER, SELLER, or an Operator, and discontinue the sale of defective Products immediately upon discovery;

(c) refrain from the sale of Products which do not comply with applicable Reid Vapor Pressure, oxygenated gasoline, low-sulfur diesel, and reformulated gasoline standards;

(d) comply with all applicable laws, regulations and ordinances (1) relating to the storage, transportation, dispensing, and sale of the Products; or (2) otherwise relevant to the operation of motor fuel retail outlets;

(e) keep all dispensers, dispenser filters, pumps, nozzles, tanks (including but not limited to fill caps and gaskets), hoses, Stage II Vapor Recovery equipment (where applicable) and other equipment designed and intended for the storage, dispensing, and sale of the Products clean and in good working condition at all times;

(f) periodically train BUYER employees and Operator employees in handling, sampling, and oversight for "Reid Vapor Pressure", oxygenated gasoline, low-sulfur diesel, and reformulated gasoline standards compliance; and

(g) to take, or to cause the Operator of a Branded Outlet to take, any corrective measures recommended by SELLER and reasonably related to the cure of non-compliance with product quality assurance expectations at the Branded Outlet.

The product quality assurance expectations of SELLER in effect on the date of this Agreement are represented by the requirements of this Agreement and by SELLER's "Product Quality Assurance Program" guide, as may be amended from time to time. From time to time during the Term, SELLER reserves the right to change its product quality assurance expectations, to change the terms and conditions of, and manner of implementing the "Product Quality Assurance Program" (including, but not limited to, reviews of the Branded Outlets conducted in connection with such product quality assurance

expectations), to discontinue the “Product Quality Assurance Program”, and to institute other programs and review methods in furtherance of SELLER’s product quality assurance expectations.

6.5 Transaction Cards.

(a) If SELLER elects to issue its own or accept specified third party credit cards, debit cards, fleet cards, credit identifications, or other transaction authorization cards, including electronic or mobile, virtual or biometric payment methods in the marketing area in which Branded Outlets are located, BUYER shall honor, and shall cause the Operators to honor, all such Transaction Cards at all Branded Outlets, and account for all such transactions, in strict compliance with the provisions of this Agreement, the issuers of any such Transaction Cards and any Transaction Card procedures and requirements furnished to BUYER included in the then current guidance provided or made available to BUYER for use of BUYER and the Operators and pertaining to the specific Brand authorized by SELLER for use at each Branded Outlet, as amended from time to time (“Retail Payments Guide”). BUYER acknowledges and agrees that there may be one Retail Payments Guide applicable to Branded Outlets operated under the MARATHON® Brand, and a separate Retail Payments Guide applicable to Branded Outlets operated under the ARCO® Brand, and a separate Retail Payments Guide applicable to Branded Outlets operated under the TESORO® Brand. SELLER shall accept from BUYER all authorized invoices or transactions based on Transaction Cards, and, at SELLER’s option, shall pay the amount of the invoice or transaction to BUYER by check, credit the amount to BUYER’s bank account electronically or set off the amount against BUYER’s account, in each case after deducting any service charge to BUYER in effect under the then current Retail Payments Guide. For each invoice or transaction or portion thereof which is not authorized, which is for any reason disputed by the customer, or which is otherwise subject to chargeback by the issuer or under the Retail Payments Guide, SELLER may either charge the invoice or amount to BUYER’s account or require BUYER to make immediate refund of the invoice amount, including refund by draft or EFT or other electronic or digital means initiated by SELLER without deduction for any service charge previously earned thereon by SELLER. SELLER may at its option and without limitation of any other rights or remedies available to it under the Agreement or otherwise, limit or cancel the right of BUYER or any Operator to participate in the program for Transaction Cards. BUYER (i) acknowledges that the Retail Payments Guide and any revision thereof have been made available to BUYER, and (ii) shall comply with SELLER’s procedures as set forth in the Retail Payments Guide and in any future revision thereof. SELLER may also, without limitation of any other rights or remedies available to it under this Agreement or otherwise, charge and collect from BUYER any and all fines or fees referenced in the Retail Payments Guide. BUYER shall be responsible for and shall not be paid for any chargebacks, regardless of fault. BUYER shall be responsible for compliance and shall ensure compliance at all Branded Outlets with all applicable Payment Card Industry Data Security Standards (“PCI DSS”) and any other applicable laws, rules and regulations pertaining to any Transaction Card and credit card security, as further set forth in the Retail Payments Guide.

(b) Point of Sale Equipment and Software. SELLER may issue, amend, or otherwise modify certain policies or requirements pertaining to BUYER’s and the Operators’ acceptance of Transaction Cards or payment methods. BUYER agrees to comply with such policies or requirements as may be issued or modified. Without limitation, such policies or requirements may require BUYER to purchase, lease and install at all Branded Outlets approved electronic point-of sale equipment, hardware, and software, and to comply with all rules or requirements that may be issued by an approved third-party processor. SELLER may sell, loan, or license to BUYER and the Operators certain POS software or hardware, and, in such event, BUYER acknowledges, and shall cause the Operators to acknowledge, that BUYER and the Operators shall have no right, title or ownership interest in any such POS software or hardware, that such software and hardware is proprietary, and that BUYER and the Operators shall not reverse engineer, decompile, disassemble or otherwise attempt to derive the source code for such POS software or hardware, or in any way alter its intended functionality. BUYER agrees to pay additional costs or fees associated with the purchase, loan, operation of the POS equipment or software by BUYER or Operators, including but not limited to, the price of the equipment, costs associated with

satellite connections, telecommunications charges, and installation and upgrading of POS equipment or software. BUYER shall be responsible for repair and maintenance of such equipment and software. SELLER may provide managed network services at BUYER's expense. BUYER shall ensure access to all Branded Outlets for such services.

(c) BUYER acknowledges that (1) BUYER has received, read and understands the Retail Payments Guide(s) in effect on the date of this Agreement; and (2) current versions of the Retail Payments Guides are accessible in electronic form via SELLER's Marketing portal (the my MPC community portal) or another such portal as may be developed from time to time. SELLER reserves the right to revise or consolidate the Retail Payments Guides from time to time.

(d) BUYER will ensure that each of BUYER's Operators receives, reads and understands these rules, regulations, requirements and procedures for accepting and processing Transaction Card receipts in effect from time to time and set forth in the applicable Retail Payments Guides.

(e) BUYER WILL USE, AND WILL ENSURE THAT EACH OPERATOR USES:

(1) POINT OF SALE EQUIPMENT AND ASSOCIATED SOFTWARE THAT HAVE BEEN CERTIFIED BY SELLER FOR ELECTRONICALLY SUBMITTING RECEIPTS FOR TRANSACTION CARD SALES TRANSACTIONS TO SELLER'S PROPRIETARY PAYMENT CARD SYSTEM; AND,

(2) SELLER'S PROPRIETARY PAYMENT CARD SYSTEM FOR THE PROCESSING RECEIPTS FOR ALL TRANSACTION CARD TRANSACTIONS AT ALL BRANDED OUTLETS.

SELLER may from time to time provide software updates for use with certified point of sale equipment. BUYER will install, and ensure that each Operator installs, such updates in a timely manner.

(f) BUYER acknowledges and agrees that fraud resulting from theft, copying, skimming or other compromise of the security and privacy of electronic information contained in Transaction Cards processed at any of the Branded Outlets reflect negatively on SELLER, the Marks, the Brands and the reputation of the Products, such that prevention thereof is reasonable and of material significance to the relationship between the Parties.

(g) BUYER agrees that SELLER shall have the right, but not the obligation, to withhold amounts due under this Agreement to BUYER and its Operators for Transaction Card receipts and apply such amounts toward the payment of any indebtedness owed by BUYER to SELLER or its subsidiaries.

(h) BUYER agrees to accept any and all gift cards offered by SELLER from time to time, regardless of the Brand displayed on such gift cards and regardless of whether such gift card is formatted as plastic, paper, electronic, virtual, biometric or otherwise.

(i) BUYER agrees to notify SELLER within twenty-four (24) hours of discovering any security compromise impacting Transaction Card Data as set forth in the Retail Payments Guide.

7. TERMINATION, NONRENEWAL, REVOCATION OF APPROVAL

7.1 Termination/Revocation of Approval.

(a) BUYER's use of the Marks in connection with the sale of Products from or supply of Products to Branded Outlets is subject to and governed by the PMPA. Nothing in this Agreement should be interpreted to limit in any way the right of SELLER to terminate or non-renew its relationship with BUYER for any reason authorized by the PMPA. SELLER's right to terminate or non-renew its

relationship with BUYER under the PMPA shall be in addition to any and all other rights and remedies otherwise available to it under this Agreement or otherwise.

(b) SELLER has the right to revoke its approval of the use of the Marks and Brand Signage at any Branded Outlet that is not in compliance with (i) the terms and conditions of this Agreement relating to the use of the Marks and Brand Signage, (ii) SELLER's then current image and identification standards, or (iii) then-current appearance and customer service objectives and expectations.

(c) Revocation of SELLER approval of any Branded Outlet does not constitute a waiver, abandonment, or modification of SELLER's rights under any restrictive deed covenant associated with such Branded Outlet, nor does it constitute a termination or nonrenewal of this Agreement or the relationship between SELLER and BUYER.

(d) SELLER has the right to revoke its approval of the use of the Marks by any Operator determined by SELLER at any time during the Term as: (i) being identified on, or as having a shareholder, member, owner or group of owners of a controlling interest, director, officer, employee, agent, representative, or contractor identified on, the SDN List, or on any other such list maintained by the U.S. Government from time to time, or (ii) having terminated its contractual relationship with BUYER for the supply of Products.

(e) Abandonment; Temporary Closure. If a Branded Outlet is abandoned, not operated, ceases processing Transaction Cards on the SELLER proprietary payment card system, or is no longer supplied by BUYER, or if a sufficient amount of all applicable grades of Products are not continuously offered for sale at a Branded Outlet for seven (7) consecutive days, or such lesser period which under the facts and circumstances constitutes an unreasonable period of time, BUYER must notify SELLER, immediately de-identify the Branded Outlet, and then notify SELLER of the de-identification. If BUYER indicates that it would like to place such a Branded Outlet on "Temporary Closed" status to bring the Branded Outlet back into compliance with this Agreement, SELLER, in its sole discretion, may grant BUYER up to one hundred eighty (180) days to do so. In no event will this period last longer than one hundred and eighty (180) days. In the event a Branded Outlet goes on "Temporary Closed" status, BUYER will cover the Marks displayed at the Branded Outlet in such a way as to indicate that the location is not currently offering Products. In addition, BUYER will ensure that a Temporary Closed location is maintained in a neat and clean manner, and will prohibit the storage of motor vehicles, the accumulation of rubbish, the establishment of temporary human living encampments and all other conditions not found at an operational Branded Outlet.

(f) Unless otherwise agreed by the Parties, no termination of this Agreement or nonrenewal of the relationship between them, by mutual agreement or otherwise, shall release the obligations of the Parties under any Improvement Agreement, Master Agreement, Conversion Agreement, Branding Agreement, Rollover Agreement, Wholesaler Assistance Agreement or similar incentive agreement between the Parties, however denominated, and whenever executed.

(g) BUYER hereby acknowledges that (" ") is a stockholder, member, partner, owner, or key employee of BUYER and that the active continuing involvement of in the business affairs of BUYER is essential to the success of BUYER and the performance of BUYER's obligations under this Agreement. Accordingly, the parties agree that SELLER shall have the right, upon ninety (90) days' prior written notice to BUYER, to terminate or non-renew this Agreement in the event that any of the following events shall occur: (i) dies or becomes incapacitated; (ii) leaves the employ of BUYER or otherwise terminates his or her relationship with BUYER; (iii) divests his or her stock, membership, partnership, or ownership interest in BUYER; or (iv) the death or incapacity of any other member, partner or owner of BUYER, excluding, if BUYER is a corporation, the death or incapacity of the beneficial owner(s) of less than a majority of BUYER's voting stock. BUYER and SELLER agree that the occurrence of any one of such events is an event relevant to and is a ground for termination or non-

renewal of the relationship between SELLER and BUYER. If any of the foregoing events should occur, BUYER shall promptly provide SELLER with written notice thereof.

7.2 BUYER's Debranding Obligations.

Upon termination of this Agreement or nonrenewal of the relationship between SELLER and BUYER, or in the event of the revocation of SELLER's approval of the use of the Marks at any Branded Outlet or by any Operator, BUYER will, or will cause the Operator to, as applicable, immediately comply with SELLER's debranding guidance, including but not limited to taking the following actions:

(a) cease the use and display of the Marks and Brand Signage at any Branded Outlet that is subject to such termination, nonrenewal or revocation;

(b) remove, obliterate, or permanently paint over (in color(s) which shall not be confused with SELLER's colors) all Brand Signage and other items, at any such Branded Outlet, bearing any of the Marks, whether used on buildings, dispensers, canopies, valance skirts, equipment, tanks, trucks, automobiles, websites or stationery and other business documents);

(c) at BUYER's expense, destroy all Brand Signage and certify to SELLER, in writing, that BUYER has complied with such requirement; and

(d) discontinue use of SELLER's proprietary payment card system and, with respect to Transaction Card processing, comply with the debranding guidelines set forth in the Retail Payments Guide as amended from time to time.

7.3 SELLER's Debranding Remedies.

If, upon termination of this Agreement or nonrenewal of the relationship between SELLER and BUYER, or in the event of the revocation of SELLER's approval of the use of the Marks and Brand Signage at any Branded Outlet or by any Operator, BUYER or such Operator shall fail or refuse to comply with the requirements set forth in Section 7.2, BUYER agrees that SELLER may take such action as may be reasonably necessary to terminate use and infringement of the Marks and to obtain possession of its Brand Signage and other property including, but not limited to, the right to enter upon Branded Outlet premises and remove or obliterate all or any part of the Brand Signage and Marks, which actions shall be at BUYER's cost and expense, including payment of attorneys' fees and other legal costs incurred in taking such action.

8. ASSIGNMENT

8.1 Assignment by BUYER.

This Agreement is personal to BUYER and BUYER shall not, subject to any valid requirements of any applicable statute, assign any rights or delegate any duties that BUYER may have under this Agreement, either voluntarily, involuntarily or by operation of law, or otherwise, without the prior written consent of SELLER. BUYER shall advise SELLER in writing of any proposed assignment and shall provide SELLER such information and documentation relating to the proposed assignment and assignee as SELLER may reasonably require, including a fully completed BUYER Application in SELLER's then-current form, together with all financial statements and other attachments designated in such application. BUYER agrees and acknowledges that any attempted or purported assignment or transfer of this Agreement without SELLER's knowledge or SELLER's prior written consent shall be of no effect as to SELLER and may result in the termination of this Agreement and the non-renewal of any franchise relationship.

8.2 Change in Control of BUYER.

This Section 8.2 applies if BUYER is a corporation, limited liability company, or partnership. Any sale, conveyance, alienation, transfer or other change of interest in or title to or beneficial ownership of any voting stock of BUYER (or securities convertible into voting stock of BUYER) or other voting, profit, capital or partnership interest of BUYER, which results in a change in the control of BUYER, whether voluntarily or by operation of law, merger or other corporate proceedings, or otherwise, shall be construed as an assignment of BUYER's rights under this agreement. A change in the control of BUYER shall be deemed to occur whenever a party gains the ability to influence the business and affairs of BUYER directly or indirectly. A party who owns 25 percent or more of the voting stock of BUYER (or securities convertible into such voting stock) or other voting, profit, capital or partnership interest of BUYER, shall be deemed to have such ability. In the case of a limited partnership, a party who owns 25 percent or more of the general partner interest in the limited partnership shall also be deemed to have such ability.

Thus, for example, any of the following would constitute an assignment of BUYER's rights under this agreement and require SELLER's prior written consent:

- (a) If BUYER is a corporation:
 - (1) Transfer of 25 percent or more of the voting stock of BUYER.
 - (2) Transfer of a lesser percentage of such stock to an existing stockholder who thereby would own 25 percent or more of BUYER's voting stock.
 - (3) Transfer of a lesser percentage of such stock which as a practical matter results in a change in the control of BUYER.
- (b) If BUYER is a partnership:
 - (1) Transfer of 25 percent or more of the beneficial interest in BUYER.
 - (2) Transfer of 25 percent or more of the general partner interest in BUYER.
 - (3) Transfer of a lesser percentage of such interests in BUYER to an existing partner who would thereby own 25 percent or more of the total partnership or 25 percent or more of the general partner interest in BUYER.
 - (4) Transfer of a lesser percentage of such partnership interests which as a practical matter results in a change in the control of BUYER.

8.3 Assignment by SELLER.

SELLER shall have the right at any time to assign its rights and delegate its duties under this Agreement without BUYER's consent. In the event of any such assignment by SELLER, the prices to be paid by BUYER pursuant to this Agreement shall be such prices as may be set in good faith by the assignee. In the event of SELLER's assignment of its rights and obligations under this Agreement, BUYER agrees that SELLER shall have no further liability to BUYER after the effective date of such assignment and delegation, and all references to "SELLER" in this Agreement shall be substituted with the name of the party to whom this Agreement has been assigned. In the event of SELLER's assignment to a supplier of brands other than the Brands authorized under this Agreement, an alternate brand or brands shall be substituted in the definition of "Brand" and "Marks" in this Agreement.

8.4 No Release.

Any such assignment or other transfer by BUYER or SELLER shall not relieve BUYER or SELLER of their obligations under this Agreement.

9. MISCELLANEOUS

9.1 Compliance With Laws.

(a) BUYER agrees to comply, and to cause its Operators to comply, with all federal, state and municipal laws, rules, regulations, permits and court orders or decrees (“Laws”) applicable to BUYER or the subject matter of this Agreement. Without limiting the foregoing, BUYER shall comply with all requirements of federal, state and local occupational, health and safety agencies, and environmental protection agencies, concerning the receipt, storage and dispensing of petroleum products, the disposal of waste materials, and other activities at BUYER’s Branded Outlets. BUYER agrees that it will cause its Operators to comply with Laws applicable to Operator’s business at the Branded Outlets.

(b) BUYER agrees to comply with the USA Patriot Act, Homeland Security Act and Executive Order No. 13224 dated September 24, 2001, and the sanctions, regulations and executive orders administered by the U.S. Treasury Department, Office of Foreign Assets Control. In furtherance and not limitation of the foregoing, BUYER agrees to adopt such operating and administrative measures and practices as will reasonably ensure that neither BUYER nor any shareholder, member, owner or group of owners of a controlling interest in BUYER, director, officer, employee, agent, representative, contractor or Operator of BUYER is identified on the SDN List, or on any other such list maintained by the U.S. Government from time to time.

9.2 Notices.

Except as otherwise expressly provided in this Agreement, all notices shall be in writing and shall be deemed to have been given when delivered personally, when sent by certified mail, return receipt requested, or when sent by a national overnight courier service.

No claim or notice required by this Agreement to be given to SELLER shall be valid unless addressed or delivered as follows: Manager, Brand Marketing, Marathon Petroleum Company LP, 539 South Main Street, Findlay, Ohio 45840.

No claim or notice required by this Agreement to be given to BUYER shall be valid unless addressed or delivered as follows:

{Provide Contact Information}

9.3 No Waiver.

No failure to exercise or election not to exercise any of a Party’s rights hereunder will constitute any waiver or modification of such rights or be deemed to be a course of performance or dealing, modifying or waiving the Parties’ rights, remedies, duties, obligations or liabilities under this Agreement or any part thereof. This Agreement shall not be reformed, altered, or modified in any way by any course of dealing during the Term of the Agreement or by any representations, warranties, or understandings, express or implied, except as expressly set forth herein or unless and to the extent subsequently be set forth in a signed written amendment or agreement by the authorized representatives of the Parties.

9.4 Governing Law.

This Agreement shall be governed by the laws of the State in which BUYER’s principal office is located, without giving effect to the principles of conflicts of law rules. Anything in this Agreement to the contrary notwithstanding, where the laws of the state of governing law require, the text of this Agreement is revised in accordance with such laws, which terms shall be added to or shall pre-empt the terms of this Agreement as applicable.

9.5 Third Party Beneficiaries.

There are no third-party beneficiaries of or to this Agreement.

9.6 SELLER Mandatory Programs and Other Charges.

During the Term, SELLER may offer or introduce various marketing or other programs or services, and may update and change its current manuals including, but not limited to, the Retail Payments Guide, Mystery Shop/Customer Expectations Program, lists of prohibited items and brand image standards. BUYER understands that BUYER's participation, and the participation of the Operators, in these programs is mandatory. In such event, BUYER shall fully comply, and shall cause the Operators to fully comply, with all requirements and terms of such programs. BUYER also understands and acknowledges that BUYER's participation in such mandatory programs may require BUYER to purchase equipment, goods, or services from SELLER or third parties.

9.7 Authority.

BUYER hereby represents that as of the date hereof, BUYER has the authority to enter into this Agreement and that no consents of third parties other than those which have been obtained and are attached hereto are necessary to enable BUYER to perform its obligations hereunder. BUYER represents that as of the date of this Agreement, BUYER is in compliance with all leases, contracts, and agreements affecting the BUYER's Branded Outlet and BUYER's use and possession of the BUYER's Branded Outlet.

9.8 Further Assurances.

BUYER agrees to execute and deliver such other documents and take such other action as may be necessary to more effectively further the purposes and subject matter of this Agreement.

9.9 No Representations or Reliance.

BUYER ACKNOWLEDGES THAT BUYER HAS ENTERED INTO THIS AGREEMENT AFTER MAKING AN INDEPENDENT INVESTIGATION OF THE BUSINESS AND OPERATIONS BEING ENTERED INTO AND NOT UPON ANY REPRESENTATION OR PROMISE AS TO PROFITS OR REVENUES WHICH BUYER MIGHT BE EXPECTED TO REALIZE, NOR HAS ANY SELLER REPRESENTATIVE OR EMPLOYEE MADE ANY OTHER REPRESENTATION OR PROMISE WHICH IS NOT EXPRESSLY SET FORTH HEREIN TO INDUCE BUYER TO ACCEPT THIS FRANCHISE OR TO EXECUTE THIS AGREEMENT.

