



Marathon Petroleum Company LP

539 South Main Street
Findlay, OH 45840

VIA ONLINE SUBMISSION

March 28, 2024

Grace Arnold, Commissioner
Minnesota Department of Commerce
Securities Section
85 7th Place East
Suite 280
St. Paul, MN 55101

Re: Marathon Petroleum Company LP (“Company”)
Public Offering Registration Renewal Application
ARCO/Marathon/Tesoro Franchise Program | File No. 8897

Ms. Arnold:

In Connection with Company’s existing public offering statement registration, we have included for filing the following materials:

1. Franchise Registration Renewal Application;
2. Costs and Sources of Funds Form;
3. Uniform Consent to Service of Process;
4. Franchise Seller Disclosure Forms;
5. Auditor’s Consent Letter;
6. Guarantee of Performance;
7. One clean copy of Company’s Public Offering Statement; and
8. One marked copy of Company’s Public Offering Statement.

Pursuant to the submission instructions, a check in the amount of \$300.00 is being mailed via Federal Express to cover the applicable filing fee. Should you have any questions or comments please do not hesitate to contact me.

Sincerely,

John Everhardus
Chief Counsel
JEverhardus@marathonpetroleum.com

MINNESOTA
Registration Renewal Application

UNIFORM FRANCHISE REGISTRATION APPLICATION

File No. 8897
(Insert file number of immediately
Preceding filing of Applicant)

State: Minnesota

Fee: \$300.00

APPLICATION FOR (Check only one):

 INITIAL REGISTRATION OF AN OFFER OR SALE OF FRANCHISES

XX RENEWAL APPLICATION OR ANNUAL REPORT

 PRE-EFFECTIVE AMENDMENT

 POST-EFFECTIVE MATERIAL AMENDMENT

1. Full legal name of Franchisor: Marathon Petroleum Company LP
2. Name of the franchise offering: ARCO, Marathon, and Tesoro
3. Franchisor's principal business address: 539 South Main Street
Findlay, Ohio 45840
4. Name and address of Franchisor's agent in this State authorized to receive service of process:

Commissioner of Commerce
Department of Commerce
85 7th Street East, Suite 500
St. Paul, Minnesota 55101
5. The states in which this application is or will be shortly on file: Minnesota
6. Name, address, telephone and facsimile numbers, and e-mail address of person to whom communications regarding this application should be directed:

John Everhardus
Marathon Petroleum Company LP
539 South Main Street
Findlay, Ohio 45840
Tel: (210) 626-7889
Email: JEverhardus@Marathonpetroleum.com

Certification

I certify and swear under penalty of law that I have read and know the contents of this application, including the public offering statement with an issuance date of March 28, 2024, attached as an exhibit, and that all material facts stated in all those documents are accurate and those documents do not contain any material omissions. I further certify that I am duly authorized to make this certification on behalf of the Franchisor and that I do so upon my personal knowledge.

Signed at Findlay, Ohio, on March 28, 2024.

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

By: 

Name: Michael Timmerman

Title: Authorized Signatory

State of Ohio)
) ss
County of Hancock)

BEFORE ME, Sarita L. Flores, Notary Public in and for said State, on this day personally appeared Michael Timmerman, Authorized Signatory of MPC Investment LLC, as general partner of Marathon Petroleum Company LP, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this March 28, 2024.



Flores
Sarita L. ~~Moeks~~
Notary Public, State of Ohio
My Commission Expires Nov. 29, 20 27


Notary Public Signature

FRANCHISOR'S COSTS AND SOURCES OF FUNDS

1. Disclose the Franchisor's total costs for performing its pre-opening obligations to provide goods or services in connection with establishing each franchised business, including real estate, improvements, equipment, inventory, training and other items stated in the offering:

<u>Category</u>	<u>Costs</u>
Real Estate	\$0.00
Improvements	\$0.00
Equipment	\$0.00
Inventory	\$0.00
Training	\$0.00
Other (describe)	
_____	_____
_____	_____
_____	_____
Totals	\$0.00

2. State separately the sources of all required funds:

Not applicable.