9.10 Survival.

BUYER's payment obligations as well as those set forth in Sections 4.3, 4.4, 5.2 and 5.7 shall survive termination of the Agreement.

9.11 Severability.

The invalidity or unenforceability of any part of the Agreement shall not affect the validity or enforceability of its remaining provisions.

9.12 Entire Agreement.

This Agreement and the exhibits attached to it embody the entire agreement between the parties as of the date hereof, and there are no oral promises or other representations or understandings inducing its

execution or qualifying its terms. Any prior agreement between the parties, oral or written, pertaining to the supply of any product or the relationship of the Parties is superseded by this Agreement. No amendment, qualification, or modification of this Agreement shall be valid or binding unless made in writing and signed by both parties, except as may otherwise be provided herein.

9.13 Counterparts.

This Agreement may be executed in one or more counterparts, any or all of which shall constitute one and the same instrument. Either Party, at its option, may supply any document required by or referenced in this Agreement in either paper or electronic form (including, but not limited to, an electronically imaged, faxed, photocopied, or online posted version), and any such version shall be sufficient for all purposes under this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate on the day and year first above written.

MARATHON PETROLEUM COMPANY LP
By: MPC Investment LLC, its General Partner

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT A

“EXHIBIT A VOLUME” and TERMINALS

January

February

March

April

May

June

July

August

September

October

November

December

Authorized Terminals

EXHIBIT B

LISTING OF BRANDED OUTLETS AND AUTHORIZED BRANDS

<u>Dealer Number</u>	<u>Customer Name</u>	<u>dba Name</u>	<u>Address</u>	<u>Authorized</u>	<u>Brand</u>
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EXHIBIT B

STATE ADDENDUM AND AGREEMENT RIDER

**ADDITIONAL DISCLOSURES FOR THE MINNESOTA
PUBLIC OFFERING STATEMENT OF
MARATHON PETROLEUM COMPANY LP**

The following are additional disclosures for the Minnesota Public Offering Statement of MARATHON PETROLEUM COMPANY LP required by the Minnesota Franchise Act.

1. **Renewal, Termination, Transfer and Dispute Resolution**. The following is added to the end of Item 2:

Minnesota law provides you with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14, Subd. 5, Minn. Rule 2860.5500 and Minn. Rule 2860.5600 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Agreement and 180 days' notice for non-renewal of the Agreement.

Nothing in the Public Offering Statement or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulations or provision in the Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Act, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release as a condition of renewal and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.5400.

**RIDER TO
BRANDED PRODUCT SUPPLY AND TRADEMARK LICENSE AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER TO BRANDED PRODUCT SUPPLY AND TRADEMARK LICENSE AGREEMENT (“Rider”) is by and between **MARATHON PETROLEUM COMPANY LP**, a Delaware limited partnership with its principal business address at 539 South Main Street, Findlay, Ohio 45840 (“SELLER”), and _____ whose principal business address is _____ (“BUYER”).

1. **BACKGROUND.** SELLER and BUYER are parties to that certain Branded Product Supply and Trademark License Agreement dated _____, 20____ (the “Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) the wholesale business that BUYER will operate under the Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Agreement occurred in Minnesota. As used in this Agreement, “Minnesota Franchises Act” refers, as applicable, to Chapter 80C of Minnesota Statutes and the rules promulgated thereunder.

2. **LIQUIDATED DAMAGES.** The following is added to the end of Section 2.2 of the Agreement:

SELLER and BUYER acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, SELLER and BUYER agree to enforce this provision to the extent the law allows.

3. **PUNITIVE DAMAGES.** If and then only to the extent required by the Minnesota Franchises Act, the second paragraph of Section 3.5 of the Agreement is deleted.

4. **RENEWAL AND TERMINATION.** The following is added to the end of the first paragraph of Section 7.1(A) of the Agreement:

With respect to franchises subject to Minnesota Franchises Act, SELLER will comply with Minn. Stat. Sec. 80C.14, and Minn. Rule 2860.5500 and 2860.5600 which require, except in certain specified cases, that BUYER be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

5. **SUCCESSORS IN INTEREST.** The following is added as a new Section 7.1(h) of the Agreement:

(h) Successors in Interest. To the extent Section 80C.145 of the Minnesota Franchises Act is applicable, notwithstanding any provision in this Section 7.1 to the contrary, upon the death or incapacitation of BUYER for more than ninety (90) consecutive calendar days (if BUYER is a natural person), a general partner or member of BUYER (if BUYER is a partnership or limited liability company) or a

majority shareholder of BUYER (if BUYER is a corporation), the interest in this Agreement of such deceased or incapacitated person passes directly to an eligible person or persons whom the deceased or incapacitated has designated as his successor in interest, if such person or persons notify SELLER in writing within sixty (60) days after the death or incapacitation of his intention to succeed to such interest, this Agreement shall continue for the remaining Term hereof, provided that such successor in interest agrees in writing to assume all of the obligations under this Agreement of the deceased or incapacitated person, provides to SELLER such personal and financial data that SELLER reasonably requests, and satisfies SELLER's then current criteria for similar franchisees. A person who is eligible to be designated as successor in interest is one who is (a) the adult spouse, an adult brother or sister, an adult child (natural or adopted), an adult grandchild or a parent of the deceased or incapacitated, who is entitled to inherit BUYER's interest under the terms of BUYER's will or under the law of intestate succession in this state; (b) a general partner or member of the deceased or incapacitated; or (c) a fellow shareholder of the deceased or incapacitated. If SELLER believes in good faith that good cause exists for refusing to honor succession of the franchise, SELLER will deliver written notice to the eligible successor within ninety (90) days after SELLER's receipt of the eligible successor's personal and financial data indicating its refusal to honor the succession and its intent to terminate the franchise.

6. **ASSIGNMENT.** The following is added to the end of Section 8.1 of the Agreement:

To the extent Minnesota Franchise Act is applicable, notwithstanding any provision in this Section 8.1 to the contrary, SELLER will not unreasonably withhold its consent to any assignment, transfer or sale of this Agreement. Any release required as a condition of renewal or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Act.

7. **GOVERNING LAW.** The following is added to the end of Section 9.4 of the Agreement:

Notwithstanding the foregoing, nothing in this Agreement will abrogate or reduce any of BUYER's rights under Minnesota Statutes Chapter 80C or BUYER's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Agreement.

MARATHON PETROLEUM COMPANY LP

By: MPC Investment LLC, its General Partner

By: _____

Name: _____

Title: _____

BUYER

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Name: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND
NOT A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

EXHIBIT C
LIST OF BRANDED BUYERS

List of Branded Buyers
As of December 31, 2024

Branded Buyer Name	Business Address	Phone	Fuel Brand
Buy Rite Services Inc.	675 Stinson Boulevard, Minneapolis, Minnesota 55413	612-331-4404	ARCO, Marathon
D & M Oil LLC ¹	123 Southern Avenue, Dubuque, Iowa 52004-1540	563-557-7540	ARCO, Marathon, Tesoro
Dale Petroleum Company ¹	501 Oak Ridge Way E, West Fargo, North Dakota 58078	800-279-7309	ARCO, Marathon
Dean's Bulk Service Inc.	19217 Highway 34, Barnesville, Minnesota 56514	218-354-2378	ARCO
Dooley's Petroleum, Inc.	3101 3rd Avenue SW, Wilmar, Minnesota 56201	320-875-2641	ARCO, Marathon, Tesoro
Energy Solution Partners, LLC ¹	306 Arthur St., Tomah, Wisconsin 54660	888-369-7906	ARCO, Marathon
Farmers Union Oil Company of Moorhead, Minnesota	1321 Center Ave, Moorhead, Minnesota 56560	218-233-2497	Marathon
Golden Oil Company, Inc. ¹	11 Shelburne Drive, Oak Brook, Illinois 60521	630-839-9520	Marathon
Hartland Fuel Products, L.L.C. dba HTP Energy ¹	920 10th Ave North / P.O. Box 809, Onalaska, Wisconsin 54650	608-779-6540	ARCO, Marathon
Johnson Oil Co. of Hallock, Inc.	1215 Atlantic Avenue S, Hallock, Minnesota 56728	800-642-0244	Marathon
Lehigh Gas Wholesale LLC ¹	645 Hamilton St., Suite 500, Allentown, Pennsylvania 18101	610-625-8000	Marathon
Northdale Oil, Inc.	203 14th Street Northeast, East Grand Forks, Minnesota 56721	701-886-7533	ARCO, Tesoro
Olson Oil Co., Inc.	1425 W. Lincoln Avenue, Fergus Falls, Minnesota 56537	218-736-2786	ARCO, Marathon
Parkland USA Corporation dba Farstad Oil ¹	100 NE 27th St, Minot, North Dakota 58703	701-852-1194	ARCO, Marathon, Tesoro
Venture Fuels LLC ¹	1718 State Road 16, La Crosse, Wisconsin 54601	608-783-9516	Marathon
World Fuel Services, Inc. dba Lakeside Oil ¹	9800 N.W. 41 Street, Miami Florida 33178	305-428-8000	ARCO, Marathon
Zarns Oil, Inc.	1018 Haven Road, Little Falls, Minnesota 56345	320-632-9666	Marathon

¹ Although this buyer's principal business address is not located within the State of Minnesota, it does purchase and sell or resell fuel to or from outlets located within the State of Minnesota.

EXHIBIT D

FINANCIAL STATEMENTS AND GUARANTEE OF PERFORMANCE

AUDITED FINANCIAL STATEMENTS

Financial Statements and Supplementary Data

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Unless otherwise stated or the context otherwise indicates, all references in this Annual Report on Form 10-K to “MPC,” “us,” “our,” “we” or the “Company” mean Marathon Petroleum Corporation and its consolidated subsidiaries.



Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Marathon Petroleum Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Marathon Petroleum Corporation and its subsidiaries (the "Company") as of December 31, 2024 and 2023 and the related consolidated statements of income, of comprehensive income, of equity and redeemable noncontrolling interest and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.



Goodwill Impairment Test - Crude Gathering Reporting Unit

As described in Note 16 to the consolidated financial statements and as disclosed by management, the Company's consolidated goodwill balance was \$8.2 billion as of December 31, 2024, which includes, within the Midstream segment, the goodwill associated with MPLX's Crude Gathering reporting unit of \$1.1 billion. Management annually evaluates goodwill for impairment as of November 30, as well as whenever events or changes in circumstances indicate it is more likely than not that the fair value of a reporting unit with goodwill is less than its carrying amount. The fair value of the MPLX Crude Gathering reporting unit was determined based on applying both a discounted cash flow method (i.e. income approach) as well as a market approach. Significant assumptions that were used to estimate the reporting unit's fair value under the discounted cash flow method included management's best estimates of the discount rate, as well as estimates of future cash flows, which are impacted primarily by producer development plans, which impact the reporting unit's future volumes and capital requirements.

The principal considerations for our determination that performing procedures relating to the goodwill impairment test of the Crude Gathering reporting unit of the Midstream segment is a critical audit matter are (i) the significant judgment by management when determining the fair value of the reporting unit; and (ii) the high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to management's significant assumption related to future volumes.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment test, including controls over the determination of the fair value of the Crude Gathering reporting unit. These procedures also included, among others (i) testing management's process for determining the fair value of the reporting unit; (ii) evaluating the appropriateness of the income and market approaches used; (iii) testing the completeness and accuracy of underlying data used by management in the approaches; and (iv) evaluating the reasonableness of the significant assumption related to future volumes. Evaluating the assumption related to future volumes involved (i) considering whether the assumption used was reasonable considering past performance of the reporting unit, producers' historical and future production volumes, and industry outlook reports; and (ii) considering whether the assumption was consistent with evidence obtained in other areas of the audit.

PricewaterhouseCoopers LLP

February 27, 2025

We have served as the Company's auditor since 2010.

Marathon Petroleum Corporation
Consolidated Statements of Income

(In millions, except per share data)

	2024	2023	2022
Revenues and other income:			
Sales and other operating revenues	\$ 138,864	\$ 148,379	\$ 177,453
Income from equity method investments	1,048	742	655
Net gain on disposal of assets	28	217	1,061
Other income	472	969	783
Total revenues and other income	140,412	150,307	179,952
Costs and expenses:			
Cost of revenues (excludes items below)	126,240	128,566	151,671
Depreciation and amortization	3,337	3,307	3,215
Selling, general and administrative expenses	3,221	3,039	2,772
Other taxes	818	881	825
Total costs and expenses	133,616	135,793	158,483
Income from continuing operations	6,796	14,514	21,469
Net interest and other financial costs	839	525	1,000
Income from continuing operations before income taxes	5,957	13,989	20,469
Provision for income taxes on continuing operations	890	2,817	4,491
Income from continuing operations, net of tax	5,067	11,172	15,978
Income from discontinued operations, net of tax	—	—	72
Net income	5,067	11,172	16,050
Less net income attributable to:			
Redeemable noncontrolling interest	27	94	88
Noncontrolling interests	1,595	1,397	1,446
Net income attributable to MPC	\$ 3,445	\$ 9,681	\$ 14,516
Per share data (See Note 8)			
Basic:			
Continuing operations	\$ 10.11	\$ 23.73	\$ 28.17
Discontinued operations	—	—	0.14
Net income per share	\$ 10.11	\$ 23.73	\$ 28.31
Weighted average shares outstanding	340	407	512
Diluted:			
Continuing operations	\$ 10.08	\$ 23.63	\$ 27.98
Discontinued operations	—	—	0.14
Net income per share	\$ 10.08	\$ 23.63	\$ 28.12
Weighted average shares outstanding	341	409	516

The accompanying notes are an integral part of these consolidated financial statements.

Marathon Petroleum Corporation
Consolidated Statements of Comprehensive Income

<i>(Millions of dollars)</i>	2024	2023	2022
Net income	\$ 5,067	\$ 11,172	\$ 16,050
Defined benefit plans:			
Actuarial changes, net of tax of \$20, \$(24) and \$36, respectively	60	(85)	122
Prior service, net of tax of \$(14), \$(18) and \$(15), respectively	(41)	(49)	(52)
Other, net of tax of \$1, \$— and \$—, respectively	(2)	1	(1)
Other comprehensive income (loss)	17	(133)	69
Comprehensive income	5,084	11,039	16,119
Less comprehensive income attributable to:			
Redeemable noncontrolling interest	27	94	88
Noncontrolling interests	1,595	1,397	1,446
Comprehensive income attributable to MPC	<u>\$ 3,462</u>	<u>\$ 9,548</u>	<u>\$ 14,585</u>

The accompanying notes are an integral part of these consolidated financial statements.

Marathon Petroleum Corporation
Consolidated Balance Sheets

<i>(Millions of dollars, except share data)</i>	December 31,	
	2024	2023
Assets		
Cash and cash equivalents	\$ 3,210	\$ 5,443
Short-term investments	—	4,781
Receivables, less allowance for doubtful accounts of \$73 and \$44, respectively	11,145	12,187
Inventories	9,568	9,317
Other current assets	524	403
Total current assets	24,447	32,131
Equity method investments	6,857	6,260
Property, plant and equipment, net	35,028	35,112
Goodwill	8,244	8,244
Right of use assets	1,300	1,233
Other noncurrent assets	2,982	3,007
Total assets	\$ 78,858	\$ 85,987
Liabilities		
Accounts payable	\$ 13,906	\$ 13,761
Payroll and benefits payable	1,096	1,115
Accrued taxes	1,204	1,221
Debt due within one year	3,049	1,954
Operating lease liabilities	417	454
Other current liabilities	1,155	1,645
Total current liabilities	20,827	20,150
Long-term debt	24,432	25,329
Deferred income taxes	5,771	5,834
Defined benefit postretirement plan obligations	1,157	1,102
Long-term operating lease liabilities	860	764
Deferred credits and other liabilities	1,305	1,409
Total liabilities	54,352	54,588
Commitments and contingencies (see Note 27)		
Redeemable noncontrolling interest	203	895
Equity		
Preferred stock, no shares issued and outstanding (par value \$0.01 per share, 30 million shares authorized)	—	—
Common stock:		
Issued – 994 million and 993 million shares (par value \$0.01 per share, 2 billion shares authorized)	10	10
Held in treasury, at cost – 678 million and 625 million shares	(52,623)	(43,502)
Additional paid-in capital	33,624	33,465
Retained earnings	36,848	34,562
Accumulated other comprehensive loss	(114)	(131)
Total MPC stockholders' equity	17,745	24,404
Noncontrolling interests	6,558	6,100
Total equity	24,303	30,504
Total liabilities, redeemable noncontrolling interest and equity	\$ 78,858	\$ 85,987

The accompanying notes are an integral part of these consolidated financial statements.

Marathon Petroleum Corporation
Consolidated Statements of Cash Flows

<i>(Millions of dollars)</i>	2024	2023	2022
Operating activities:			
Net income	\$ 5,067	\$ 11,172	\$ 16,050
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred financing costs and debt discount	(31)	(78)	50
Depreciation and amortization	3,337	3,307	3,215
Pension and other postretirement benefits, net	59	(191)	172
Deferred income taxes	(124)	(28)	290
Net gain on disposal of assets	(28)	(217)	(1,061)
Income from equity method investments	(1,048)	(742)	(655)
Distributions from equity method investments	1,215	941	772
Income from discontinued operations	—	—	(72)
Changes in the fair value of derivative instruments	71	70	(147)
Changes in:			
Current receivables	1,117	2,109	(2,858)
Inventories	(270)	(489)	(787)
Current liabilities and other current assets	(438)	(1,318)	1,972
Right of use assets and operating lease liabilities, net	(10)	(7)	—
All other, net	(252)	(412)	(622)
Cash provided by operating activities - continuing operations	8,665	14,117	16,319
Cash provided by operating activities - discontinued operations	—	—	42
Net cash provided by operating activities	8,665	14,117	16,361
Investing activities:			
Additions to property, plant and equipment	(2,533)	(1,890)	(2,420)
Acquisitions, net of cash acquired	(688)	(246)	(413)
Disposal of assets	35	36	90
Investments – acquisitions and contributions	(509)	(480)	(405)
– redemptions, repayments, return of capital and sales proceeds	161	275	515
Purchases of short-term investments	(2,949)	(8,622)	(6,023)
Sales of short-term investments	3,295	2,082	1,296
Maturities of short-term investments	4,526	5,048	7,159
All other, net	196	702	824
Net cash provided by (used in) investing activities	1,534	(3,095)	623
Financing activities:			
Long-term debt – borrowings	1,631	1,589	3,379
– repayments	(1,984)	(1,079)	(2,280)
Debt issuance costs	(15)	(15)	(39)
Issuance of common stock	25	62	243
Common stock repurchased	(9,189)	(11,572)	(11,922)
Dividends paid	(1,154)	(1,261)	(1,279)
Distributions to noncontrolling interests	(1,377)	(1,281)	(1,214)
Repurchases of noncontrolling interests	(326)	—	(491)

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<i>(Millions of dollars)</i>	2024	2023	2022
Redemption of noncontrolling interests - preferred units	—	(600)	—
All other, net	(45)	(50)	(44)
Net cash used in financing activities	(12,434)	(14,207)	(13,647)
Net change in cash, cash equivalents and restricted cash	\$ (2,235)	\$ (3,185)	\$ 3,337
Cash, cash equivalents and restricted cash at beginning of period ^(a)	5,446	8,631	5,294
Cash, cash equivalents and restricted cash at end of period ^(a)	<u>\$ 3,211</u>	<u>\$ 5,446</u>	<u>\$ 8,631</u>

^(a) Restricted cash is included in other current assets on our consolidated balance sheets.

The accompanying notes are an integral part of these consolidated financial statements.

Marathon Petroleum Corporation
Consolidated Statements of Equity and Redeemable Noncontrolling Interest

<i>(Shares in millions; amounts in millions of dollars)</i>	MPC Stockholders' Equity									Redeemable Non- controlling Interest
	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interests	Total Equity	
	Shares	Amount	Shares	Amount						
Balance as of December 31, 2021	984	\$ 10	(405)	\$(19,904)	\$ 33,262	\$ 12,905	\$ (67)	\$ 6,410	\$ 32,616	\$ 965
Net income	—	—	—	—	—	14,516	—	1,446	15,962	88
Dividends declared on common stock (\$2.49 per share)	—	—	—	—	—	(1,279)	—	—	(1,279)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,129)	(1,129)	(85)
Other comprehensive income	—	—	—	—	—	—	69	—	69	—
Shares repurchased	—	—	(131)	(11,933)	—	—	—	—	(11,933)	—
Share-based compensation	6	—	—	(4)	260	—	—	4	260	—
Equity transactions of MPLX	—	—	—	—	(120)	—	—	(327)	(447)	—
Balance as of December 31, 2022	990	\$ 10	(536)	\$(31,841)	\$ 33,402	\$ 26,142	\$ 2	\$ 6,404	\$ 34,119	\$ 968
Net income	—	—	—	—	—	9,681	—	1,397	11,078	94
Dividends declared on common stock (\$3.075 per share)	—	—	—	—	—	(1,261)	—	—	(1,261)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,187)	(1,187)	(94)
Other comprehensive loss	—	—	—	—	—	—	(133)	—	(133)	—
Shares repurchased	—	—	(89)	(11,661)	—	—	—	—	(11,661)	—
Share-based compensation	3	—	—	—	67	2	—	6	75	—
Equity transactions of MPLX	—	—	—	—	(4)	(2)	—	(520)	(526)	(73)
Balance as of December 31, 2023	993	\$ 10	(625)	\$(43,502)	\$ 33,465	\$ 34,562	\$ (131)	\$ 6,100	\$ 30,504	\$ 895
Net income	—	—	—	—	—	3,445	—	1,595	5,040	27
Dividends declared on common stock (\$3.385 per share)	—	—	—	—	—	(1,154)	—	—	(1,154)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,333)	(1,333)	(44)
Other comprehensive income	—	—	—	—	—	—	17	—	17	—
Shares repurchased	—	—	(53)	(9,121)	—	—	—	—	(9,121)	—
Share-based compensation	1	—	—	—	55	(5)	—	7	57	—
Equity transactions of MPLX	—	—	—	—	104	—	—	189	293	(675)
Balance as of December 31, 2024	<u>994</u>	<u>\$ 10</u>	<u>(678)</u>	<u>\$(52,623)</u>	<u>\$ 33,624</u>	<u>\$ 36,848</u>	<u>\$ (114)</u>	<u>\$ 6,558</u>	<u>\$ 24,303</u>	<u>\$ 203</u>

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

1. Description of the Business and Basis of Presentation

Description of the Business

We are a leading, integrated, downstream energy company headquartered in Findlay, Ohio. We operate one of the nation's largest refining systems. We sell refined products to wholesale marketing customers domestically and internationally, to buyers on the spot market and to independent entrepreneurs who operate branded outlets. We also sell transportation fuel to consumers through direct dealer locations under long-term supply contracts. MPC's midstream operations are primarily conducted through MPLX, which owns and operates crude oil and light product transportation and logistics infrastructure as well as gathering, processing and fractionation assets. We own the general partner and a majority limited partner interest in MPLX. In addition, we produce and market renewable diesel in the United States.

On May 14, 2021, we completed the sale of Speedway, our company-owned and operated retail transportation fuel and convenience store business, to 7-Eleven, Inc. ("7-Eleven"). The transaction provided for adjustments to working capital and miscellaneous items, which were finalized with 7-Eleven in the fourth quarter of 2022. These adjustments are reported separately as discontinued operations, net of tax, in our consolidated statements of income and within our consolidated statements of cash flow.

Refer to Notes 5 and 10 for additional information about our operations.

Basis of Presentation

All significant intercompany transactions and accounts have been eliminated.

Certain prior period financial statement amounts have been reclassified to conform to current period presentation.

In the fourth quarter of 2024, we established a Renewable Diesel segment, which includes renewable diesel activities and assets historically reported in the Refining & Marketing segment. Prior period segment information has been recast for comparability. See Notes 10, 14, 15 and 20 for additional information and for prior period recast information.

2. Summary of Principal Accounting Policies

Principles Applied in Consolidation

These consolidated financial statements include the accounts of our majority-owned, controlled subsidiaries and MPLX. As of December 31, 2024, we owned the general partner and approximately 64 percent of the outstanding MPLX common units. Due to our ownership of the general partner interest, we have determined that we control MPLX and therefore we consolidate MPLX and record a noncontrolling interest for the interest owned by the public. Changes in ownership interest in consolidated subsidiaries that do not result in a change in control are recorded as equity transactions.

Investments in entities over which we have significant influence, but not control, are accounted for using the equity method of accounting. This includes entities in which we hold majority ownership but the minority shareholders have substantive participating rights. Income from equity method investments represents our proportionate share of net income generated by the equity method investees.

Differences in the basis of the investments and the separate net asset values of the investees, if any, are amortized into net income over the remaining useful lives of the underlying assets and liabilities, except for any excess related to goodwill. Equity method investments are evaluated for impairment whenever changes in the facts and circumstances indicate an other than temporary loss in value has occurred. When the loss is deemed to be other than temporary, the carrying value of the equity method investment is written down to fair value.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Actual results could differ from those estimates.

Revenue Recognition

We recognize revenue based on consideration specified in contracts or agreements with customers when we satisfy our performance obligations by transferring control over products or services to a customer. We made an accounting policy election that all taxes assessed by a governmental authority that are both imposed on and concurrent with a revenue-producing transaction and collected from our customers will be recognized on a net basis within sales and other operating revenues.

Our revenue recognition patterns are described below by reportable segment:

- Refining & Marketing and Renewable Diesel - The vast majority of our Refining & Marketing and Renewable Diesel contracts contain pricing that is based on the market price for the product at the time of delivery. Our obligations to deliver product volumes are typically satisfied and revenue is recognized when control of the product transfers to our customers. Concurrent with the transfer of control, we typically receive the right to payment for the delivered product, the customer accepts the product and the customer has significant risks and rewards of ownership of the product. Payment terms require customers to pay shortly after delivery and do not contain significant financing components.
- Midstream - Midstream revenue transactions typically are defined by contracts under which we sell a product or provide a service. Revenues from sales of product are recognized when control of the product transfers to the customer. Revenues from services are recognized over time when the performance obligation is satisfied as services are provided in a series. We have elected to use the output measure of progress to recognize revenue based on the units delivered, processed or transported. The transaction prices in our Midstream contracts often have both fixed components, related to minimum volume commitments, and variable components, which are primarily dependent on volumes. Variable consideration will generally not be estimated at contract inception as the transaction price is specifically allocable to the services provided at each period end.

Refer to Note 20 for disclosure of our revenue disaggregated by segment and product line and to Note 10 for a description of our reportable segment operations.

Crude Oil and Refined Product Exchanges and Matching Buy/Sell Transactions

We enter into exchange contracts and matching buy/sell arrangements whereby we agree to deliver a particular quantity and quality of crude oil or refined products at a specified location and date to a particular counterparty and to receive from the same counterparty the same commodity at a specified location on the same or another specified date. The exchange receipts and deliveries are nonmonetary transactions, with the exception of associated grade or location differentials that are settled in cash. The matching buy/sell purchase and sale transactions are settled in cash. No revenues are recorded for exchange and matching buy/sell transactions as they are accounted for as exchanges of inventory. The exchange transactions are recognized at the carrying amount of the inventory transferred.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and on deposit and investments in highly liquid debt instruments with original maturities of three months or less.

Short-Term Investments

Investments with a maturity date greater than three months that we intend to convert to cash or cash equivalents within a year or less are classified as short-term investments in our consolidated balance sheets. Additionally, in accordance with ASC 320, *Investments - Debt Securities*, we have classified all short-term investments as available-for-sale securities and changes in fair market value are reported in other comprehensive income.

Accounts Receivable and Allowance for Doubtful Accounts

Our receivables primarily consist of customer accounts receivable. Customer receivables are recorded at the invoiced amounts and generally do not bear interest. Allowances for doubtful accounts are generally recorded when it becomes probable the receivable will not be collected and are booked to bad debt expense. The allowance for doubtful accounts is the best estimate of the amount of probable credit losses in customer accounts receivable. We review the allowance quarterly and past-due balances over 150 days are reviewed individually for collectability.

We mitigate credit risk with master netting agreements with companies engaged in the crude oil or refinery feedstock trading and supply business or the petroleum refining industry. A master netting agreement generally provides for a once per month net cash settlement of the accounts receivable from and the accounts payable to a particular counterparty.

Leases

Contracts with a term greater than one year that convey the right to direct the use of and obtain substantially all of the economic benefit of an asset are accounted for as right of use assets.

Right of use asset and lease liability balances are recorded at the commencement date at present value of the fixed lease payments using a secured incremental borrowing rate with a maturity similar to the lease term because our leases do not provide implicit rates. We have elected to include both lease and non-lease components in the present value of the lease payments for all lessee asset classes with the exception of our marine and third-party contractor service equipment leases. The lease component of the payment for the marine and equipment asset classes is determined using a relative standalone selling price. See Note 26 for additional disclosures about our lease contracts.

As a lessor under ASU No. 2016-02, *Leases* (“ASC 842”), MPLX may be required to reclassify existing operating leases to sales-type leases upon modification and related reassessment of the leases. See Note 26 for further information regarding our ongoing evaluation of the impacts of lease reassessments as modifications occur. The net investment in sales-type leases is recorded within receivables, net and other noncurrent assets on the consolidated balance sheets. These amounts are comprised of the present value of the sum of the future minimum lease payments representing the value of the lease receivable and the unguaranteed residual value of the lease assets. Management assesses the net investment in sales-type leases for recoverability quarterly.

Inventories

Inventories are carried at the lower of cost or market value. Cost of inventories is determined primarily under the LIFO method. Costs for crude oil and other feedstocks and refined product inventories are aggregated on a consolidated basis for purposes of assessing if the LIFO cost basis of these inventories may have to be written down to market value.

Fair Value

We account for certain assets and liabilities at fair value. The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market. We categorize each of our fair value measurements in one of these three levels based on the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

- Level 1 – inputs are based upon unadjusted quoted prices for identical instruments in active markets. Our Level 1 derivative assets and liabilities include exchange-traded contracts for crude oil and refined products measured at fair value with a market approach using the close-of-day settlement prices for the market. Commodity derivatives are covered under master netting agreements with an unconditional right to offset. Collateral deposits in futures commission merchant accounts covered by master netting agreements related to Level 1 commodity derivatives are classified as Level 1.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit spreads, and forward and spot prices for currencies. Our Level 2 investments include commercial paper, certificates of deposit, time deposits and corporate notes and bonds. Our Level 2 derivative assets and liabilities primarily include certain OTC contracts.
- Level 3 – inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques, including option pricing models and discounted cash flow models. Our Level 3 assets and liabilities include goodwill, long-lived assets and intangible assets, when they are recorded at fair value due to an impairment charge and an embedded derivative liability relates to a natural gas purchase agreement embedded in a keep-whole processing agreement. Unobservable inputs used in the models are significant to the fair values of the assets and liabilities.

Derivative Instruments

We use derivatives to economically hedge a portion of our exposure to commodity price risk and, historically, to interest rate risk. Our use of selective derivative instruments that assume market risk is limited. All derivative instruments (including derivative instruments embedded in other contracts) are recorded at fair value. Certain commodity derivatives are reflected on the consolidated balance sheets on a net basis by counterparty as they are governed by master netting agreements. Cash flows related to derivatives used to hedge commodity price risk and interest rate risk are classified in operating activities with the underlying transactions.

Derivatives not designated as accounting hedges

Derivatives that are not designated as accounting hedges may include commodity derivatives used to hedge price risk on (1) inventories, (2) fixed price sales of refined products, (3) the acquisition of foreign-sourced crude oil, (4) the acquisition of ethanol for blending with refined products, (5) the sale of NGLs, (6) the purchase of natural gas, (7) the purchase of soybean oil and (8) the sale of propane. Changes in the fair value of derivatives not designated as accounting hedges are recognized immediately in net income.

Concentrations of credit risk

All of our financial instruments, including derivatives, involve elements of credit and market risk. The most significant portion of our credit risk relates to nonperformance by counterparties. The counterparties to our financial instruments consist primarily of major financial institutions and companies within the energy industry. To manage counterparty risk associated with financial instruments, we select and monitor counterparties based on an assessment of their financial strength and on credit ratings, if available. Additionally, we limit the level of exposure with any single counterparty.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, generally 10 to 40 years for refining and midstream assets, 25 years for office buildings and 4 to 7 years for other miscellaneous fixed assets. Such assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. If the sum of the expected undiscounted future cash flows from the use of the asset group and its eventual disposition is less than the carrying amount of the asset group, an impairment assessment is performed and the excess of the book value over the fair value of the asset group is recorded as an impairment loss.

When items of property, plant and equipment are sold or otherwise disposed of, any gains or losses are reported in net income. Gains on the disposal of property, plant and equipment are recognized when earned, which is generally at the time of closing. If a loss on disposal is expected, such losses are recognized when the assets are classified as held for sale.

Interest expense is capitalized for qualifying assets under construction. Capitalized interest costs are included in property, plant and equipment and are depreciated over the useful life of the related asset.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price over the estimated fair value of the net assets acquired in the acquisition of a business. Goodwill is not amortized, but rather is tested for impairment at the reporting unit level annually and when events or changes in circumstances indicate that the fair value of a reporting unit with goodwill has been reduced below carrying value. If we determine, based on a qualitative assessment, that it is not more likely than not that a reporting unit's fair value is less than its carrying amount, no further impairment testing is required. If we do not perform a qualitative assessment or if that assessment indicates that further impairment testing is required, the fair value of each reporting unit is determined using an income and/or market approach which is compared to the carrying value of the reporting unit. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss would be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. The fair value under the income approach is calculated using the expected present value of future cash flows method. Significant assumptions used in the cash flow forecasts include future volumes, discount rates, and future capital requirements.

Amortization of intangibles with definite lives is calculated using the straight-line method, which is reflective of the benefit pattern in which the estimated economic benefit is expected to be received over the estimated useful life of the intangible asset. Intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the intangible may not be recoverable. If the sum of the expected undiscounted future cash flows related to the asset is less than the carrying amount of the asset, an impairment loss is recognized based on the fair value of the asset. Intangibles not subject to amortization are tested for impairment annually and when circumstances indicate that the fair value is less than the carrying amount of the intangible. If the fair value is less than the carrying value, an impairment is recorded for the difference.

Major Maintenance Activities

Costs for planned turnaround and other major maintenance activities are expensed in the period incurred. These types of costs include contractor repair services, materials and supplies, equipment rentals and our labor costs.

Environmental Costs

Environmental expenditures for additional equipment that mitigates or prevents future contamination or improves environmental safety or efficiency of the existing assets are capitalized. We recognize remediation costs and penalties when the responsibility to remediate is probable and the amount of associated costs can be reasonably estimated. The timing of remediation accruals coincides with the completion of a feasibility study or the commitment to a formal plan of action. Remediation liabilities are accrued based on estimates of known environmental exposure and are discounted when the estimated amounts are reasonably fixed and determinable. If recoveries of remediation costs from third parties are probable, a receivable is recorded and is discounted when the estimated amount is reasonably fixed and determinable.

Asset Retirement Obligations

The fair value of asset retirement obligations is recognized in the period in which the obligations are incurred if a reasonable estimate of fair value can be made. The majority of our recognized asset retirement liability relates to conditional asset retirement obligations for removal and disposal of fire-retardant material from certain refining facilities. The remaining recognized asset retirement liability relates to other refining assets, certain pipelines and processing facilities and other related pipeline assets. The fair values recorded for such obligations are based on the most probable current cost projections.

Asset retirement obligations have not been recognized for some assets because the fair value cannot be reasonably estimated since the settlement dates of the obligations are indeterminate. Such obligations will be recognized in the period when sufficient information becomes available to estimate a range of potential settlement dates. The asset retirement obligations principally include the hazardous material disposal and removal or dismantlement requirements associated with the closure of certain refining, terminal, pipeline and processing assets.

Our practice is to keep our assets in good operating condition through routine repair and maintenance of component parts in the ordinary course of business and by continuing to make improvements based on technological advances. As a result, we believe that generally these assets have no expected settlement date for purposes of estimating asset retirement obligations since the dates or ranges of dates upon which we would retire these assets cannot be reasonably estimated at this time.

Income Taxes

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their tax bases. Deferred tax assets are recorded when it is more likely than not that they will be realized. The realization of deferred tax assets is assessed periodically based on several factors, primarily our expectation to generate sufficient future taxable income.

Share-Based Compensation Arrangements

The fair value of stock options granted to our employees is estimated on the date of grant using the Black-Scholes option pricing model. The model employs various assumptions based on management's estimates at the time of grant, which impact the calculation of fair value and ultimately, the amount of expense that is recognized over the vesting period of the stock option award. Of the required assumptions, the expected life of the stock option award and the expected volatility of our stock price have the most significant impact on the fair value calculation. The average expected life is based on our historical employee exercise behavior. The assumption for expected volatility of our stock price reflects a weighting of 50 percent of our common stock implied volatility and 50 percent of our common stock historical volatility.

The fair value of restricted stock awards granted to our employees is determined based on the fair market value of our common stock on the date of grant. The fair value of performance awards granted to our employees is determined using a Monte Carlo valuation model, which is updated quarterly, with appropriate mark-to-market adjustments made.

Our share-based compensation expense is recognized based on management's estimate of the awards that are expected to vest, using the straight-line attribution method for all service-based awards with a graded vesting feature. Awards expected to vest are estimated using the historical data of our own employees. If actual forfeiture results are different than expected, adjustments to recognized compensation expense may be required in future periods. Unearned share-based compensation is charged to equity when restricted stock awards are granted. Compensation expense is recognized over the requisite service period and is adjusted if conditions of the restricted stock award are not met.

Business Combinations

We recognize and measure the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date. Any excess or deficiency of the purchase consideration when compared to the fair value of the net tangible assets acquired, if any, is recorded as goodwill or gain from a bargain purchase. For material acquisitions, management engages an independent valuation specialist to assist with the determination of fair value of the assets acquired, liabilities assumed, noncontrolling interest, if any, and goodwill, based on recognized business valuation methodologies. An income, market or cost valuation method may be utilized to estimate the fair value of the assets acquired, liabilities assumed, and noncontrolling interest, if any, in a business combination. The income valuation method represents the present value of future cash flows over the life of the asset using: (i) discrete financial forecasts, which rely on management's estimates of revenue and operating expenses; (ii) long-term growth rates; and (iii) appropriate discount rates. The market valuation method uses prices paid for a reasonably similar asset by other purchasers in the market, with adjustments relating to any differences between the assets. The cost valuation method is based on the replacement cost of a comparable asset at prices at the time of the acquisition reduced for depreciation of the asset. If the initial accounting for the business combination is incomplete by the end of the reporting period in which the acquisition occurs, an estimate will be recorded. Subsequent to the acquisition date, and not later than one year from the acquisition date, we will record any material adjustments to the initial estimate based on new information obtained that would have existed as of the date of the acquisition. Any adjustment that arises from information obtained that did not exist as of the date of the acquisition will be recorded in the period of the adjustment. Acquisition-related costs are expensed as incurred in connection with each business combination.

Environmental Credits and Obligations

In order to comply with certain regulations, specifically the RFS2 requirements implemented by EPA and the cap-and-trade emission reduction program and low carbon fuel standard implemented by state programs, we are required to reduce our emissions, blend certain levels of biofuels or obtain allowances or credits to offset the obligations created by our operations. In regard to each program, we record an asset, included in other current assets or other noncurrent assets on the consolidated balance sheets, for allowances or credits owned in excess of our anticipated current period compliance requirements. The asset value is based on the product of the excess allowances or credits as of the balance sheet date, if any, and the weighted average cost of those allowances or credits. We record a liability, included in other current liabilities or deferred credits and other liabilities on the consolidated balance sheets, when we are deficient allowances or credits based on the product of the deficient amount as of the balance sheet date, if any, and either the fixed contract price or the market price of the allowances or credits at the balance sheet date. The cost of allowances or credits used for compliance is reflected in cost of revenues on the consolidated statements of income. Any gains or losses on the sale or expiration of allowances or credits are classified as other income on the consolidated statements of income. Proceeds from the sale of allowances or credits are reported in investing activities - all other, net on the consolidated statements of cash flows.

3. Accounting Standards and Disclosure Rules

Recently Adopted

ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

The FASB issued this ASU to update reportable segment disclosure requirements primarily by requiring enhanced disclosures about significant segment expenses. During the fourth quarter of 2024, we applied the amendments in this ASU retrospectively to all periods presented in the financial statements. The enhanced disclosures for significant segment expenses are presented in Note 10 - Segment Information.

ASU 2023-01, Leases (Topic 842): Common Control Arrangements

The FASB issued this ASU to amend certain provisions of ASC 842 that apply to arrangements between related parties under common control. The ASU amends the accounting for the amortization period of leasehold improvements in common-control leases for all entities and requires certain disclosures when the lease term is shorter than the useful life of the asset. During the first quarter of 2024, we adopted this ASU and it did not have a material impact on our financial statements or disclosures.

Not Yet Adopted

ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses

In November 2024, the FASB issued an ASU to require more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation, amortization, and depletion) included in certain expense captions presented on the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. We are currently evaluating the impact this ASU will have on our disclosures.

SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors

In March 2024, the SEC adopted rules under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors, which requires registrants to provide certain climate-related information in their annual reports. As part of the disclosures, material impacts from severe weather events and other natural conditions will be required in the audited financial statements. In April 2024, the SEC voluntarily stayed the rules pending judicial review. Pending the results of the judicial review, the disclosure requirements are effective for the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2025. We are evaluating the impact these rules, if effective, will have on our disclosures and monitoring the status of the judicial review.

ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued an ASU to update income tax disclosure requirements to provide consistent categories and greater disaggregation of information in the rate reconciliation and to disaggregate income taxes paid by jurisdiction. This ASU is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied on a prospective basis, but retrospective application is permitted. This standard will result in additional disclosure.

4. Short-Term Investments

Investments Components

Investments as of December 31, 2024 had maturity dates of less than 90 days and therefore, are included in cash and cash equivalents. Below reflects the components of investments at December 31, 2023.

<i>(Millions of dollars)</i>	December 31, 2023						
	Fair Value Level	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-term Investments
Available-for-sale debt securities							
Commercial paper	Level 2	\$ 3,154	\$ 2	\$ —	\$ 3,156	\$ 281	\$ 2,875
Certificates of deposit and time deposits	Level 2	1,836	1	—	1,837	800	1,037
U.S. government securities	Level 1	785	—	(1)	784	—	784
Corporate notes and bonds	Level 2	85	—	—	85	—	85
Total available-for-sale debt securities		<u>\$ 5,860</u>	<u>\$ 3</u>	<u>\$ (1)</u>	<u>\$ 5,862</u>	<u>\$ 1,081</u>	<u>\$ 4,781</u>
Cash					<u>4,362</u>	<u>4,362</u>	<u>—</u>
Total					<u>\$ 10,224</u>	<u>\$ 5,443</u>	<u>\$ 4,781</u>

Our investment policy includes concentration limits and credit rating requirements, which limits our investments to high quality, short term and highly liquid securities.

Realized gains/losses were not material.

5. Master Limited Partnership

We own the general partner and a majority limited partner interest in MPLX, which owns and operates crude oil and light product transportation and logistics infrastructure as well as gathering, processing and fractionation assets. We control MPLX through our ownership of the general partner interest and, as of December 31, 2024, we owned approximately 64 percent of the outstanding MPLX common units compared to 65 percent as of December 31, 2023. Our ownership was impacted by changes in the redeemable non-controlling interest and unit repurchases.