UNIFORM CONSENT TO SERVICE OF PROCESS

MARATHON PETROLEUM COMPANY LP, a limited partnership organized under the laws of the State of Delaware (the "Franchisor"), irrevocably appoints the officers of the States designated below and their successors in those offices, its attorney in those States for service of notice, process or pleading in an action or proceeding against it arising out of or in connection with the sale of franchises, or a violation of the franchise laws of that State, and consents that an action or proceeding against it may be commenced in a court of competent jurisdiction and proper venue within that State by service of process upon this officer with the same effect as if the undersigned was organized or created under the laws of that State and had lawfully been served with process in that State. We have checked below each state in which this application is or will be shortly on file, and provided a duplicate original bearing an original signature to each state.

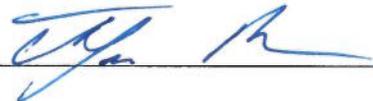
- | | |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> California: Commissioner of Business Oversight | <input type="checkbox"/> North Dakota: Securities Commissioner |
| <input type="checkbox"/> Hawaii: Commissioner of Securities | <input type="checkbox"/> Rhode Island: Director, Department of Business Regulation |
| <input type="checkbox"/> Illinois: Attorney General | <input type="checkbox"/> South Dakota: Director of the Division of Insurance |
| <input type="checkbox"/> Indiana: Secretary of State | <input type="checkbox"/> Virginia: Clerk, Virginia State Corporation Commission |
| <input type="checkbox"/> Maryland: Securities Commissioner | <input type="checkbox"/> Washington: Director of Financial Institutions |
| <input checked="" type="checkbox"/> Minnesota: Commissioner of Commerce | <input type="checkbox"/> Wisconsin: Administrator, Division of Securities, Department of Financial Institutions |
| <input type="checkbox"/> New York: Secretary of State | |

Please mail or send a copy of any notice, process or pleading served under this consent to:

**Marathon Petroleum Company LP
Attention: Legal Department
539 South Main Street
Findlay, OH 45840
(419) 422-2121**

Dated: 12 Dec 2024, 2024

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

By: 

Name: Clifford G. Barr

Title: Authorized Signatory

State of Ohio)
) ss
County of Hancock)

BEFORE ME, Renee Pochard, Notary Public in and for said State, on this day personally appeared Clifford G. Barr, Authorized Signatory of MPC Investment LLC, as general partner of Marathon Petroleum Company LP, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this March 12, 2024.

Renee Pochard
Notary Public, State of Ohio
My Commission Expires June 29, 2024

Renee Pochard
Notary Public Signature



March 28, 2024
Marathon Petroleum Corporation

We agree to the inclusion in the Minnesota Public Offering Statement for the ARCO, MARATHON, and TESORO program dated March 28, 2024 issued by Marathon Petroleum Company LP (“the Franchisor”), a wholly owned subsidiary of Marathon Petroleum Corporation (“the Company”), of our report dated February 28, 2024 relating to the consolidated financial statements of the Company as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP

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 2024 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 at Findlay, Ohio on March 18, 2024.

Guarantor:

MARATHON PETROLEUM CORPORATION



By: _____

Name: Kelly Niese

Its: Vice President, Treasury and Treasurer

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 28, 2024

Effective in Minnesota: _____, 2024

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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 Wholesalers
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 WHOLESALERS

Not applicable – no location involved.

ITEM 10

WHOLESALER INFORMATION

Exhibit C contains a list of ARCO, MARATHON and TESORO branded wholesalers within the State of Minnesota as of December 31, 2023.