Unit Repurchase Program

On August 2, 2022, MPLX announced its board of directors approved a \$1.0 billion unit repurchase authorization. This unit repurchase authorization has no expiration date. MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, accelerated unit repurchases, tender offers or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of future repurchases, if any, will depend upon several factors, including market and business conditions, and such repurchases may be suspended, discontinued or restarted at any time.

Total unit repurchases were as follows for the respective periods:

<i>(In millions, except per unit data)</i>	2024	2023	2022
Number of common units repurchased	8	—	15
Cash paid for common units repurchased	\$ 326	\$ —	\$ 491
Average cost per unit	\$ 43.04	\$ —	\$ 31.96

As of December 31, 2024, MPLX had approximately \$520 million remaining under its unit repurchase authorization.

Preferred Units Outstanding

The Series A preferred units are considered redeemable securities under GAAP due to the existence of redemption provisions upon a deemed liquidation event, which is outside MPLX's control. Therefore, they are presented as temporary equity in the mezzanine section of our consolidated balance sheets.

During the years ended December 31, 2024 and December 31, 2023, certain Series A preferred unitholders exercised their rights to convert their Series A preferred units into 21 million common units and 2 million common units, respectively. Approximately 6 million Series A preferred units were outstanding as of December 31, 2024. On February 11, 2025, MPLX exercised its right to convert the remaining outstanding Series A preferred units into common units.

For a summary of changes in the redeemable preferred balance, see the accompanying consolidated statements of equity and redeemable noncontrollable interest.

Redemption of the Series B Preferred Units

On February 15, 2023, MPLX exercised its right to redeem all of its 600,000 outstanding preferred units (the “Series B preferred units”). MPLX paid unitholders the Series B preferred unit redemption price of \$1,000 per unit. The final semi-annual distribution on the Series B preferred units was paid on February 15, 2023 in the usual manner.

The excess of the total redemption price of \$600 million paid to Series B preferred unitholders over the carrying value of the Series B preferred units on the redemption date resulted in a \$2 million net reduction to retained earnings.

Agreements

We have various long-term, fee-based commercial agreements with MPLX. Under these agreements, MPLX provides transportation, storage, distribution and marketing services to us. With certain exceptions, these agreements generally contain minimum volume commitments. These transactions are eliminated in consolidation but are reflected as intersegment transactions between our Refining & Marketing, Renewable Diesel and Midstream segments. We also have agreements with MPLX that establish fees for operational and management services provided between us and MPLX and for executive management services and certain general and administrative services provided by us to MPLX. These transactions are eliminated in consolidation but are reflected as intersegment transactions between corporate and our Midstream segment.

Noncontrolling Interest

As a result of equity transactions of MPLX, we are required to adjust non-controlling interest and additional paid-in capital. Changes in MPC’s additional paid-in capital resulting from changes in its ownership interest in MPLX were as follows:

<i>(Millions of dollars)</i>	2024	2023	2022
Increase (decrease) due to change in ownership	\$ 159	\$ (4)	\$ (164)
Tax impact	(55)	—	44
Increase (decrease) in MPC’s additional paid-in capital, net of tax	<u>\$ 104</u>	<u>\$ (4)</u>	<u>\$ (120)</u>

6. Variable Interest Entities

Consolidated VIE

We control MPLX through our ownership of its general partner. MPLX is a VIE because the limited partners do not have substantive kick-out or participating rights over the general partner. We are the primary beneficiary of MPLX because in addition to our significant economic interest, we also have the ability, through our ownership of the general partner, to control the decisions that most significantly impact MPLX. We therefore consolidate MPLX and record a noncontrolling interest for the interest owned by the public. We also record a redeemable noncontrolling interest related to MPLX’s Series A preferred units.

The creditors of MPLX do not have recourse to MPC’s general credit or assets through guarantees or other financial arrangements, except as otherwise noted. MPC has effectively guaranteed certain indebtedness of LOOP LLC (“LOOP”) and LOCAP LLC (“LOCAP”), in which MPLX holds an interest. See Note 27 for more information. The assets of MPLX can only be used to settle its own obligations and any rights of MPC’s creditors to participate in the assets of MPLX are subject to prior claims of MPLX’s creditors.

The following table presents balance sheet information for the assets and liabilities of MPLX, which are included in our consolidated balance sheets.

<i>(Millions of dollars)</i>	December 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 1,519	\$ 1,048
Receivables, less allowance for doubtful accounts	731	836
Inventories	180	159
Other current assets	29	33
Equity method investments	4,531	3,743
Property, plant and equipment, net	19,154	19,264
Goodwill	7,645	7,645
Right of use assets	273	264
Other noncurrent assets	1,513	1,644

<i>(Millions of dollars)</i>	December 31, 2024	December 31, 2023
Liabilities		
Accounts payable	\$ 719	\$ 723
Accrued taxes	82	79
Debt due within one year	1,693	1,135
Operating lease liabilities	45	45
Other current liabilities	370	336
Long-term debt	19,255	19,296
Deferred income taxes	18	16
Long-term operating lease liabilities	217	211
Deferred credits and other liabilities	445	476

Non-Consolidated VIEs

Martinez Renewables LLC

On September 21, 2022, MPC closed on the formation of the Martinez Renewables LLC joint venture. We determined that Martinez Renewables LLC is a VIE because, upon formation, the entity did not have sufficient equity to operate without additional financial support from its owners. We are not the primary beneficiary of this VIE because we do not have the ability to control the activities that significantly influence the economic outcomes of the entity and, therefore, do not consolidate the entity.

MPLX VIEs

For those entities that have been deemed to be VIEs, neither MPLX nor any of its subsidiaries have been deemed to be the primary beneficiary due to voting rights on significant matters. While we have the ability to exercise influence through participation in the management committees which make all significant decisions, we have equal influence over each committee as a joint interest partner and all significant decisions require the consent of the other investors without regard to economic interest and as such we have determined that these entities should not be consolidated and apply the equity method of accounting with respect to our investments in each entity.

Sherwood Midstream LLC (“Sherwood Midstream”) has been deemed the primary beneficiary of Sherwood Midstream Holdings LLC (“Sherwood Midstream Holdings”) due to its controlling financial interest through its authority to manage the joint venture. As a result, Sherwood Midstream consolidates Sherwood Midstream Holdings.

MPLX’s maximum exposure to loss as a result of its involvement with equity method investments includes its equity investment, any additional capital contribution commitments and any operating expenses incurred by the subsidiary operator in excess of its compensation received for the performance of the operating services.

We account for our ownership interest in each of these investments as an equity method investment. See Note 14 for ownership percentages and investment balances.

7. Related Party Transactions

Transactions with related parties were as follows:

<i>(Millions of dollars)</i>	2024	2023	2022
Sales to related parties	\$ 1,053	\$ 915	\$ 144
Purchases from related parties	2,437	1,818	1,175

Sales to related parties, which are included in sales and other operating revenues, consist primarily of refined product sales and renewable feedstock sales to certain of our equity affiliates.

Purchases from related parties are included in cost of revenues. We obtain utilities, transportation services and purchase ethanol and renewable diesel from certain of our equity affiliates.

8. Earnings Per Share

We compute basic earnings per share by dividing net income attributable to MPC less income allocated to participating securities by the weighted average number of shares of common stock outstanding. Since MPC grants certain incentive compensation awards to employees and non-employee directors that are considered to be participating securities, we have calculated our

earnings per share using the two-class method. Diluted income per share assumes exercise of certain share-based compensation awards, provided the effect is not anti-dilutive.

<i>(In millions, except per share data)</i>	2024	2023	2022
Income from continuing operations, net of tax	\$ 5,067	\$ 11,172	\$ 15,978
Net income attributable to noncontrolling interest	(1,622)	(1,491)	(1,534)
Net income allocated to participating securities	(3)	(7)	(8)
Redemption of preferred units	—	(2)	—
Income from continuing operations available to common stockholders	3,442	9,672	14,436
Income from discontinued operations, net of tax	—	—	72
Income available to common stockholders	<u>\$ 3,442</u>	<u>\$ 9,672</u>	<u>\$ 14,508</u>
Weighted average common shares outstanding:			
Basic	340	407	512
Effect of dilutive securities	1	2	4
Diluted	<u>341</u>	<u>409</u>	<u>516</u>
Income available to common stockholders per share:			
Basic:			
Continuing operations	\$ 10.11	\$ 23.73	\$ 28.17
Discontinued operations	—	—	0.14
Net income per share	<u>\$ 10.11</u>	<u>\$ 23.73</u>	<u>\$ 28.31</u>
Diluted:			
Continuing operations	\$ 10.08	\$ 23.63	\$ 27.98
Discontinued operations	—	—	0.14
Net income per share	<u>\$ 10.08</u>	<u>\$ 23.63</u>	<u>\$ 28.12</u>

Potential common shares which were anti-dilutive and, therefore, omitted from the diluted share calculation, were immaterial for all periods.

9. Equity

On November 5, 2024, MPC announced that our board of directors approved a \$5.0 billion share repurchase authorization in addition to the \$5.0 billion share repurchase authorization announced on April 30, 2024. Share repurchase authorizations since 2012 totaled \$60.05 billion. As of December 31, 2024, \$7.75 billion remained available for repurchase under the share repurchase authorizations. These share repurchase authorizations have no expiration date.

We may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, tender offers, accelerated share repurchases or open market solicitations for shares, some of which may be effected through Rule 10b5-1 plans. The timing and amount of future repurchases, if any, will depend upon several factors, including market and business conditions, and such repurchases may be suspended, discontinued or restarted at any time.

Total share repurchases were as follows for the respective periods:

<i>(In millions, except per share data)</i>	2024	2023	2022
Number of shares repurchased	53	89	131
Cash paid for shares repurchased ^(a)	\$ 9,077	\$ 11,572	\$ 11,922
Average cost per share ^(b)	\$ 171.68	\$ 131.27	\$ 91.20

^(a) 2024 excludes \$112 million paid for excise tax on 2023 share purchases.

^(b) The average cost per share includes excise tax on share repurchases resulting from the Inflation Reduction Act of 2022, but the excise tax does not reduce the remaining share repurchase authorization.

The number of shares repurchased shown above and the amount remaining available under the share repurchase authorizations reflect the repurchase of 203,173 common shares for \$28 million that were transacted in the fourth quarter of 2024 and settled in the first quarter of 2025.

10. Segment Information

In the fourth quarter of 2024, we changed the internal financial information regularly provided to our chief operating decision maker (“CODM”) to evaluate the performance of and allocate resources to our reportable segments. We established a Renewable Diesel segment, which includes renewable diesel activities historically reported in the Refining & Marketing segment. This change in reportable segments will enhance comparability of MPC’s reporting with direct peers who report both a refining and renewable diesel segment.

All prior periods have been recast for comparability.

We have three reportable segments: Refining & Marketing, Midstream and Renewable Diesel. Each of these segments is organized and managed based upon the nature of the products and services it offers.

- Refining & Marketing – refines crude oil and other feedstocks at our refineries in the Gulf Coast, Mid-Continent and West Coast regions of the United States, purchases refined products and ethanol for resale and distributes refined products through transportation, storage, distribution and marketing services provided largely by our Midstream segment. We sell refined products to wholesale marketing customers domestically and internationally, to buyers on the spot market, to independent entrepreneurs who operate primarily Marathon® branded outlets and through long-term supply contracts with direct dealers who operate locations mainly under the ARCO® brand.
- Midstream – gathers, transports, stores and distributes crude oil, refined products, including renewable diesel, and other hydrocarbon-based products principally for the Refining & Marketing segment via refining logistics assets, pipelines, terminals, towboats and barges; gathers, processes and transports natural gas; and transports, fractionates, stores and markets NGLs. The Midstream segment primarily reflects the results of MPLX.
- Renewable Diesel - processes renewable feedstocks into renewable diesel, markets renewable diesel and distributes renewable products through our Midstream segment and third parties. We sell renewable diesel to wholesale marketing customers, to buyers on the spot market and through long-term supply contracts with direct dealers who operate locations mainly under the ARCO® brand.

Our CODM evaluates the performance of our segments using segment adjusted EBITDA. Our CODM is our chief executive officer. The CODM uses adjusted EBITDA by segment results when making decisions about allocating capital and personnel as part of the annual business plan process and ongoing monitoring of performance. Amounts included in income from continuing operations before income taxes and excluded from adjusted EBITDA include: (i) depreciation and amortization; (ii) net interest and other financial costs; (iii) turnaround expenses; and (iv) other adjustments as deemed necessary. These items are either: (i) believed to be non-recurring in nature; (ii) not believed to be allocable or controlled by the segment; or (iii) not tied to the operational performance of the segment. Assets by segment are not a measure used to assess the performance of the company by the CODM and thus are not reported in our disclosures.

<i>(Millions of dollars)</i>	2024	2023	2022
Segment adjusted EBITDA for reportable segments			
Refining & Marketing	5,703	\$ 13,705	\$ 19,259
Midstream	6,544	6,171	5,772
Renewable Diesel	(150)	(64)	3
Total reportable segments	\$ 12,097	\$ 19,812	\$ 25,034

<i>(Millions of dollars)</i>	2024	2023	2022
Reconciliation of segment adjusted EBITDA for reportable segments to income from continuing operations before income taxes			
Total reportable segments	\$ 12,097	\$ 19,812	\$ 25,034
Corporate	(774)	(737)	(698)
Refining & Renewable Diesel planned turnaround costs	(1,404)	(1,201)	(1,122)
Renewable Diesel JV planned turnaround costs ^(a)	(9)	(25)	—
Garyville incident response costs	—	(16)	—
LIFO inventory (charge) credit	161	(145)	148
Gain on sale of assets ^(b)	151	198	1,058
Renewable volume obligation requirements ^(c)	—	—	238
Litigation	—	—	27
Depreciation and amortization	(3,337)	(3,307)	(3,215)
Renewable Diesel JV depreciation and amortization ^(a)	(89)	(65)	(1)
Net interest and other financial costs	(839)	(525)	(1,000)
Income from continuing operations before income taxes	<u>\$ 5,957</u>	<u>\$ 13,989</u>	<u>\$ 20,469</u>

^(a) Represents MPC's pro-rata share of expenses from joint ventures included within the Renewable Diesel segment.

^(b) 2024 includes the gain from the Whistler Joint Venture Transaction (as defined in Note 14). 2023 includes the gain associated with the remeasurement of MPLX's existing equity investment in MarkWest Toriádo GP, L.L.C., arising from the acquisition of the remaining 40 percent interest and the gain on the sale of our interest in South Texas Gateway Terminal LLC. 2022 includes the \$549 million gain related to the contribution of assets by MPC on the formation of the Martinez Renewables LLC joint venture and the \$509 million gain on lease reclassification. See Notes 14 and 26 for additional information.

^(c) Represents retroactive changes in renewable volume obligation requirements published by EPA in June 2022 for the 2020 and 2021 annual obligations.

<i>(Millions of dollars)</i>	2024	2023	2022
Sales and other operating revenues			
Refining & Marketing			
Revenues from external customers ^(a)	\$ 131,588	\$ 141,835	\$ 171,461
Intersegment revenues	175	139	135
Refining & Marketing segment revenues	<u>131,763</u>	<u>141,974</u>	<u>171,596</u>
Midstream			
Revenues from external customers ^(a)	5,197	4,911	5,366
Intersegment revenues	5,797	5,597	5,224
Midstream segment revenues	<u>10,994</u>	<u>10,508</u>	<u>10,590</u>
Renewable Diesel			
Revenues from external customers ^(a)	2,079	1,633	626
Intersegment revenues	25	31	126
Renewable Diesel segment revenues	<u>2,104</u>	<u>1,664</u>	<u>752</u>
Total segment revenues	144,861	154,146	182,938
Less: intersegment revenues	5,997	5,767	5,485
Consolidated sales and other operating revenues	<u>\$ 138,864</u>	<u>\$ 148,379</u>	<u>\$ 177,453</u>

^(a) Includes sales to related parties. See Note 7 for additional information.

<i>(Millions of dollars)</i>	2024	2023	2022
Income from equity method investments			
Refining & Marketing	\$ 57	\$ 66	\$ 51
Midstream	770	735	624
Renewable Diesel	70	(59)	(20)
Total segment income from equity method investments	897	742	655
Corporate ^(a)	151	—	—
Consolidated income from equity method investments	\$ 1,048	\$ 742	\$ 655

^(a) Represents the gain from the Whistler Joint Venture Transaction. See Note 14 for additional information.

<i>(Millions of dollars)</i>	2024	2023	2022
Segment expenses			
Refining & Marketing			
Cost of purchases	\$ 112,938	\$ 115,973	\$ 139,660
Refining operating costs	5,712	5,625	5,726
Distribution costs	5,857	5,645	5,211
Other segment items ^(a)	1,610	1,092	1,791
Refining & Marketing segment expenses	\$ 126,117	\$ 128,335	\$ 152,388
Midstream			
Other segment items ^(b)	5,220	5,072	5,442
Midstream segment expenses	\$ 5,220	\$ 5,072	\$ 5,442
Renewable Diesel			
Operating costs	269	242	106
Distribution costs	95	82	61
Other segment items ^(c)	1,960	1,345	562
Renewable Diesel segment expenses	\$ 2,324	\$ 1,669	\$ 729

^(a) Other segment items for the Refining & Marketing segment include costs that are reimbursed by customers through commercial arrangements, as well as LIFO inventory adjustments.

^(b) Other segment items for the Midstream segment include operating expenses and purchased product costs. For purposes of managing Midstream segment of MPC, the CODM is only provided consolidated Midstream expense information.

^(c) Other segment items for the Renewable Diesel segment includes purchased product costs.

<i>(Millions of dollars)</i>	2024	2023	2022
Depreciation and amortization			
Refining & Marketing	\$ 1,767	\$ 1,822	\$ 1,783
Midstream	1,405	1,320	1,310
Renewable Diesel ^(a)	75	65	67
Total segment depreciation and amortization	3,247	3,207	3,160
Corporate	90	100	55
Consolidated depreciation and amortization	\$ 3,337	\$ 3,307	\$ 3,215

^(a) Excludes our pro-rata share of Renewable Diesel JV depreciation and amortization of \$89 million, \$65 million and \$1 million in 2024, 2023 and 2022, respectively, which was adjusted for purposes of arriving at Renewable Diesel segment adjusted EBITDA.

<i>(Millions of dollars)</i>	2024	2023	2022
Capital expenditures			
Refining & Marketing	\$ 1,445	\$ 998	\$ 1,275
Midstream	1,504	1,105	1,069
Renewable Diesel	8	313	233
Total segment capital expenditures and investments	2,957	2,416	2,577
Less investments in equity method investees	509	480	405
Plus:			
Corporate	63	83	108
Capitalized interest	56	55	103
Consolidated capital expenditures ^(a)	<u>\$ 2,567</u>	<u>\$ 2,074</u>	<u>\$ 2,383</u>

^(a) Includes changes in capital expenditure accruals. See Note 21 for a reconciliation of total capital expenditures to additions to property, plant and equipment as reported in the consolidated statements of cash flows.

No single customer accounted for more than 10 percent of annual revenues for the years ended December 31, 2024 and December 31, 2023. Sales to Speedway/7-Eleven from the Refining & Marketing segment represented 10 percent of our total annual revenues for the year ended December 31, 2022. See Note 20 for the disaggregation of our revenue by segment and product line.

We do not have significant operations in foreign countries. Therefore, revenues in foreign countries and long-lived assets located in foreign countries, including property, plant and equipment and investments, are not material to our operations.

11. Net Interest and Other Financial Costs

Net interest and other financial costs were as follows:

<i>(Millions of dollars)</i>	2024	2023	2022
Interest income	\$ (376)	\$ (530)	\$ (191)
Interest expense	1,365	1,325	1,299
Interest capitalized	(57)	(60)	(104)
Pension and other postretirement non-service costs ^(a)	(38)	(89)	3
Loss on extinguishment of debt	—	9	2
Investments - net premium (discount) amortization	(91)	(142)	(30)
Other financial costs	36	12	21
Net interest and other financial costs	<u>\$ 839</u>	<u>\$ 525</u>	<u>\$ 1,000</u>

^(a) See Note 24.

12. Income Taxes

The provision for income taxes from continuing operations consisted of:

<i>(Millions of dollars)</i>	2024	2023	2022
Current:			
Federal	\$ 862	\$ 2,359	\$ 3,565
State and local	144	475	629
Foreign	8	11	7
Total current	1,014	2,845	4,201
Deferred:			
Federal	(90)	18	191
State and local	(33)	(46)	98
Foreign	(1)	—	1
Total deferred	(124)	(28)	290
Income tax provision	\$ 890	\$ 2,817	\$ 4,491

Our effective tax rate for the year ended December 31, 2024 was lower than the U.S. statutory rate primarily due to permanent tax benefits related to net income attributable to noncontrolling interests.

Our effective tax rate for the year ended December 31, 2023 was lower than the U.S. statutory rate primarily due to permanent tax benefits related to net income attributable to noncontrolling interests, partially offset by state taxes.

Our effective tax rate for the year ended December 31, 2022 was higher than the U.S. statutory rate primarily due to state taxes, partially offset by permanent tax benefits related to net income attributable to noncontrolling interests.

A reconciliation of the federal statutory income tax rate to the effective tax rate applied to income from continuing operations before income taxes follows:

	2024	2023	2022
Federal statutory rate	21 %	21 %	21 %
State and local income taxes, net of federal income tax effects	2	2	3
Noncontrolling interests	(6)	(2)	(2)
Other	(2)	(1)	—
Effective tax rate applied to income from continuing operations before income taxes	15 %	20 %	22 %

Deferred tax assets and liabilities resulted from the following:

<i>(Millions of dollars)</i>	December 31,	
	2024	2023
Deferred tax assets:		
Employee benefits	\$ 558	\$ 549
Environmental remediation	81	89
Finance lease obligations	433	365
Operating lease liabilities	243	229
Net operating loss carryforwards	39	44
Tax credit carryforwards	22	10
Goodwill and other intangibles	75	71
Other	95	96
Total deferred tax assets	1,546	1,453
Valuation allowance	(51)	(28)
Total net deferred tax assets	1,495	1,425
Deferred tax liabilities:		
Property, plant and equipment	2,584	2,684
Inventories	672	627
Investments in subsidiaries and affiliates	3,742	3,706
Right of use assets	246	230
Other	20	11
Total deferred tax liabilities	7,264	7,258
Net deferred tax liabilities	\$ 5,769	\$ 5,833

Net deferred tax liabilities were classified in the consolidated balance sheets as follows:

<i>(Millions of dollars)</i>	December 31,	
	2024	2023
Assets:		
Other noncurrent assets	\$ 2	\$ 1
Liabilities:		
Deferred income taxes	5,771	5,834
Net deferred tax liabilities	\$ 5,769	\$ 5,833

At both December 31, 2024 and 2023, federal operating loss carryforwards were \$3 million, which includes a mix of indefinite carryforward ability and expiration periods ranging from 2032 through 2034. As of December 31, 2024 and 2023, state and local operating loss and tax credit carryforwards were \$42 million and \$31 million, respectively, which includes a mix of indefinite carryforward ability and expiration periods ranging from 2029 through 2044. At December 31, 2024 and 2023, foreign operating loss carryforwards were \$16 million and \$20 million, respectively, which includes expiration periods ranging from 2028 through 2043.

As of December 31, 2024 and 2023, \$51 million and \$28 million of valuation allowances have been recorded related to income taxes, related to realizability of foreign tax operating losses, state tax net operating losses and credits, and related deferred tax assets.

MPC is continuously undergoing examination of its U.S. federal income tax returns by the Internal Revenue Service ("IRS"). Since 2012, we have continued to participate in the Compliance Assurance Process ("CAP"). CAP is a real-time audit of the U.S. federal income tax return that allows the IRS, working in conjunction with MPC, to determine tax return compliance with the U.S. federal tax law prior to filing the return. This program provides us with greater certainty about our tax liability for years under examination by the IRS. MPLX and its subsidiaries are undergoing examination of its U.S. federal income tax returns by the IRS for the tax years 2019 through 2022. We do not believe the eventual outcome of such audits will have a material impact on our financial statements as of December 31, 2024.

Further, we are routinely involved in U.S. state income tax audits. We believe all other audits will be resolved with the amounts provided for these liabilities. As of December 31, 2024, we have various state and local income tax returns subject to examination for years 2016 through 2023, depending on jurisdiction.

The following table summarizes the activity in unrecognized tax benefits:

<i>(Millions of dollars)</i>	2024	2023	2022
January 1 balance	\$ 38	\$ 57	\$ 37
Additions for tax positions of prior years	—	8	38
Reductions for tax positions of prior years	(5)	(6)	(2)
Settlements	(6)	(20)	(15)
Statute of limitations	—	(1)	(1)
December 31 balance	<u>\$ 27</u>	<u>\$ 38</u>	<u>\$ 57</u>

If the unrecognized tax benefits as of December 31, 2024 were recognized, \$27 million would affect our effective income tax rate. There were \$7 million of uncertain tax positions as of December 31, 2024 for which it is reasonably possible that the amount of unrecognized tax benefits would significantly decrease during the next twelve months.

Interest and penalties related to income taxes are recorded as part of the provision for income taxes. Such interest and penalties were net expenses (benefits) of \$(2) million, less than \$(1) million and \$1 million in 2024, 2023 and 2022, respectively. At December 31, 2024 and 2023, \$2 million and \$4 million of interest and penalties were accrued related to income taxes, respectively.

13. Inventories

<i>(Millions of dollars)</i>	December 31,	
	2024	2023
Crude oil and other feedstocks	\$ 3,185	\$ 3,211
Refined products	5,137	4,940
Materials and supplies	1,246	1,166
Total	<u>\$ 9,568</u>	<u>\$ 9,317</u>

The cost of inventories of crude oil and other feedstocks and refined products is determined under the LIFO method. The LIFO method accounted for 87 percent of total inventory value at both December 31, 2024 and 2023. Current acquisition costs were estimated to exceed the LIFO inventory value at December 31, 2024 and 2023 by \$2.53 billion and \$2.77 billion, respectively.

14. Equity Method Investments

Refining & Marketing Segment

LF Bioenergy Acquisition

On March 8, 2023, MPC announced the acquisition of a 49.9 percent interest in LF Bioenergy, an emerging producer of renewable natural gas ("RNG") in the U.S., for approximately \$56 million, which included funding for on-going operations and project development. LF Bioenergy has been focused on developing and growing a portfolio of dairy farm-based, low carbon intensity RNG projects. MPC accounts for our ownership interest in LF Bioenergy as an equity method investment.

Watson Cogeneration Company

On June 1, 2022, MPC purchased the remaining 49 percent interest in Watson Cogeneration Company from NRG Energy, Inc. for approximately \$59 million. This entity is now consolidated and included in our consolidated results. It was previously accounted for as an equity method investment.

The excess of the \$62 million fair value over the \$25 million book value of our 51 percent ownership interest in Watson Cogeneration Company resulted in a \$37 million gain, which is included in the net gain on disposal of assets line of the accompanying consolidated statements of income.

Midstream Segment - MPLX

BANGL, LLC Acquisition

On July 31, 2024, MPLX exercised its right of first offer under the BANGL, LLC joint venture agreement to purchase an additional 20 percent ownership interest in BANGL, LLC for \$210 million cash, increasing total ownership interest to 45 percent (the “BANGL Transaction”). BANGL is a natural gas liquids pipeline system connecting the Delaware and Midland basins to the fractionation market in the Gulf Coast and export markets. The purchase price of the additional 20 percent ownership interest in BANGL, LLC exceeded our portion of the underlying net assets of the joint venture by approximately \$156 million. This basis difference is being amortized into net income over the remaining estimated useful lives of the underlying net assets. Following the BANGL Transaction, our investment in BANGL, LLC continues to be accounted for as an equity method investment.

Whistler Joint Venture Transaction

On May 29, 2024, MPLX and its joint venture partner contributed their respective membership interest in Whistler Pipeline, LLC to a newly formed joint venture, WPC Parent, LLC, and issued a 19 percent voting interest in WPC Parent, LLC to an affiliate of Enbridge Inc. in exchange for the contribution of cash and the Rio Bravo Pipeline project (collectively the “Whistler Joint Venture Transaction”). As a result of the transaction, MPLX’s voting interest in the joint venture was reduced from 37.5 percent to 30.4 percent. MPLX recognized a gain of \$151 million at closing and received a cash distribution of \$134 million, recorded as a return of capital, related to the dilution of the ownership interest. The gain is included in income from equity method investments on the accompanying consolidated statements of income and the return of capital is included in investments - redemptions, repayments, return of capital and sales proceeds within the investing section of the accompanying consolidated statements of cash flows.

Midstream Acquisition

On March 22, 2024, MPLX used \$625 million of cash on hand to purchase additional ownership interest in existing joint ventures and gathering assets, which will enhance MPLX’s position in the Utica basin. Prior to the acquisition, MPLX owned an indirect interest in Ohio Gathering Company, L.L.C. (“OGC”) and a direct interest in Ohio Condensate Company, L.L.C. (“OCC”) and now owns a combined 73 percent interest in OGC and a 100 percent interest in OCC, and a dry gas gathering system in the Utica basin. OGC continues to be accounted for as an equity method investment as MPLX did not obtain control of OGC as a result of the transaction. OGC is considered a VIE and MPLX is not deemed to be the primary beneficiary due to voting rights on significant matters. The acquisition date fair value of our investment in OGC exceeded our portion of the underlying net assets of the joint venture by approximately \$75 million. This basis difference is being amortized into net income over the remaining estimated useful lives of the underlying net assets. OCC was previously accounted for as an equity method investment, and it is now consolidated and included in our consolidated financial results.

The acquisition was accounted for as a business combination requiring all the acquired assets and liabilities to be remeasured to fair value resulting in a consolidated fair value of net assets and liabilities of \$625 million. The fair value includes \$507 million related to acquired interests in the joint ventures and the remaining balance related to other acquired assets and liabilities. The revaluation of MPLX’s existing 62 percent equity method investment in OCC resulted in a \$20 million gain, which is included in net gain on disposal of assets on the accompanying consolidated statements of income. The fair value of equity method investments was based on a discounted cash flow model.

MarkWest Torñado GP, L.L.C.

On December 15, 2023, MPLX used \$303 million of cash on hand to purchase the remaining 40 percent interest in MarkWest Torñado GP, L.L.C. (“Torñado”) for approximately \$270 million, including cash paid for working capital, and to extend the term of a gathering and processing agreement for approximately \$33 million. As a result of this transaction, this entity is now consolidated and included in our consolidated financial results. It was previously accounted for as an equity method investment. Torñado provides natural gas gathering and processing related services in the Permian basin. The results for this business are reported within our Midstream segment.

At December 15, 2023, the carrying value of MPLX’s 60 percent equity investment in Torñado was \$311 million. Upon acquisition of the remaining 40 percent member interest, the existing equity investment was remeasured to fair value resulting in the recognition of a \$92 million gain, which was presented in the net gain on disposal of assets line on the accompanying consolidated statements of income. The fair value of the previously held equity method investment was primarily based on the price negotiated for the 40 percent interest in Torñado.

The acquisition was accounted for as a business combination. While the purchase price for the 40 percent interest was \$270 million, all of the Torñado assets and liabilities were remeasured to fair value resulting in a consolidated fair value of net assets and liabilities of \$673 million, consisting primarily of property, plant and equipment and identifiable intangible assets. The fair value of property, plant and equipment was based primarily on the cost approach. The fair value of the identifiable intangible assets, consisting of various customer contracts, was primarily based on the multi-period excess earnings method, which is an income approach.

Midstream Segment - MPC-Retained

Jones Act Blue Water Vessels

Marathon Coastal Holdings LLC (formerly known as Crowley Coastal Partners LLC, “Coastal Holdings”) was formed in May 2016 as a joint venture to own, through its subsidiaries, four Jones Act mid-range product tankers and three Jones Act series 750 ATB vessels. Prior to October 1, 2024, MPC accounted for our 50 percent ownership in Coastal Holdings as an equity method investment.

On December 1, 2022, MPC purchased all of Coastal Holdings’ interest in Marathon Tanker Holdings LLC (formerly known as Crowley Ocean Partners LLC, “Tankers Holdings”) and its four subsidiaries, which own the four mid-range product tankers, for approximately \$485 million, which included \$196 million to pay off the debt associated with the four tankers. Subsequent to the acquisition date, Tankers Holdings is wholly owned by MPC and is included in our consolidated results.

The excess of the \$144 million fair value over the \$125 million book value of our 50 percent indirect interest in Tankers Holdings resulted in a \$19 million gain, which is included in income from equity method investments on the accompanying consolidated statements of income.

On October 1, 2024, MPC paid approximately \$66 million in cash to purchase the remaining 50 percent interest in Coastal Holdings and its subsidiary, Marathon Blue Water Holdings LLC (formerly known as Crowley Blue Water Partners, LLC, “Blue Water Holdings”), which owns the three ATB vessels, from our joint venture partner. As part of the transaction, MPC assumed Blue Water Holdings’ United States Maritime Administration guaranteed obligations (the “MARAD Debt”) with an aggregate outstanding principal amount and accrued interest value of \$175 million as of October 1, 2024. See Note 19 for additional information. Subsequent to the acquisition date, Coastal Holdings is wholly owned by MPC and is included in our consolidated results.

The excess of the \$66 million fair value over the \$50 million book value of our 50 percent indirect interest in Coastal Holdings resulted in a \$16 million gain, which is included in income from equity method investments on the accompanying consolidated statements of income.

South Texas Gateway Terminal LLC

On August 1, 2023, MPC sold its 25 percent interest in South Texas Gateway Terminal LLC (“South Texas Gateway”) to an affiliate of Gibson Energy Inc. (“Gibson Energy”). Gibson Energy paid \$1.1 billion in cash to acquire 100 percent of the membership interests of South Texas Gateway from MPC and its other members. South Texas Gateway owns an oil export facility in the U.S. Gulf Coast. MPC’s proceeds were \$270 million, resulting in a gain of \$106 million, which is included in net gain on disposal of assets on the accompanying consolidated statements of income.

Renewable Diesel Segment

Martinez Renewables LLC

On September 21, 2022, MPC closed on the formation of the Martinez Renewables LLC joint venture. MPC contributed property, plant and equipment, inventory, and working capital with an estimated fair value of \$1.471 billion and Neste contributed \$728 million in cash. MPC recorded a gain of \$549 million resulting from the difference between the carrying value and fair value of the contributed property, plant and equipment and inventory. Subsequent to the closing, the joint venture paid a special distribution to MPC of \$500 million, which is reflected as a return of capital in MPC’s consolidated statements of cash flows. After the special distribution, MPC’s investment value in the entity was approximately \$971 million. We apply the equity method of accounting with respect to our investment in the entity.

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<i>(In millions of dollars, except ownership percentages)</i>	VIE	Ownership as of	Carrying value at	
		December 31, 2024	2024	December 31, 2023
Refining & Marketing				
The Andersons Marathon Holdings LLC		50%	\$ 190	\$ 227
Other ^(a)	X		92	75
Refining & Marketing Total			\$ 282	\$ 302
Midstream				
<i>MPLX</i>				
BANGL		45%	\$ 281	\$ 63
Illinois Extension Pipeline Company, L.L.C.		35%	218	228
LOOP LLC		41%	310	314
MarEn Bakken Company LLC		25%	526	449
MarkWest EMG Jefferson Dry Gas Gathering Company, L.L.C.	X	67%	329	336
MarkWest Utica EMG, L.L.C.	X	59%	742	676
Ohio Gathering Co, LLC	X	35%	470	—
Sherwood Midstream LLC	X	50%	488	500
WPC Parent, LLC		30%	208	214
Other ^(a)	X		959	963
MPLX Total			\$ 4,531	\$ 3,743
<i>MPC-Retained</i>				
Capline Pipeline Company LLC		33%	\$ 382	\$ 402
Gray Oak Pipeline, LLC		25%	274	284
Other ^(a)	X		114	170
MPC-Retained Total			\$ 770	\$ 856
Midstream Total			\$ 5,301	\$ 4,599
Renewable Diesel				
Martinez Renewables LLC	X	50%	\$ 1,184	\$ 1,266
Other ^(a)	X		90	93
Renewable Diesel Total			\$ 1,274	\$ 1,359
Total			\$ 6,857	\$ 6,260

^(a) Some investments included within "Other" have been deemed to be VIEs.

Summarized financial information for all equity method investments in affiliated companies, combined, was as follows:

<i>(Millions of dollars)</i>	2024	2023	2022
Income statement data:			
Revenues and other income	\$ 9,259	\$ 6,544	\$ 5,069
Income from operations	2,698	2,428	1,907
Net income	2,211	2,089	1,740
Balance sheet data – December 31:			
Current assets	\$ 2,687	\$ 2,610	
Noncurrent assets	24,656	21,098	
Current liabilities	1,927	1,569	
Noncurrent liabilities	7,837	6,719	

As of December 31, 2024, the carrying value of our equity method investments was \$521 million higher than the underlying net assets of investees. This basis difference is being amortized into net income over the remaining estimated useful lives of the underlying net assets, except for \$208 million of excess related to goodwill and other non-depreciable assets.

Dividends and partnership distributions received from equity method investees (excluding distributions that represented a return of capital previously contributed) were \$1.215 billion, \$941 million and \$772 million in 2024, 2023 and 2022, respectively.

15. Property, Plant and Equipment (PP&E)

<i>(Millions of dollars)</i>	December 31, 2024			December 31, 2023		
	Gross PP&E	Accumulated Depreciation	Net PP&E	Gross PP&E	Accumulated Depreciation	Net PP&E
Refining & Marketing	\$ 32,965	\$ 19,015	\$ 13,950	\$ 31,536	\$ 17,721	\$ 13,815
Midstream	30,697	10,798	19,899	29,620	9,589	20,031
Renewable Diesel	976	338	638	960	271	689
Corporate	1,679	1,138	541	1,632	1,055	577
Total^(a)	\$ 66,317	\$ 31,289	\$ 35,028	\$ 63,748	\$ 28,636	\$ 35,112

^(a) Includes finance leases. See Note 26.

Property, plant and equipment includes construction in progress of \$1.78 billion and \$1.40 billion at December 31, 2024 and 2023, respectively, which primarily relates to capital projects at our refineries and midstream facilities.

16. Goodwill and Intangibles

Goodwill

MPC annually evaluates goodwill for impairment as of November 30, as well as whenever events or changes in circumstances indicate it is more likely than not that the fair value of a reporting unit with goodwill is less than its carrying amount. There were no impairments of goodwill required based on our annual test of goodwill in 2024 and 2023.

At December 31, 2024, MPC had four reporting units with goodwill totaling approximately \$8.24 billion. For the annual impairment assessment as of November 30, 2024, management performed only a qualitative assessment for three reporting units as we determined it was more likely than not that the fair value of the reporting units exceeded the carrying value. A quantitative assessment was performed for the remaining reporting unit, which resulted in the fair value of the reporting unit exceeding its carrying value by greater than 10 percent.

The changes in the carrying amount of goodwill for 2024 were as follows:

<i>(Millions of dollars)</i>	Refining & Marketing	Midstream	Total
Balance as of December 31, 2022	\$ 561	\$ 7,683	\$ 8,244
Impairment losses	—	—	—
Balance as of December 31, 2023	561	7,683	8,244
Impairment losses	—	—	—
Balance as of December 31, 2024	<u>\$ 561</u>	<u>\$ 7,683</u>	<u>\$ 8,244</u>
Gross goodwill as of December 31, 2024	\$ 6,141	\$ 10,824	\$ 16,965
Accumulated impairment losses	(5,580)	(3,141)	(8,721)
Balance as of December 31, 2024	<u>\$ 561</u>	<u>\$ 7,683</u>	<u>\$ 8,244</u>

Intangible Assets

Our definite lived intangible assets as of December 31, 2024 and 2023 are as shown below.

<i>(Millions of dollars)</i>	December 31, 2024			December 31, 2023		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer contracts and relationships	\$ 4,111	\$ 2,446	\$ 1,665	\$ 3,838	\$ 2,132	\$ 1,706
Brand rights and tradenames	101	89	12	101	79	22
Royalty agreements	141	120	21	173	142	31
Other	36	31	5	41	35	6
Total	<u>\$ 4,389</u>	<u>\$ 2,686</u>	<u>\$ 1,703</u>	<u>\$ 4,153</u>	<u>\$ 2,388</u>	<u>\$ 1,765</u>

At both December 31, 2024 and 2023, we had indefinite lived intangible assets of \$71 million, which are emission allowance credits.

Amortization expense was \$266 million in 2024 and \$316 million in 2023. Estimated future amortization expense for the next five years related to the intangible assets at December 31, 2024 is as follows:

<i>(Millions of dollars)</i>	
2025	\$ 250
2026	230
2027	202
2028	180
2029	16

17. Fair Value Measurements

Fair Values – Recurring

The following tables present assets and liabilities accounted for at fair value on a recurring basis as of December 31, 2024 and 2023 by fair value hierarchy level. We have elected to offset the fair value amounts recognized for multiple derivative contracts executed with the same counterparty, including any related cash collateral as shown below; however, fair value amounts by hierarchy level are presented on a gross basis in the following tables.

December 31, 2024						
<i>(Millions of dollars)</i>	Fair Value Hierarchy			Netting and Collateral ^(a)	Net Carrying Value on Balance Sheet ^(b)	Collateral Pledged Not Offset
	Level 1	Level 2	Level 3			
Assets:						
Commodity contracts	\$ 139	\$ —	\$ —	\$ (132)	\$ 7	\$ 16
Liabilities:						
Commodity contracts	\$ 144	\$ —	\$ —	\$ (144)	\$ —	\$ —
Embedded derivatives in commodity contracts	—	—	58	—	58	—

December 31, 2023						
<i>(Millions of dollars)</i>	Fair Value Hierarchy			Netting and Collateral ^(a)	Net Carrying Value on Balance Sheet ^(b)	Collateral Pledged Not Offset
	Level 1	Level 2	Level 3			
Assets:						
Commodity contracts	\$ 244	\$ —	\$ —	\$ (220)	\$ 24	\$ 73
Liabilities:						
Commodity contracts	\$ 249	\$ —	\$ —	\$ (249)	\$ —	\$ —
Embedded derivatives in commodity contracts	—	—	61	—	61	—

^(a) Represents the impact of netting assets, liabilities and cash collateral when a legal right of offset exists. As of December 31, 2024, cash collateral of \$12 million was netted with mark-to-market derivative liabilities. As of December 31, 2023, cash collateral of \$29 million was netted with mark-to-market derivative liabilities.

^(b) We have no derivative contracts which are subject to master netting arrangements reflected gross on the balance sheet.

Level 3 instruments relate to an embedded derivative liability for a natural gas purchase commitment embedded in a keep-whole processing agreement. The fair value calculation for these Level 3 instruments at December 31, 2024 used significant unobservable inputs including: (1) NGL prices interpolated and extrapolated due to inactive markets ranging from \$0.65 to \$1.54 per gallon with a weighted average of \$0.81 per gallon and (2) a 100 percent probability of renewable for the five-year term of the natural gas purchase agreement and related keep-whole processing agreement. Increases or decreases in the fractionation spread result in an increase or decrease in the fair value of the embedded derivative liability.

The following is a reconciliation of the beginning and ending balances recorded for net liabilities classified as Level 3 in the fair value hierarchy.

<i>(Millions of dollars)</i>	2024	2023
Beginning balance	\$ 61	\$ 61
Unrealized and realized loss included in net income ^(a)	10	11
Settlements of derivative instruments	(13)	(11)
Ending balance	\$ 58	\$ 61

The amount of total loss for the period included in earnings attributable to the change in unrealized loss relating to liabilities still held at the end of period ^(a) :	\$ 7	\$ 9
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^(a) The gain/loss is included in cost of revenues on the consolidated statements of income.

See Note 18 for the income statement impacts of our derivative instruments.