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, 2022 and December 31, 2023, and the related consolidated statements of income, cash flows, and equity and redeemable noncontrolling interest for fiscal years ended December 31, 2021, December 31, 2022, and December 31, 2023. 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 the 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 WHOLESALERS

List of Branded Wholesalers
As of December 31, 2023

Branded Wholesaler 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
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
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
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 wholesaler'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, 2023 and December 31, 2022, 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, 2023, 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, 2023 and December 31, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 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 17 to the consolidated financial statements and as disclosed by management, the Company's consolidated goodwill balance was \$8.2 billion as of December 31, 2023, 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 customers' 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, producer customers' 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 28, 2024

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

Marathon Petroleum Corporation
Consolidated Statements of Income

<i>(In millions, except per share data)</i>	2023	2022	2021
Revenues and other income:			
Sales and other operating revenues	\$ 148,379	\$ 177,453	\$ 119,983
Income from equity method investments	742	655	458
Net gain on disposal of assets	217	1,061	21
Other income	969	783	468
Total revenues and other income	150,307	179,952	120,930
Costs and expenses:			
Cost of revenues (excludes items below)	128,566	151,671	110,008
Depreciation and amortization	3,307	3,215	3,364
Selling, general and administrative expenses	3,039	2,772	2,537
Other taxes	881	825	721
Total costs and expenses	135,793	158,483	116,630
Income from continuing operations	14,514	21,469	4,300
Net interest and other financial costs	525	1,000	1,483
Income from continuing operations before income taxes	13,989	20,469	2,817
Provision for income taxes on continuing operations	2,817	4,491	264
Income from continuing operations, net of tax	11,172	15,978	2,553
Income from discontinued operations, net of tax	—	72	8,448
Net income	11,172	16,050	11,001
Less net income attributable to:			
Redeemable noncontrolling interest	94	88	100
Noncontrolling interests	1,397	1,446	1,163
Net income attributable to MPC	\$ 9,681	\$ 14,516	\$ 9,738
Per share data (See Note 9)			
Basic:			
Continuing operations	\$ 23.73	\$ 28.17	\$ 2.03
Discontinued operations	—	0.14	13.31
Net income per share	\$ 23.73	\$ 28.31	\$ 15.34
Weighted average shares outstanding	407	512	634
Diluted:			
Continuing operations	\$ 23.63	\$ 27.98	\$ 2.02
Discontinued operations	—	0.14	13.22
Net income per share	\$ 23.63	\$ 28.12	\$ 15.24
Weighted average shares outstanding	409	516	638

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>	2023	2022	2021
Net income	\$ 11,172	\$ 16,050	\$ 11,001
Defined benefit plans:			
Actuarial changes, net of tax of \$(24), \$36 and \$91, respectively	(85)	122	276
Prior service, net of tax of \$(18), \$(15) and \$58, respectively	(49)	(52)	175
Other, net of tax of \$—, \$— and \$(2), respectively	1	(1)	(6)
Other comprehensive income (loss)	<u>(133)</u>	<u>69</u>	<u>445</u>
Comprehensive income	11,039	16,119	11,446
Less comprehensive income attributable to:			
Redeemable noncontrolling interest	94	88	100
Noncontrolling interests	1,397	1,446	1,163
Comprehensive income attributable to MPC	<u>\$ 9,548</u>	<u>\$ 14,585</u>	<u>\$ 10,183</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,	
	2023	2022
Assets		
Cash and cash equivalents	\$ 5,443	\$ 8,625
Short-term investments	4,781	3,145
Receivables, less allowance for doubtful accounts of \$44 and \$29, respectively	11,619	13,477
Inventories	9,317	8,827
Other current assets	971	1,168
Total current assets	32,131	35,242
Equity method investments	6,260	6,466
Property, plant and equipment, net	35,112	35,657
Goodwill	8,244	8,244
Right of use assets	1,233	1,214
Other noncurrent assets	3,007	3,081
Total assets	\$ 85,987	\$ 89,904
Liabilities		
Accounts payable	\$ 13,761	\$ 15,312
Payroll and benefits payable	1,115	967
Accrued taxes	1,221	1,140
Debt due within one year	1,954	1,066
Operating lease liabilities	454	368
Other current liabilities	1,645	1,167
Total current liabilities	20,150	20,020
Long-term debt	25,329	25,634
Deferred income taxes	5,834	5,904
Defined benefit postretirement plan obligations	1,102	1,114
Long-term operating lease liabilities	764	841
Deferred credits and other liabilities	1,409	1,304
Total liabilities	54,588	54,817
Commitments and contingencies (see Note 28)		
Redeemable noncontrolling interest	895	968
Equity		
Preferred stock, no shares issued and outstanding (par value \$0.01 per share, 30 million shares authorized)	—	—
Common stock:		
Issued – 993 million and 990 million shares (par value \$0.01 per share, 2 billion shares authorized)	10	10
Held in treasury, at cost – 625 million and 536 million shares	(43,502)	(31,841)
Additional paid-in capital	33,465	33,402
Retained earnings	34,562	26,142
Accumulated other comprehensive income (loss)	(131)	2
Total MPC stockholders' equity	24,404	27,715
Noncontrolling interests	6,100	6,404
Total equity	30,504	34,119
Total liabilities, redeemable noncontrolling interest and equity	\$ 85,987	\$ 89,904