Fair Values – Non-recurring

Non-recurring fair value measurements and disclosures in 2024 relate to acquisitions and other transactions as discussed in Note 14.

Non-recurring fair value measurements and disclosures in 2023 relate primarily to the acquisition of the remaining interest in Torñado as discussed in Note 14.

Non-recurring fair value measurements and disclosures in 2022 relate primarily to sales-type leases discussed in Note 26 and the Martinez Renewables LLC equity method investment discussed in Note 14. The net investment in sales-type leases was recorded at the estimated fair value of the underlying leased assets at contract modification date. The leased assets were valued

using a cost method valuation approach which utilizes Level 3 inputs. The fair value of the Martinez Renewables LLC equity method investment was primarily based on the cash consideration received from Neste for their 50 percent ownership.

Fair Values – Reported

We believe the carrying value of our other financial instruments, including cash and cash equivalents, receivables, accounts payable and certain accrued liabilities, approximate fair value. Our fair value assessment incorporates a variety of considerations, including the short-term duration of the instruments and the expected insignificance of bad debt expense, which includes an evaluation of counterparty credit risk. The borrowings under our revolving credit facilities, which include variable interest rates, approximate fair value. The fair value of our long-term debt is based on prices from recent trade activity and is categorized in level 3 of the fair value hierarchy. The carrying and fair values of our debt were approximately \$26.9 billion and \$25.0 billion at December 31, 2024, respectively, and approximately \$27.0 billion and \$25.5 billion at December 31, 2023, respectively. These carrying and fair values of our debt exclude the unamortized issuance costs, which are netted against our total debt.

18. Derivatives

For further information regarding the fair value measurement of derivative instruments, including any effect of master netting agreements or collateral, see Note 17. See Note 2 for a discussion of the types of derivatives we use and the reasons for them. We do not designate any of our commodity derivative instruments as hedges for accounting purposes.

The following table presents the fair value of derivative instruments as of December 31, 2024 and 2023 and the line items in the consolidated balance sheets in which the fair values are reflected. The fair value amounts below are presented on a gross basis and do not reflect the netting of asset and liability positions permitted under the terms of our master netting arrangements including cash collateral on deposit with, or received from, brokers. We offset the recognized fair value amounts for multiple derivative instruments executed with the same counterparty in our financial statements when a legal right of offset exists. As a result, the asset and liability amounts below will not agree with the amounts presented in our consolidated balance sheets.

<i>(Millions of dollars)</i> Balance Sheet Location	December 31, 2024		December 31, 2023	
	Asset	Liability	Asset	Liability
Commodity derivatives				
Other current assets	\$ 139	\$ 144	\$ 244	\$ 249
Other current liabilities ^(a)	—	10	—	11
Deferred credits and other liabilities ^(a)	—	48	—	50

^(a) Includes embedded derivatives.

The table below summarizes open commodity derivative contracts for crude oil, refined products, blending products and soybean oil as of December 31, 2024.

<i>(Units in thousands of barrels)</i>	Percentage of contracts that expire next quarter	Position	
		Long	Short
Exchange-traded ^(a)			
Crude oil	54.5%	47,351	43,785
Refined products	82.3%	18,086	21,973
Blending products	93.5%	6,061	6,121
Soybean oil	97.9%	2,295	2,888

^(a) Included in exchange-traded are spread contracts in thousands of barrels: Crude oil - 15,975 long and 15,455 short; Refined products - 545 long and 325 short and Blending products - 158 long. There are no spread contracts for soybean oil.

The following table summarizes the effect of all commodity derivative instruments in our consolidated statements of income:

<i>(Millions of dollars)</i> Income Statement Location	Gain (Loss)		
	2024	2023	2022
Sales and other operating revenues	\$ 1	\$ 7	\$ —
Cost of revenues	(94)	(15)	(58)
Other income	2	2	—
Total	\$ (91)	\$ (6)	\$ (58)

19. Debt

Our outstanding borrowings at December 31, 2024 and 2023 consisted of the following:

<i>(Millions of dollars)</i>	December 31, 2024	December 31, 2023
Marathon Petroleum Corporation:		
Senior notes	\$ 5,699	\$ 6,449
Notes payable	—	1
MARAD debt	174	—
Finance lease obligations	718	464
Total	6,591	6,914
MPLX LP:		
Senior notes	21,200	20,700
Finance lease obligations	6	6
Total	21,206	20,706
Total debt	27,797	27,620
Unamortized debt issuance costs	(142)	(141)
Unamortized discount, net of unamortized premium	(174)	(196)
Amounts due within one year	(3,049)	(1,954)
Total long-term debt due after one year	\$ 24,432	\$ 25,329

Commercial Paper

We have in place a commercial paper program that allows us to have a maximum of \$2.0 billion in commercial paper outstanding, with maturities up to 397 days from the date of issuance. We do not intend to have outstanding commercial paper borrowings in excess of available capacity under the MPC Credit Agreement.

MPC Senior Notes

<i>(Millions of dollars)</i>	December 31,	
	2024	2023
Senior notes, 3.625% due September 2024	—	750
Senior notes, 4.700% due May 2025	1,250	1,250
Senior notes, 5.125% due December 2026	719	719
Senior notes, 3.800% due April 2028	496	496
Senior notes, 6.500% due March 2041	1,250	1,250
Senior notes, 4.750% due September 2044	800	800
Senior notes, 5.850% due December 2045	250	250
Senior notes, 4.500% due April 2048	498	498
Andeavor senior notes, 3.800% - 5.125% due 2026 – 2048	36	36
Senior notes, 5.000%, due September 2054	400	400
Total	\$ 5,699	\$ 6,449

2024 Activity

On September 16, 2024, we repaid the \$750 million outstanding principal amount of 3.625 percent senior notes due September 2024 at maturity using cash on hand.

Interest on each series of senior notes is payable semi-annually in arrears. The MPC senior notes are unsecured and unsubordinated obligations of MPC and rank equally with all of MPC's other existing and future unsecured and unsubordinated indebtedness. The MPC senior notes are non-recourse to our subsidiaries and structurally subordinated to the indebtedness of our subsidiaries, including the outstanding indebtedness of Andeavor and MPLX. The Andeavor senior notes are unsecured, unsubordinated obligations of Andeavor and are non-recourse to MPC and any of MPC's subsidiaries other than Andeavor.

MARAD Debt

During the fourth quarter of 2024, MPC purchased the remaining 50 percent interest in Coastal Holdings from our joint venture partner and assumed \$174 million in aggregate principal amount of MARAD Debt obligations issued by Blue Water Holdings, a subsidiary of Marathon Coastal Holdings LLC, that owns three 750 series ATB Vessels. Blue Water Holdings remains the primary obligor under the MARAD Debt. The U.S. Department of Transportation Maritime Administration (“MARAD”) has guaranteed certain of Blue Water Holdings’ obligations under the MARAD Debt and Blue Water Holdings has agreed to reimburse MARAD for any payments it makes with respect to the MARAD Debt pursuant to the guaranty. Blue Water Holdings’ reimbursement obligations to MARAD with respect to the MARAD Debt are secured by a mortgage on the three ATB Vessels and certain related rights and assets and are guaranteed by MPC.

The MARAD Debt is comprised of \$55 million aggregate principal amount of 3.432% bonds due 2036, \$57 million aggregate principal amount of 3.477% bonds due 2037 and \$62 million aggregate principal amount of 3.609% bonds due 2038. The agreements that govern the MARAD Debt, including the indenture, security agreement and guarantee contain customary representations and warranties as well as affirmative and negative covenants, events of defaults and other provisions, we believe are typical for U.S. government guaranteed obligations of this type. As of December 31, 2024, we were in compliance with the covenants contained in the MARAD Debt documents.

MPLX Senior Notes

<i>(Millions of dollars)</i>	December 31,	
	2024	2023
Senior notes, 4.875% due December 2024	\$ —	\$ 1,149
Senior notes, 4.000% due February 2025	500	500
Senior notes, 4.875% due June 2025	1,189	1,189
MarkWest senior notes, 4.875% due 2024 – 2025	11	12
Senior notes, 1.750% due March 2026	1,500	1,500
Senior notes, 4.125% due March 2027	1,250	1,250
Senior notes, 4.250% due December 2027	732	732
Senior notes, 4.000% due March 2028	1,250	1,250
Senior notes, 4.800% due February 2029	750	750
Senior notes, 2.650% due August 2030	1,500	1,500
Senior notes, 4.950% due September 2032	1,000	1,000
Senior notes, 5.000% due March 2033	1,100	1,100
Senior notes, 5.500% due June 2034	1,650	—
Senior notes, 4.500% due April 2038	1,750	1,750
Senior notes, 5.200% due March 2047	1,000	1,000
Senior notes, 5.200% due December 2047	487	487
ANDX senior notes, 4.250% - 5.200% due 2027 – 2047	31	31
Senior notes, 4.700% due April 2048	1,500	1,500
Senior notes, 5.500% due February 2049	1,500	1,500
Senior notes, 4.950% due March 2052	1,500	1,500
Senior notes, 5.650% due March 2053	500	500
Senior notes, 4.900% due April 2058	500	500
Total	\$ 21,200	\$ 20,700

2024 Activity

On May 20, 2024, MPLX issued \$1.65 billion aggregate principal amount of 5.50 percent senior notes due June 2034 (the “2034 Senior Notes”) in an underwritten public offering. On December 1, 2024, MPLX used \$1,150 million of the net proceeds from the issuance of the 2034 Senior Notes to repay all of (i) MPLX’s outstanding \$1,149 million aggregate principal amount of 4.875 percent senior notes due December 2024 and (ii) MarkWest’s outstanding \$1 million aggregate principal amount of 4.875 percent senior notes due December 2024. On February 18, 2025, MPLX used the remaining net proceeds from the issuance of the 2034 Senior Notes to repay all of MPLX’s outstanding \$500 million aggregate principal amount of 4.000 percent senior notes due February 2025.

2023 Activity

On February 9, 2023, MPLX issued \$1.6 billion aggregate principal amount of senior notes in a public offering, consisting of \$1.1 billion aggregate principal amount of 5.00 percent senior notes due March 2033 and \$500 million aggregate principal amount of 5.65 percent senior notes due March 2053. On February 15, 2023, MPLX used \$600 million of the net proceeds to redeem all of the outstanding Series B preferred units. On March 13, 2023, MPLX used the remaining proceeds to redeem all of MPLX's and MarkWest's \$1.0 billion aggregate principal amount of 4.50 percent senior notes due July 2023. The redemption resulted in a loss on extinguishment of debt of \$9 million due to the immediate expense recognition of unamortized debt discount and issuance costs.

Interest on each series of MPLX fixed rate senior notes is payable semi-annually in arrears. The MPLX senior notes are unsecured, unsubordinated obligations of MPLX and are non-recourse to MPC and its subsidiaries other than MPLX and MPLX GP LLC, as the general partner of MPLX. The MPLX senior notes are non-recourse to MPLX's subsidiaries and structurally subordinated to the indebtedness of MPLX's subsidiaries.

Schedule of Maturities

Principal maturities of long-term debt, excluding finance lease obligations, as of December 31, 2024 for the next five years are as follows:

(Millions of dollars)

2025	\$	2,964
2026		2,263
2027		2,014
2028		1,764
2029		764

Available Capacity under our Facilities as of December 31, 2024

(Millions of dollars)

	Total Capacity	Outstanding Borrowings	Outstanding Letters of Credit	Available Capacity	Weighted Average Interest Rate	Expiration
MPC, excluding MPLX						
MPC bank revolving credit facility	\$ 5,000	\$ —	\$ 1	\$ 4,999	—	July 2027
MPC trade receivables securitization facility ^(a)	100	—	—	100	—	September 2027
MPLX						
MPLX bank revolving credit facility	2,000	—	—	2,000	—	July 2027

^(a) The committed borrowing and letter of credit issuance capacity under the trade receivables securitization facility is \$100 million. In addition, the facility allows for the issuance of letters of credit in excess of the committed capacity at the discretion of the issuing banks.

MPC Bank Revolving Credit Facility

MPC's credit agreement (the "MPC Credit Agreement") matures in July 2027 and, provides for a \$5.0 billion unsecured revolving credit facility and letter of credit issuing capacity under the facility of up to \$2.2 billion. Letters of credit issuing capacity is included in, not in addition to, the \$5.0 billion borrowing capacity.

MPC has an option under the MPC Credit Agreement to increase the aggregate commitments by up to an additional \$1.0 billion, subject to, among other conditions, the consent of the lenders whose commitments would be increased. In addition, the maturity date may be extended, for up to two additional one year periods, subject to, among other conditions, the approval of lenders holding the majority of the commitments then outstanding, provided that the commitments of any non-consenting lenders will terminate on the then-effective maturity date. The MPC Credit Agreement includes sub-facilities for swing-line loans of up to \$250 million and letters of credit of up to \$2.2 billion (which may be increased to up to \$3.0 billion upon receipt of additional letter of credit issuing commitments).

Borrowings under the MPC Credit Agreement bear interest, at our election, at either the Adjusted Term SOFR or the Alternate Base Rate, both as defined in the MPC Credit Agreement, plus an applicable margin. We are charged various fees and expenses in connection with the agreement, including administrative agent fees, commitment fees on the unused portion of the commitments and fees with respect to issued and outstanding letters of credit. The applicable margins to the benchmark interest rates and the commitment fees payable under the MPC Credit Agreement fluctuate based on changes, if any, to our credit ratings.

The MPC Credit Agreement contains certain representations and warranties, affirmative and restrictive covenants and events of default that we consider to be usual and customary for arrangements of this type, including a financial covenant that requires us to maintain a ratio of Consolidated Net Debt to Total Capitalization, each as defined in the MPC Credit Agreement, of no greater than 0.65 to 1.00 as of the last day of each fiscal quarter. The covenants also restrict, among other things, our ability and/or the ability of certain of our subsidiaries to incur debt, create liens on assets or enter into transactions with affiliates. As of December 31, 2024, we were in compliance with the covenants contained in the MPC Credit Agreement.

Trade Receivables Securitization Facility

On September 30, 2021, we entered into a Loan and Security Agreement and related documentation with a group of lenders providing for a new trade receivables securitization facility having \$100 million of committed borrowing and letter of credit issuance capacity and uncommitted borrowing and letter of credit issuance capacity that can be extended at the discretion of the lenders, provided that at no time may outstanding borrowings and letters of credit issued under the facility exceed the balance of eligible trade receivables (as calculated in accordance with the Loan and Security Agreement) that are pledged as collateral under the facility. In September 2024, the trade receivables securitization facility was amended to, among other things, extend its term until September 30, 2027.

The trade receivables facility consists of certain of our wholly owned subsidiaries (“Originators”) selling or contributing on an on-going basis all of the trade receivables generated by them (the “Pool Receivables”), together with all related security and interests in the proceeds thereof, without recourse, to another wholly owned, bankruptcy-remote special purpose subsidiary, MPC Trade Receivables Company I LLC (“TRC”), in exchange for a combination of cash, equity and/or borrowings under a subordinated note issued by TRC to one or more of the Originators. TRC may request borrowings and extensions of credit under the Loan and Security Agreement for up to the lesser of the maximum capacity under the facility or the eligible trade receivables balance of the Pool Receivables. TRC and each of the Originators have granted a security interest in all of their rights, title and interests in and to the Pool Receivables, together with all related security and interests in the proceeds thereof, to the lenders to secure the performance of TRC’s and the Originators’ payment and other obligations under the facility. In addition, MPC has issued a performance guaranty in favor of the lenders guaranteeing the performance by TRC and the Originators of their obligations under the facility.

To the extent that TRC retains an ownership interest in the Pool Receivables, such interest will be included in our consolidated financial statements solely as a result of the consolidation of the financial statements of TRC with those of MPC. The receivables sold or contributed to TRC are available first and foremost to satisfy claims of the creditors of TRC and are not available to satisfy the claims of creditors of MPC. TRC has granted a security interest in all of its assets to the lenders to secure its obligations under the Loan and Security Agreement.

TRC pays floating-rate interest charges and usage fees on amounts outstanding under the trade receivables facility, if any, unused fees on the portion of unused commitments and certain other fees related to the administration of the facility and letters of credit that are issued and outstanding under the trade receivables facility.

The Loan and Security Agreement and other documents comprising the facility contain representations and covenants that we consider usual and customary for arrangements of this type. Trade receivables are subject to customary criteria, limits and reserves before being deemed to be eligible receivables that count towards the borrowing base under the trade receivables facility. In addition, the lender’s commitments to extend loans and credits under the facility are subject to termination, and TRC may be subject to default fees, upon the occurrence of certain events of default that are included in the Loan and Security Agreement and other facility documentation, all of which we consider to be usual and customary for arrangements of this type. As of December 31, 2024, we were in compliance with the covenants contained in the Loan and Security Agreement and other facility documentation.

MPLX Bank Revolving Credit Facility

MPLX’s credit agreement (the “MPLX Credit Agreement”) matures in July 2027 and, among other things, provides for a \$2.0 billion unsecured revolving credit facility and letter of credit issuing capacity under the facility of up to \$150 million. Letters of credit issuing capacity is included in, not in addition to, the \$2.0 billion borrowing capacity.

The borrowing capacity under the MPLX Credit Agreement may be increased by up to an additional \$1.0 billion, subject to certain conditions, including the consent of the lenders whose commitments would increase. In addition, the maturity date may be extended, for up to two additional one year periods, subject to, among other conditions, the approval of lenders holding the majority of the commitments then outstanding, provided that the commitments of any non-consenting lenders will terminate on the then-effective maturity date.

Borrowings under the MPLX Credit Agreement bear interest, at MPLX’s election, at either the Adjusted Term SOFR or the Alternate Base Rate, both as defined in the MPLX Credit Agreement, plus an applicable margin. MPLX is charged various fees and expenses in connection with the agreement, including administrative agent fees, commitment fees on the unused portion of the commitments and fees with respect to issued and outstanding letters of credit. The applicable margins to the benchmark interest rates and the commitment fees payable under the MPLX Credit Agreement fluctuate based on changes, if any, to MPLX’s credit ratings.

The MPLX Credit Agreement contains certain representations and warranties, affirmative and restrictive covenants and events of default that we consider to be usual and customary for an agreement of this type, including a financial covenant that requires MPLX to maintain a ratio of Consolidated Total Debt as of the end of each fiscal quarter to Consolidated EBITDA, both as defined in the MPLX Credit Agreement, for the prior four fiscal quarters of no greater than 5.0 to 1.0 (or 5.5 to 1.0 for up to two fiscal quarters following certain acquisitions). Consolidated EBITDA is subject to adjustments for certain acquisitions completed and capital projects undertaken during the relevant period. The covenants also restrict, among other things, MPLX's ability and/or the ability of certain of its subsidiaries to incur debt, create liens on assets and enter into transactions with affiliates. As of December 31, 2024, MPLX was in compliance with the covenants contained in the MPLX Credit Agreement.

20. Revenue

The following table presents our revenues from external customers disaggregated by segment and product line:

<i>(Millions of dollars)</i>	2024	2023	2022
Refining & Marketing			
Refined products	\$ 122,429	\$ 132,675	\$ 160,737
Crude oil	7,298	7,423	8,962
Services and other	1,861	1,737	1,762
Total revenues from external customers	131,588	141,835	171,461
Midstream			
Refined products	1,668	1,675	2,219
Services and other ^(a)	3,529	3,236	3,147
Total revenues from external customers	5,197	4,911	5,366
Renewable Diesel			
Refined products	2,073	1,628	625
Services and other	6	5	1
Total revenues from external customers	2,079	1,633	626
Sales and other operating revenues	\$ 138,864	\$ 148,379	\$ 177,453

^(a) Includes sales-type lease revenue. See Note 26.

We do not disclose information on the future performance obligations for any contract with expected duration of one year or less at inception. As of December 31, 2024, we do not have future performance obligations that are material to future periods.

Receivables

On the accompanying consolidated balance sheets, receivables, less allowance for doubtful accounts primarily consists of customer receivables. Significant, non-customer balances included in our receivables at December 31, 2024 include matching buy/sell receivables of \$4.3 billion.

21. Supplemental Cash Flow Information

<i>(Millions of dollars)</i>	2024	2023	2022
Net cash provided by operating activities included:			
Interest paid (net of amounts capitalized)	\$ 1,247	\$ 1,200	\$ 1,060
Income taxes paid to taxing authorities ^(a)	732	2,751	4,869
Cash paid for amounts included in the measurement of lease liabilities			
Payments on operating leases	532	493	498
Interest payments under finance lease obligations	25	25	24
Net cash provided by financing activities included:			
Principal payments under finance lease obligations	82	79	79
Non-cash investing and financing activities:			
Right of use assets obtained in exchange for new operating lease obligations	637	465	367
Right of use assets obtained in exchange for new finance lease obligations	302	21	60
Contribution of assets ^(b)	—	—	818
Book value of equity method investment ^(c)	50	311	150

^(a) 2024 includes \$565 million paid to third parties for transferable tax credits.

^(b) Represents the book value of property, plant and equipment, inventory and working capital contributed by MPC to Martinez Renewables LLC. See Note 14 for additional information.

^(c) 2024 represents the book value of Coastal Holdings prior to MPC buying out the remaining 50 percent interest from our joint venture partner. 2023 represents the book value of MPLX's equity method investment in Torriado, prior to MPLX buying out the remaining interest in this entity. 2022 represents the book value of MPC's equity method investment in Watson Cogeneration Company and Tanker Holdings of \$25 million and \$125 million, respectively, prior to MPC buying out the remaining interest in these entities. See Note 14 for additional information.

The consolidated statements of cash flows exclude changes to the consolidated balance sheets that did not affect cash. The following is a reconciliation of additions to property, plant and equipment to total capital expenditures:

<i>(Millions of dollars)</i>	2024	2023	2022
Additions to property, plant and equipment per the consolidated statements of cash flows	\$ 2,533	\$ 1,890	\$ 2,420
Increase (decrease) in capital accruals	34	184	(37)
Total capital expenditures	<u>\$ 2,567</u>	<u>\$ 2,074</u>	<u>\$ 2,383</u>

22. Other Current Liabilities

The following summarizes the components of other current liabilities:

<i>(Millions of dollars)</i>	December 31,	
	2024	2023
Environmental credits liability	\$ 422	\$ 778
Accrued interest payable	314	316
Other current liabilities	419	551
Total other current liabilities	<u>\$ 1,155</u>	<u>\$ 1,645</u>

23. Accumulated Other Comprehensive Income (Loss)

The following table shows the changes in accumulated other comprehensive income (loss) by component. Amounts in parentheses indicate debits.

<i>(Millions of dollars)</i>	Pension Benefits	Other Benefits	Other	Total
Balance as of December 31, 2021	\$ (117)	\$ 49	\$ 1	\$ (67)
Other comprehensive income (loss) before reclassifications, net of tax of \$11	(70)	129	(1)	58
Amounts reclassified from accumulated other comprehensive loss:				
Amortization of prior service credit ^(a)	(45)	(22)	—	(67)
Amortization of actuarial loss ^(a)	4	6	—	10
Settlement loss ^(a)	79	—	—	79
Tax effect	(14)	3	—	(11)
Other comprehensive income (loss)	(46)	116	(1)	69
Balance as of December 31, 2022	(163)	165	—	2
Other comprehensive income (loss) before reclassifications, net of tax of \$(22)	(60)	(21)	2	(79)
Amounts reclassified from accumulated other comprehensive loss:				
Amortization of prior service credit ^(a)	(45)	(22)	—	(67)
Amortization of actuarial gain ^(a)	(5)	—	—	(5)
Settlement gain ^(a)	(1)	—	—	(1)
Other	—	—	(1)	(1)
Tax effect	13	7	—	20
Other comprehensive income (loss)	(98)	(36)	1	(133)
Balance as of December 31, 2023	(261)	129	1	(131)
Other comprehensive income (loss) before reclassifications, net of tax of \$16	44	10	(2)	52
Amounts reclassified from accumulated other comprehensive loss:				
Amortization of prior service credit ^(a)	(33)	(22)	—	(55)
Amortization of actuarial loss ^(a)	6	—	—	6
Settlement loss ^(a)	3	—	—	3
Tax effect	6	5	—	11
Other comprehensive income (loss)	26	(7)	(2)	17
Balance as of December 31, 2024	<u>\$ (235)</u>	<u>\$ 122</u>	<u>\$ (1)</u>	<u>\$ (114)</u>

^(a) These accumulated other comprehensive loss components are included in the computation of net periodic benefit cost. See Note 24.

24. Pension and Other Postretirement Benefits

We have two noncontributory defined benefit pension plans. One plan is frozen and covered certain employees of our former Speedway LLC subsidiary. The other plan is active and covers substantially all of our employees. Benefits under these plans are based on a now frozen final average pay type of benefit based on age, years of service and final average pensionable earnings, and a cash balance type of benefit. The years of service component for the final average pay type of benefit was frozen as of December 31, 2009, and certain of the pensionable earnings components were frozen as of December 31, 2012. Benefits for the cash balance type of benefit began on January 1, 2010 for our continuing active plan, and began on January 1, 2016 for our frozen plan, and are based on a cash balance formula with an annual percentage of eligible pay credited based upon age and years of service or at a flat rate of eligible pay, depending on covered employee group. Substantially all of our employees also accrue benefits under a defined contribution plan.

<i>(Millions of dollars)</i>	2024	2023	2022
Cash balance weighted average interest crediting rates	4.56 %	3.57 %	3.00 %

We also have other postretirement benefits covering most employees. Retiree health care benefits are provided through comprehensive hospital, surgical, major medical benefit, prescription drug and related health benefit provisions subject to various cost sharing features. Retiree life insurance benefits are provided to a closed group of retirees. Other postretirement benefits are not funded in advance.

In connection with the Andeavor acquisition, we assumed a number of additional qualified and nonqualified noncontributory benefit pension plans, covering substantially all former Andeavor employees. Benefits under these plans are determined based on final average compensation and years of service through December 31, 2010 and a cash balance formula for service beginning January 1, 2011. These plans were frozen as of December 31, 2018. Further, as of December 31, 2019, the qualified plans were merged with our existing qualified plans in which the actuarial assumptions were materially the same between the plans. We also assumed a number of additional postretirement benefits covering eligible employees. These benefits were merged with our existing benefits beginning January 1, 2019.

Obligations and Funded Status

The accumulated benefit obligation for all defined benefit pension plans was \$2,579 million and \$2,441 million as of December 31, 2024 and 2023.

The following summarizes the projected benefit obligations and funded status for our defined benefit pension and other postretirement plans:

<i>(Millions of dollars)</i>	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Benefit obligations at January 1	\$ 2,563	\$ 2,359	\$ 679	\$ 650
Service cost	219	195	21	18
Interest cost	122	116	32	31
Actuarial (gain) loss	(32)	184	(14)	31
Benefits paid	(187)	(291)	(49)	(51)
Benefit obligations at December 31	2,685	2,563	669	679
Fair value of plan assets at January 1	2,082	1,838	—	—
Actual return on plan assets	161	266	—	—
Employer contributions	102	269	49	51
Benefits paid from plan assets	(187)	(291)	(49)	(51)
Fair value of plan assets at December 31	2,158	2,082	—	—
Funded status at December 31	\$ (527)	\$ (481)	\$ (669)	\$ (679)

Amounts recognized in the consolidated balance sheet for our pension and other postretirement benefit plans at December 31 include:

<i>(Millions of dollars)</i>	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Noncurrent assets	\$ 22	\$ —	\$ —	\$ —
Current liabilities	(11)	(8)	(50)	(50)
Noncurrent liabilities	(538)	(473)	(619)	(629)
Accrued benefit cost	\$ (527)	\$ (481)	\$ (669)	\$ (679)

Included in accumulated other comprehensive loss at December 31 were the following before-tax amounts that had not been recognized in net periodic benefit cost:

<i>(Millions of dollars)</i>	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Net actuarial loss	\$ 404	\$ 467	\$ 36	\$ 50
Prior service credit	(36)	(69)	(181)	(202)

Amounts exclude those related to LOOP and Explorer, equity method investees with defined benefit pension and postretirement plans for which net losses (gains) of \$(7) million and \$4 million were recorded in accumulated other comprehensive income (loss) in 2024, reflecting our ownership share.

Components of Net Periodic Benefit Cost and Other Comprehensive (Income) Loss

The following summarizes the net periodic benefit costs and the amounts recognized as other comprehensive loss (pretax) for our defined benefit pension and other postretirement plans.

<i>(Millions of dollars)</i>	Pension Benefits			Other Benefits		
	2024	2023	2022	2024	2023	2022
Service cost	\$ 227	\$ 201	\$ 230	\$ 21	\$ 18	\$ 26
Interest cost	122	116	102	32	31	21
Expected return on plan assets	(146)	(163)	(142)	—	—	—
Amortization of prior service credit	(33)	(45)	(45)	(22)	(22)	(22)
Amortization of actuarial (gain) loss	6	(5)	4	—	—	6
Settlement (gain) loss	3	(1)	79	—	—	—
Net periodic benefit cost ^(a)	\$ 179	\$ 103	\$ 228	\$ 31	\$ 27	\$ 31
Actuarial (gain) loss	\$ (54)	\$ 75	\$ 109	\$ (15)	\$ 31	\$ (167)
Amortization of actuarial (gain) loss	(9)	6	(83)	—	—	(6)
Amortization of prior service credit	33	45	45	22	22	22
Total recognized in other comprehensive (income) loss	\$ (30)	\$ 126	\$ 71	\$ 7	\$ 53	\$ (151)
Total recognized in net periodic benefit cost and other comprehensive (income) loss	\$ 149	\$ 229	\$ 299	\$ 38	\$ 80	\$ (120)

^(a) Net periodic benefit cost reflects a calculated market-related value of plan assets which recognizes changes in fair value over three years.

The components of net periodic benefit cost, other than the service cost component, are included in net interest and other financial costs on the consolidated statements of income.

For certain of our pension plans, lump sum payments to employees retiring in 2024, 2023 and 2022 exceeded the plan's total service and interest costs expected for those years. Settlement losses are required to be recorded when lump sum payments exceed total service and interest costs. As a result, pension settlement expenses were recorded in 2024, 2023 and 2022.

Plan Assumptions

The following summarizes the assumptions used to determine the benefit obligations at December 31, and net periodic benefit cost for the defined benefit pension and other postretirement plans for 2024, 2023 and 2022.

	Pension Benefits			Other Benefits		
	2024	2023	2022	2024	2023	2022
Benefit obligation:						
Discount rate	5.55 %	4.85 %	5.04 %	5.58 %	4.88 %	5.08 %
Rate of compensation increase	4.18 %	4.18 %	4.18 %	4.18 %	4.18 %	4.18 %
Net periodic benefit cost:						
Discount rate	4.85 %	5.10 %	3.33 %	4.88 %	5.08 %	2.93 %
Expected long-term return on plan assets	6.80 %	7.00 %	5.75 %	— %	— %	— %
Rate of compensation increase	4.18 %	4.18 %	4.18 %	4.18 %	4.18 %	4.18 %

Expected Long-term Return on Plan Assets

The overall expected long-term return on plan assets assumption is determined based on an asset rate-of-return modeling tool developed by a third-party investment group. The tool utilizes underlying assumptions based on actual returns by asset category and inflation and takes into account our asset allocation to derive an expected long-term rate of return on those assets. Capital

market assumptions reflect the long-term capital market outlook. The assumptions for equity and fixed income investments are developed using a building-block approach, reflecting observable inflation information and interest rate information available in the fixed income markets. Long-term assumptions for other asset categories are based on historical results, current market characteristics and the professional judgment of our internal and external investment teams.

Assumed Health Care Cost Trend

The following summarizes the assumed health care cost trend rates.

	December 31,		
	2024	2023	2022
Health care cost trend rate assumed for the following year:			
Medical: Pre-65	7.90 %	7.70 %	6.60 %
Prescription drugs	12.50 %	10.80 %	8.90 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate):			
Medical: Pre-65	4.50 %	4.50 %	4.50 %
Prescription drugs	4.50 %	4.50 %	4.50 %
Year that the rate reaches the ultimate trend rate:			
Medical: Pre-65	2034	2032	2031
Prescription drugs	2034	2032	2031

Increases in the post-65 medical plan premium for the Marathon Petroleum Health Plan and the Marathon Petroleum Retiree Health Plan have been permanently eliminated.

Plan Investment Policies and Strategies

The investment policies for our pension plan assets reflect the funded status of the plans and expectations regarding our future ability to make further contributions. Long-term investment goals are to: (1) manage the assets in accordance with the legal requirements of all applicable laws; (2) diversify plan investments across asset classes to achieve an optimal balance between risk and return and between income and growth of assets through capital appreciation; and (3) source benefit payments primarily through existing plan assets and anticipated future returns.

The investment goals are implemented to manage the plans' funded status volatility and minimize future cash contributions. The asset allocation strategy will change over time in response to changes primarily in funded status, which is dictated by current and anticipated market conditions, the independent actions of our investment committee, required cash flows to and from the plans and other factors deemed appropriate. Such changes in asset allocation are intended to allocate additional assets to the fixed income asset class should the funded status improve. The fixed income asset class shall be invested in such a manner that its interest rate sensitivity correlates highly with that of the plans' liabilities. Other asset classes are intended to provide additional return with associated higher levels of risk. Investment performance and risk is measured and monitored on an ongoing basis through quarterly investment meetings and periodic asset and liability studies. At December 31, 2024, the primary plan's targeted asset allocation was 50 percent equity, private equity, real estate, and timber securities and 50 percent fixed income securities.

Fair Value Measurements

Plan assets are measured at fair value. The following provides a description of the valuation techniques employed for each major plan asset category at December 31, 2024 and 2023.

Cash and cash equivalents

Cash and cash equivalents include a collective fund serving as the investment vehicle for the cash reserves and cash held by third-party investment managers. The collective fund is valued at net asset value ("NAV") on a scheduled basis using a cost approach and is considered a Level 2 asset. Cash and cash equivalents held by third-party investment managers are valued using a cost approach and are considered Level 2.

Equity

Equity investments include common stock, mutual and pooled funds. Common stock investments are valued using a market approach, which are priced daily in active markets and are considered Level 1. Mutual and pooled equity funds are well diversified portfolios, representing a mix of strategies in domestic, international and emerging market strategies. Mutual funds are publicly registered, valued at NAV on a daily basis using a market approach and are considered Level 1 assets. Pooled funds are valued at NAV using a market approach and are considered Level 2.

Fixed Income

Fixed income investments include corporate bonds, U.S. dollar treasury bonds and municipal bonds. These securities are priced on observable inputs using a combination of market, income and cost approaches. These securities are considered Level 2 assets. Fixed income also includes a well-diversified bond portfolio structured as a pooled fund. This fund is valued at NAV on a daily basis using a market approach and is considered Level 2.

Private Equity

Private equity investments include interests in limited partnerships which are valued using information provided by external managers for each individual investment held in the fund. These holdings are considered Level 3.

Real Estate

Real estate investments consist of interests in limited partnerships. These holdings are either appraised or valued using the investment manager's assessment of assets held. These holdings are considered Level 3.

Other

Other investments include two limited liability companies ("LLCs") with no public market. The LLCs were formed to acquire timberland in the northwest U.S. These holdings are either appraised or valued using the investment manager's assessment of assets held. These holdings are considered Level 3. Other investments classified as Level 2 include derivative transactions.

The following tables present the fair values of our defined benefit pension plans' assets, by level within the fair value hierarchy, as of December 31, 2024 and 2023.

<i>(Millions of dollars)</i>	December 31, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ —	\$ 62	\$ —	\$ 62	\$ —	\$ 63	\$ —	\$ 63
Equity:								
Common stocks	52	—	—	52	50	—	—	50
Mutual funds	125	—	—	125	115	—	—	115
Pooled funds	—	871	—	871	—	791	—	791
Fixed income:								
Corporate	—	637	—	637	—	588	—	588
Government	—	267	—	267	—	330	—	330
Pooled funds	—	117	—	117	—	118	—	118
Private equity	—	—	9	9	—	—	10	10
Real estate	—	—	11	11	—	—	12	12
Other	—	7	—	7	—	2	3	5
Total investments, at fair value	<u>\$ 177</u>	<u>\$ 1,961</u>	<u>\$ 20</u>	<u>\$ 2,158</u>	<u>\$ 165</u>	<u>\$ 1,892</u>	<u>\$ 25</u>	<u>\$ 2,082</u>

Cash Flows

Contributions to defined benefit plans

Our funding policy with respect to the funded pension plans is to contribute amounts necessary to satisfy minimum pension funding requirements, including requirements of the Pension Protection Act of 2006, plus such additional, discretionary, amounts from time to time as determined appropriate by management. In 2024, we made contributions totaling \$92 million to our funded pension plans. For 2025, we do not project any required funding, but we may make voluntary contributions to our funded pension plans at our discretion. Cash contributions to be paid from our general assets for the unfunded pension and postretirement plans are estimated to be approximately \$11 million and \$51 million, respectively, in 2025.

Estimated future benefit payments

The following gross benefit payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated.

<i>(Millions of dollars)</i>	Pension Benefits	Other Benefits
2025	\$ 177	\$ 51
2026	180	52
2027	188	52
2028	203	53
2029	206	54
2030 through 2034	1,219	280

Contributions to defined contribution plan

We also contribute to a defined contribution plan for eligible employees. Contributions to this plan totaled \$181 million, \$176 million and \$167 million in 2024, 2023 and 2022, respectively.

Multiemployer Pension Plan

We contribute to one multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers some of our union-represented employees. The risks of participating in this multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If we choose to stop participating in the multiemployer plan, we may be required to pay that plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Our participation in this plan for 2024, 2023 and 2022 is outlined in the table below. The “EIN” column provides the Employee Identification Number for the plan. The most recent Pension Protection Act zone status available in 2024 and 2023 is for the plan years ending on December 31, 2023 and December 31, 2022, respectively. The zone status is based on information that we received from the plan and is certified by the plan’s actuary. Among other factors, plans in the red zone are generally less than 65 percent funded. The “FIP/RP Status Pending/Implemented” column indicates a financial improvement plan or a rehabilitation plan has been implemented. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject. There have been no significant changes that affect the comparability of 2024, 2023 and 2022 contributions. Our portion of the contributions does not make up more than five percent of total contributions to the plan.

Pension Fund	EIN	Pension Protection Act Zone Status		FIP/RP Status Pending/Implemented	MPC Contributions <i>(Millions of dollars)</i>			Surcharge Imposed	Expiration Date of Collective – Bargaining Agreement
		2024	2023		2024	2023	2022		
Central States, Southeast and Southwest Areas Pension Plan ^{(a)(b)}	366044243	Red	Red	Implemented	\$ 3	\$ 5	\$ 5	No	January 31, 2031

^(a) This agreement has a minimum contribution requirement of \$338 per week per employee for 2025. A total of 252 employees participated in the plan as of December 31, 2024.

^(b) The parties to the expired agreement continue operating under the relevant terms of the expired agreement while negotiating a successor agreement.

Multiemployer Health and Welfare Plan

We contribute to one multiemployer health and welfare plan that covers both active employees and retirees. Through the health and welfare plan, employees receive medical, dental, vision, prescription and disability coverage. Our contributions to this plan totaled \$5 million, \$7 million and \$7 million for 2024, 2023 and 2022, respectively.

25. Share-Based Compensation

Description of the Incentive Plans

Our employees and non-employee directors are eligible to receive share, share-based and other types of awards under the Marathon Petroleum Corporation 2021 Incentive Compensation Plan ("MPC 2021 Plan"). The MPC 2021 Plan authorizes the Compensation and Organization Development Committee of our board of directors ("Committee") to grant nonqualified or incentive stock options, stock appreciation rights, share and share-based awards (including restricted stock and restricted stock unit awards), cash awards and performance awards to our employees and non-employee directors. The maximum number of shares of our common stock available for awards under the MPC 2021 Plan is 20.5 million shares. The MPC 2021 Plan became effective upon shareholder approval on April 28, 2021. Prior to that date, our employees and non-employee directors were eligible to receive share, share-based and other types of awards under the Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan ("MPC 2012 Plan"), effective April 26, 2012, and prior to that date, the Marathon Petroleum Corporation 2011 Second Amended and Restated Incentive Compensation Plan ("MPC 2011 Plan"). Shares issued as a result of awards granted under these plans are funded through the issuance of new MPC common shares.

Share-Based Awards under the Plans

Stock Options

Prior to 2021, we granted stock options to certain officer and non-officer employees under the MPC 2011 Plan and the MPC 2012 Plan. Stock options represent the right to purchase shares of our common stock at an exercise price equal to the closing price of our common stock on the date of grant. Stock options generally vest over a service period of three years and expire ten years after the grant date. We expensed stock options based on the grant date fair value of the awards over the requisite service period, adjusted for estimated forfeitures. We used the Black Scholes option-pricing model to estimate the fair value of stock options granted, which requires the input of subjective assumptions.

Restricted Stock and Restricted Stock Units

We grant restricted stock units to certain employees and to our non-employee directors. Prior to 2021, we granted restricted stock to certain employees and to our non-employee directors. In general, restricted stock and restricted stock units granted to employees vest over a requisite service period of three years. Restricted stock awards and restricted stock unit awards granted to officers prior to 2022 are subject to an additional one-year holding period after the three-year vesting period. Restricted stock recipients have the right to vote such stock; however, dividends are accrued and when vested are payable at the dates specified in the awards. The non-vested shares are not transferable and are held by our transfer agent. Restricted stock units granted to non-employee directors are considered to vest immediately at the time of the grant for accounting purposes, as they are non-forfeitable, but are not issued until the director's departure from the board of directors. Restricted stock unit recipients do not have the right to vote any shares of stock and accrue dividend equivalents which when vested are payable at the dates specified in the awards. We expense restricted stock and restricted stock units based on the grant date fair value of the awards over the requisite service period, adjusted for estimated forfeitures. The fair values of restricted stock and restricted stock units are equal to the market price of our common stock on the grant date.

Performance Share Units

We grant performance share unit awards to certain officer and non-officer employees. At grant, a performance share unit has a target value equal to the MPC common stock average 30-day closing price prior to the grant date. The actual payout value of a performance share unit is based on company performance (which can range from 0 percent to 200 percent) for the three-year performance period beginning January 1 of the year of grant, multiplied by, for the awards granted in 2021 and 2022, MPC's closing share price on the date the Committee certifies performance; and for the awards granted in 2023 and 2024, MPC's average closing share price for the final thirty calendar days at the end of the performance period. Company performance for purposes of payout will be determined by the relative ranking of the total shareholder return ("TSR") of MPC common stock over the three-year performance period compared to the TSR of a select group of peer companies, the Standard & Poor's 500 Index, the Alerian MLP Index, as well as the median of MPC's compensation reference group applicable for the year the award is granted. These awards settle 100 percent in cash and are accounted for as liability awards. We expense liability-classified performance share unit awards at fair value over the requisite service period, with mark-to-market adjustments made each quarter until payout occurs. The fair value is determined using a Monte Carlo valuation model.

Significant assumptions used in our Monte Carlo valuation models include: 1) risk free interest rate, for which we utilize the treasury rate for the time period closest to the remaining performance period of the award being valued; 2) look-back period (in years), for which we utilize the remaining performance period of the award being valued; and 3) expected volatility, for which we utilize the historical volatility of our own stock and the stock of our peer group for the look-back period previously discussed.

In general, performance share units granted to officers have a vesting service period beginning on the grant date and ending on the last day of the three-year performance period, and performance share units granted to employees outside of our senior management vest in one-third increments at the end of each calendar year of the performance period. However, certain employees are eligible to vest in some awards earlier, subject to reaching certain age and employment milestones, with payout still occurring at the end of the original performance period.

Total Share-Based Compensation Expense

The following table reflects activity related to our share-based compensation arrangements:

<i>(Millions of dollars)</i>	2024	2023	2022
Share-based compensation expense	\$ 137	\$ 211	\$ 153
Tax benefit recognized on share-based compensation expense	33	51	37
Cash received by MPC upon exercise of stock option awards	25	62	243
Tax benefit received for tax deductions for stock awards exercised	28	49	53

Stock Option Awards

The following is a summary of our common stock option activity in 2024:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms <i>(in years)</i>	Aggregate Intrinsic Value <i>(Millions of dollars)</i>
Outstanding at December 31, 2023	1,044,011	\$ 52.07		
Exercised	(537,951)	46.97		
Outstanding at December 31, 2024 ^(a)	<u>506,060</u>	57.50	3.9	\$ 41

^(a) All options outstanding at December 31, 2024 are fully vested and exercisable.

The intrinsic value of options exercised by MPC employees during 2024, 2023 and 2022 was \$75 million, \$136 million and \$247 million, respectively.

As of December 31, 2024, there was no unrecognized compensation cost related to stock option awards.

Restricted Stock and Restricted Stock Unit Awards

The following is a summary of restricted stock unit award activity of our common stock in 2024:

	Restricted Stock Units	
	Number of Units	Weighted Average Grant Date Fair Value
Unvested at December 31, 2023	1,192,704	\$ 98.16
Granted	496,894	171.55
Vested	(606,774)	80.86
Forfeited	(49,555)	130.29
Unvested at December 31, 2024	<u>1,033,269</u>	142.08

The following is a summary of the values related to restricted stock and restricted stock unit awards held by MPC employees and non-employee directors:

	Restricted Stock		Restricted Stock Units	
	Intrinsic Value of Awards Vested During the Period <i>(Millions of dollars)</i>	Weighted Average Grant Date Fair Value of Awards Granted During the Period	Intrinsic Value of Awards Vested During the Period <i>(Millions of dollars)</i>	Weighted Average Grant Date Fair Value of Awards Granted During the Period
2024	\$ —	\$ —	\$ 102	\$ 171.55
2023	—	—	144	133.94
2022	17	—	99	75.81

As of December 31, 2024, there was no unrecognized compensation cost related to restricted stock awards. Unrecognized compensation cost related to restricted stock unit awards was \$90 million, which is expected to be recognized over a weighted average period of 2.0 years.

Performance Awards

The following is a summary of performance share unit awards activity in 2024:

	Number of Performance Share Units
Unvested at December 31, 2023	580,666
Granted	255,290
Vested	(393,862)
Forfeited	(14,746)
Unvested at December 31, 2024	427,348

We paid \$169 million, \$14 million and \$26 million during the years ended 2024, 2023 and 2022, respectively, to settle performance awards.

As of December 31, 2024, unrecognized compensation cost related to performance awards was \$22 million, which is expected to be recognized over a weighted average period of 1.3 years. As of December 31, 2024, the total liability associated with performance awards was \$184 million.

MPLX Awards

Compensation expense for awards of MPLX units are not material to our consolidated financial statements for 2024.

26. Leases

Lessee

We lease a wide variety of facilities and equipment including land and building space, office and field equipment, storage facilities and transportation equipment. Our remaining lease terms range from less than one year to 94 years. Most long-term leases include renewal options ranging from one year to 40 years and, in certain leases, also include purchase options. The lease term included in the measurement of right of use assets and lease liabilities includes options to extend or terminate our leases that we are reasonably certain to exercise.

Under ASC 842, the components of lease cost are shown below. Lease costs for operating leases are recognized on a straight-line basis and are reflected in the income statement based on the leased asset's use. Lease costs for finance leases are reflected in depreciation and amortization and in net interest and other financial costs.

<i>(Millions of dollars)</i>	2024	2023	2022
Finance lease cost:			
Amortization of right of use assets	\$ 80	\$ 73	\$ 81
Interest on lease liabilities	26	25	29
Operating lease cost	534	489	490
Variable lease cost	60	54	59
Short-term lease cost	952	881	772
Total lease cost	<u>\$ 1,652</u>	<u>\$ 1,522</u>	<u>\$ 1,431</u>

Supplemental consolidated balance sheet data related to leases were as follows:

<i>(Millions of dollars)</i>	December 31,	
	2024	2023
Operating leases		
Assets		
Right of use assets	\$ 1,300	\$ 1,233
Liabilities		
Operating lease liabilities	\$ 417	\$ 454
Long-term operating lease liabilities	860	764
Total operating lease liabilities	<u>\$ 1,277</u>	<u>\$ 1,218</u>
Weighted average remaining lease term (in years)	4	4
Weighted average discount rate	4.4 %	4.1 %
Finance leases		
Assets		
Property, plant and equipment, gross	\$ 1,118	\$ 765
Less accumulated depreciation	510	413
Property, plant and equipment, net	<u>\$ 608</u>	<u>\$ 352</u>
Liabilities		
Debt due within one year	\$ 94	\$ 69
Long-term debt	630	401
Total finance lease liabilities	<u>\$ 724</u>	<u>\$ 470</u>
Weighted average remaining lease term (in years)	9	9
Weighted average discount rate	4.8 %	5.1 %

As of December 31, 2024, maturities of lease liabilities for operating lease obligations and finance lease obligations having initial or remaining non-cancellable lease terms in excess of one year are as follows:

<i>(Millions of dollars)</i>	Operating	Finance
2025	\$ 464	\$ 126
2026	334	123
2027	242	111
2028	173	97
2029	76	79
2030 and thereafter	111	360
Gross lease payments	<u>1,400</u>	<u>896</u>
Less: imputed interest	123	172
Total lease liabilities	<u>\$ 1,277</u>	<u>\$ 724</u>

Lessor

MPLX is considered to be the lessor under several operating lease agreements in accordance with GAAP related to certain fee-based natural gas transportation and processing agreements in the Marcellus and Southern Appalachia region. The primary terms of these agreements expire between 2026 and 2036, however, these contracts either have renewal options or will continue thereafter on a year-to-year basis until terminated by either party.

MPLX did not elect to use the practical expedient to combine lease and non-lease components for lessor arrangements. The tables below represent the portion of the contract allocated to the lease component based on relative standalone selling price. MPLX elected the practical expedient to carry forward historical classification conclusions until a modification of an existing agreement occurs. Once a modification occurs, the amended agreement is required to be assessed under ASC 842 to determine whether a reclassification of the lease is required.

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During the third quarter of 2022, the approved expansion of a gathering and compression system triggered the first assessment of a third party agreement under ASC 842. As a result of the assessment during the period, the lease was reclassified from an operating lease to a sales-type lease. Accordingly, the underlying property, plant and equipment of \$745 million and associated deferred revenue of \$277 million were derecognized. The present value of the future lease payments of \$914 million and the unguaranteed residual value of \$63 million were recorded as the net investment in the lease within receivables and other noncurrent assets. This resulted in a gain of approximately \$509 million, which was recorded as a net gain on disposal of assets in the consolidated statements of income. This transaction was a non-cash transaction.

Lease revenues are included in sales and other operating revenues on the consolidated statements of income. Lease revenues were as follows:

<i>(Millions of dollars)</i>	2024	2023	2022
Operating leases:			
Rental income	\$ 260	\$ 243	\$ 327
Sales-type leases:			
Interest income (Sales-type rental revenue-fixed minimum)	114	114	46
Interest income (Revenue from variable lease payments)	22	22	16
Sales-type lease revenue	<u>\$ 136</u>	<u>\$ 136</u>	<u>\$ 62</u>

The following is a schedule of minimum future rentals on the non-cancelable operating leases as of December 31, 2024:

<i>(Millions of dollars)</i>	
2025	\$ 109
2026	88
2027	66
2028	59
2029	57
2030 and thereafter	248
Total minimum future rentals	<u>\$ 627</u>

Annual minimum undiscounted lease payment receipts under our sales-type leases were as follows as of December 31, 2024:

<i>(Millions of dollars)</i>	
2025	\$ 172
2026	157
2027	147
2028	138
2029	130
2030 and thereafter	896
Total minimum future rentals	1,640
Less: imputed interest	707
Lease receivables ^(a)	<u>\$ 933</u>
Current lease receivables ^(b)	\$ 102
Long-term lease receivables ^(c)	831
Unguaranteed residual assets	95
Total sales-type lease assets	<u>\$ 1,028</u>

^(a) This amount does not include the unguaranteed residual assets.

^(b) Presented in receivables, net on the consolidated balance sheets.

^(c) Presented in other noncurrent assets on the consolidated balance sheets.

Capital expenditures related to assets subject to sales-type lease arrangements were \$69 million for the year ended December 31, 2024. These amounts are reflected as additions to property, plant and equipment in the consolidated statements of cash flows.

The following schedule summarizes our investment in assets held under operating lease by major classes as of December 31, 2024 and 2023:

<i>(Millions of dollars)</i>	December 31,	
	2024	2023
Gathering and transportation	\$ 86	\$ 86
Processing and fractionation	1,039	1,000
Pipelines	18	12
Terminals	129	129
Land, building and other	11	10
Property, plant and equipment	1,283	1,237
Less accumulated depreciation	458	396
Total property, plant and equipment, net	<u>\$ 825</u>	<u>\$ 841</u>

27. Commitments and Contingencies

We are the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. Some of these matters are discussed below. For matters for which we have not recorded a liability, we are unable to estimate a range of possible loss because the issues involved have not been fully developed through pleadings, discovery or court proceedings. However, the ultimate resolution of some of these contingencies could, individually or in the aggregate, be material.

Environmental Matters

We are subject to federal, state, local and foreign laws and regulations relating to the environment. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites and certain other locations including presently or formerly owned or operated retail marketing sites. Penalties may be imposed for noncompliance.

At December 31, 2024 and 2023, accrued liabilities for remediation totaled \$364 million and \$387 million, respectively. It is not presently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties, if any, that may be imposed. Receivables for recoverable costs from certain states, under programs to assist companies in clean-up efforts related to underground storage tanks at presently or formerly owned or operated retail marketing sites, were \$6 million and \$5 million at December 31, 2024 and 2023, respectively.

Governmental and other entities in various states have filed climate-related lawsuits against a number of energy companies, including MPC. Although each suit is separate and unique, the lawsuits generally allege defendants made knowing misrepresentations about knowingly concealing, or failing to warn of the impacts of their petroleum products, which led to increased demand and worsened climate change. Plaintiffs are seeking unspecified damages and abatement under various tort theories, as well as breaches of consumer protection and unfair trade statutes. We are currently subject to such proceedings in federal or state courts in California, Delaware, Maryland, Hawaii, Rhode Island, South Carolina and Oregon. Similar lawsuits may be filed in other jurisdictions. At this early stage, the ultimate outcome of these matters remains uncertain, and neither the likelihood of an unfavorable outcome nor the ultimate liability, if any, can be determined.

We are involved in a number of environmental enforcement matters arising in the ordinary course of business. While the outcome and impact on us cannot be predicted with certainty, management believes the resolution of these environmental matters will not, individually or collectively, have a material adverse effect on our consolidated results of operations, financial position or cash flows.

Asset Retirement Obligations

Our short-term asset retirement obligations were \$36 million and \$24 million at December 31, 2024 and 2023, respectively, and are included in other current liabilities in our consolidated balance sheets. Our long-term asset retirement obligations were \$210 million and \$218 million at December 31, 2024 and 2023, respectively, which are included in deferred credits and other liabilities in our consolidated balance sheets.

Other Legal Proceedings

In July 2020, Tesoro High Plains Pipeline Company, LLC ("THPP"), a subsidiary of MPLX, received a Notification of Trespass Determination from the Bureau of Indian Affairs ("BIA") relating to a portion of the Tesoro High Plains Pipeline that crosses the Fort Berthold Reservation in North Dakota. The notification demanded the immediate cessation of pipeline operations and assessed trespass damages of approximately \$187 million. After subsequent appeal proceedings and in compliance with a new order issued by the BIA, in December 2020, THPP paid approximately \$4 million in assessed trespass damages and ceased use

of the portion of the pipeline that crosses the property at issue. In March 2021, the BIA issued an order purporting to vacate the BIA's prior orders related to THPP's alleged trespass and direct the Regional Director of the BIA to reconsider the issue of THPP's alleged trespass and issue a new order. In April 2021, THPP filed a lawsuit in the District of North Dakota against the United States of America, the U.S. Department of the Interior and the BIA (collectively, the "U.S. Government Parties") challenging the March 2021 order purporting to vacate all previous orders related to THPP's alleged trespass. On February 8, 2022, the U.S. Government Parties filed their answer and counterclaims to THPP's suit claiming THPP is in continued trespass with respect to the pipeline and seek disgorgement of pipeline profits from June 1, 2013 to present, removal of the pipeline and remediation. On November 8, 2023, the District Court of North Dakota granted THPP's motion to sever and stay the U.S. Government Parties' counterclaims. The case will proceed on the merits of THPP's challenge to the March 2021 order purporting to vacate all previous orders related to THPP's alleged trespass. THPP continues not to operate that portion of the pipeline that crosses the property at issue.

We are also a party to a number of other lawsuits and other proceedings arising in the ordinary course of business. While the ultimate outcome and impact to us cannot be predicted with certainty, we believe that the resolution of these other lawsuits and proceedings will not, individually or collectively, have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Guarantees

We have provided certain guarantees, direct and indirect, of the indebtedness of other companies. Under the terms of most of these guarantee arrangements, we would be required to perform should the guaranteed party fail to fulfill its obligations under the specified arrangements. In addition to these financial guarantees, we also have various performance guarantees related to specific agreements.

Guarantees related to indebtedness of equity method investees

LOOP and LOCAP

MPC and MPLX hold interests in an offshore oil port, LOOP, and MPLX holds an interest in a crude oil pipeline system, LOCAP. Both LOOP and LOCAP have secured various project financings with throughput and deficiency agreements. Under the agreements, MPC, as a shipper, is required to advance funds if the investees are unable to service their debt. Any such advances are considered prepayments of future transportation charges. The duration of the agreements varies but tends to follow the terms of the underlying debt, which extend through 2040. Our maximum potential undiscounted payments under these agreements for the debt principal totaled \$212 million as of December 31, 2024.

Dakota Access Pipeline

MPLX holds a 9.19 percent indirect interest in a joint venture ("Dakota Access"), which owns and operates the Dakota Access Pipeline and Energy Transfer Crude Oil Pipeline projects (collectively, the "Bakken Pipeline system"). In 2020, the U.S. District Court for the District of Columbia (the "D.D.C.") ordered the U.S. Army Corps of Engineers ("Army Corps"), which granted permits and an easement for the Bakken Pipeline system, to prepare an environmental impact statement ("EIS") relating to an easement under Lake Oahe in North Dakota. The D.D.C. later vacated the easement. The Army Corps issued a draft EIS in September 2023 detailing various options for the easement going forward, including denying the easement, approving the easement with additional measures, rerouting the easement, or approving the easement with no changes. The Army Corps has not selected a preferred alternative, but will make a decision in its final review, after considering input from the public and other agencies. The pipeline remains operational while the Army Corps finalizes its decision which will follow the issuance of the final EIS. According to public statements from Army Corps officials, the EIS is now expected to be issued in 2025.

MPLX has entered into a Contingent Equity Contribution Agreement whereby it, along with the other joint venture owners in the Bakken Pipeline system, has agreed to make equity contributions to the joint venture upon certain events occurring to allow the entities that own and operate the Bakken Pipeline system to satisfy their senior note payment obligations. The senior notes were issued to repay amounts owed by the pipeline companies to fund the cost of construction of the Bakken Pipeline system. If the vacatur of the easement results in a temporary shutdown of the pipeline, MPLX would have to contribute its 9.19 percent pro rata share of funds required to pay interest accruing on the notes and any portion of the principal that matures while the pipeline is shut down. MPLX also expects to contribute its 9.19 percent pro rata share of any costs to remediate any deficiencies to reinstate the easement and/or return the pipeline into operation. If the vacatur of the easement results in a permanent shutdown of the pipeline, MPLX would have to contribute its 9.19 percent pro rata share of the cost to redeem the bonds (including the 1 percent redemption premium required pursuant to the indenture governing the notes) and any accrued and unpaid interest. As of December 31, 2024, our maximum potential undiscounted payments under the Contingent Equity Contribution Agreement were approximately \$78 million.

Marathon Oil indemnifications

The separation and distribution agreement and other agreements with Marathon Oil to effect our spinoff provide for cross-indemnities between Marathon Oil and us. In general, Marathon Oil and its successor, ConocoPhillips, is required to indemnify us for any liabilities relating to Marathon Oil's historical oil and gas exploration and production operations, oil sands mining operations and integrated gas operations, and we are required to indemnify Marathon Oil and its successor, ConocoPhillips, for

any liabilities relating to Marathon Oil's historical refining, marketing and transportation operations. The terms of these indemnifications are indefinite and the amounts are not capped.

Other guarantees

We have entered into other guarantees with maximum potential undiscounted payments totaling \$191 million as of December 31, 2024, which primarily consist of a commitment to indemnify a joint venture member for our pro rata share of any payments made under a performance guarantee for construction of a pipeline by an equity method investee, a commitment to contribute cash to an equity method investee for certain catastrophic events in lieu of procuring insurance coverage, a commitment to pay a termination fee on a supply agreement if terminated during the initial term, a commitment to fund a share of the bonds issued by a government entity for construction of public utilities in the event that other industrial users of the facility default on their utility payments and leases of assets containing general lease indemnities and guaranteed residual values.

General guarantees associated with dispositions

Over the years, we have sold various assets in the normal course of our business. Certain of the related agreements contain performance and general guarantees, including guarantees regarding inaccuracies in representations, warranties, covenants and agreements, and environmental and general indemnifications that require us to perform upon the occurrence of a triggering event or condition. These guarantees and indemnifications are part of the normal course of selling assets. We are typically not able to calculate the maximum potential amount of future payments that could be made under such contractual provisions because of the variability inherent in the guarantees and indemnities. Most often, the nature of the guarantees and indemnities is such that there is no appropriate method for quantifying the exposure because the underlying triggering event has little or no past experience upon which a reasonable prediction of the outcome can be based.

Contractual Commitments and Contingencies

At December 31, 2024, our contractual commitments to acquire property, plant and equipment totaled \$260 million. Our contractual commitments to acquire property, plant and equipment totaled \$281 million at December 31, 2023.

Certain natural gas processing and gathering arrangements require us to construct natural gas processing plants, natural gas gathering pipelines and NGL pipelines and contain certain fees and charges if specified construction milestones are not achieved for reasons other than force majeure. In certain cases, certain producer customers may have the right to cancel the processing arrangements if there are significant delays that are not due to force majeure.

28. Subsequent Event

On February 10, 2025, MPC issued \$2.0 billion aggregate principal amount of senior notes in an underwritten public offering consisting of \$1.1 billion aggregate principal amount of 5.150 percent senior notes due March 2030 and \$900 million aggregate principal amount of 5.700 percent senior notes due March 2035. We intend to use the net proceeds from this offering to repay, redeem or otherwise retire our outstanding \$1.250 billion aggregate principal amount of 4.700 percent senior notes due May 2025 and for general corporate purposes.

GUARANTEE OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, Marathon Petroleum Corporation, a Delaware corporation (the "Guarantor"), located at 539 South Main Street, Findlay, Ohio 45840, absolutely and unconditionally guarantees to assume the duties and obligations of Marathon Petroleum Company LP, with an address at 539 South Main Street, Findlay, Ohio 45840 (the "Franchisor"), under its Branded Product Supply and Trademark License Agreement identified in its 2025 Minnesota public offering statement, as it may be amended, and as that Branded Product Supply and Trademark License Agreement may be entered into with buyers and amended, modified or extended from time to time for franchises registered under the Minnesota Franchise Act (the "License Agreements"). This guarantee continues until all such obligations of the Franchisor under the License Agreements are satisfied or until the liability of Franchisor to its buyers under the License Agreements has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a buyer against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee in Findlay, Ohio on March 18, 2025.

Guarantor:

MARATHON PETROLEUM CORPORATION

By: 

Name: Kelly Niese

Its: Vice President Treasury



EXHIBIT E

RECEIPTS

**RECEIPT
(OUR COPY)**

This public offering statement summarizes certain provisions of the Branded Product Supply and Trademark License agreement and other information in plain language. Read this public offering statement and all agreements carefully.

If Marathon Petroleum Company LP offers to appoint you a buyer, it must provide this public offering statement to you 7 days before you sign a binding agreement with, or make a payment to, Marathon Petroleum Company LP or an affiliate in connection with the proposed sale.

The franchisor is Marathon Petroleum Company LP, 539 South Main Street, Findlay, Ohio 45840. Tel: (419) 422-2121.

Marathon Petroleum Company LP's registered agent authorized to receive service of process in Minnesota is Commissioner of Commerce, Minnesota Department of Commerce, 85 7th Pl East, Suite 500, St. Paul, MN 55101.

I have received a public offering statement dated March 27, 2025, effective in Minnesota on _____, 2025, that includes the following Exhibits:

- Exhibit A - Branded Product Supply and Trademark License Agreement
- Exhibit B - State Addendum and Agreement Rider
- Exhibit C - List of Branded Buyers
- Exhibit D - Financial Statements and Guarantee of Performance
- Exhibit E - Receipts

This receipt may be executed by digital or electronic means through the use of commercially available electronic software, and which results in a confirmed signature delivered electronically to Marathon Petroleum Company LP.

_____ Date	_____ Signature	_____ Printed Name
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_____ Date	_____ Signature	_____ Printed Name
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Please sign this copy of the receipt, print the date on which you received this public offering statement and return it either electronically as indicated above, or by mail to Marketing Services, Marathon Petroleum Company LP, 539 South Main Street, Findlay, Ohio 45840.

**RECEIPT
(YOUR COPY)**

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_____ Date	_____ Signature	_____ Printed Name
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_____ Date	_____ Signature	_____ Printed Name
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PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS PUBLIC OFFERING STATEMENT AND KEEP IT FOR YOUR RECORDS.