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>	2023	2022	2021
Operating activities:			
Net income	\$ 11,172	\$ 16,050	\$ 11,001
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred financing costs and debt discount	(78)	50	79
Depreciation and amortization	3,307	3,215	3,364
Pension and other postretirement benefits, net	(191)	172	(499)
Deferred income taxes	(28)	290	(169)
Net gain on disposal of assets	(217)	(1,061)	(21)
Income from equity method investments	(742)	(655)	(458)
Distributions from equity method investments	941	772	652
Income from discontinued operations	—	(72)	(8,448)
Changes in income tax receivable	135	(555)	2,089
Changes in the fair value of derivative instruments	70	(147)	16
Changes in:			
Current receivables	1,972	(2,315)	(5,299)
Inventories	(489)	(787)	(33)
Current accounts payable and accrued liabilities	(1,316)	1,909	6,260
Right of use assets and operating lease liabilities, net	(7)	—	3
All other, net	(412)	(547)	(153)
Cash provided by operating activities - continuing operations	14,117	16,319	8,384
Cash provided by (used in) operating activities - discontinued operations	—	42	(4,024)
Net cash provided by operating activities	14,117	16,361	4,360
Investing activities:			
Additions to property, plant and equipment	(1,890)	(2,420)	(1,464)
Acquisitions, net of cash acquired	(246)	(413)	—
Disposal of assets	36	90	153
Investments – acquisitions and contributions	(480)	(405)	(210)
– redemptions, repayments, return of capital and sales proceeds	275	515	39
Purchases of short-term investments	(8,622)	(6,023)	(12,498)
Sales of short-term investments	2,082	1,296	1,544
Maturities of short-term investments	5,048	7,159	5,406
All other, net	702	824	513
Cash provided by (used in) investing activities - continuing operations	(3,095)	623	(6,517)
Cash provided by investing activities - discontinued operations	—	—	21,314
Net cash provided by (used in) investing activities	(3,095)	623	14,797
Financing activities:			
Commercial paper – issued	—	—	7,414
– repayments	—	—	(8,437)
Long-term debt – borrowings	1,589	3,379	12,150
– repayments	(1,079)	(2,280)	(17,400)
Debt issuance costs	(15)	(39)	—
Issuance of common stock	62	243	106

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<i>(Millions of dollars)</i>	2023	2022	2021
Common stock repurchased	(11,572)	(11,922)	(4,654)
Dividends paid	(1,261)	(1,279)	(1,484)
Distributions to noncontrolling interests	(1,281)	(1,214)	(1,449)
Repurchases of noncontrolling interests	—	(491)	(630)
Redemption of noncontrolling interests - preferred units	(600)	—	—
All other, net	(50)	(44)	(35)
Net cash used in financing activities	<u>(14,207)</u>	<u>(13,647)</u>	<u>(14,419)</u>
Net change in cash, cash equivalents and restricted cash	<u>\$ (3,185)</u>	<u>\$ 3,337</u>	<u>\$ 4,738</u>
Cash, cash equivalents and restricted cash balances:^(a)			
Continuing operations - beginning of year	8,631	5,294	416
Discontinued operations - beginning of year	—	—	140
Less: Discontinued operations - end of year	—	—	—
Continuing operations - end of year	<u>\$ 5,446</u>	<u>\$ 8,631</u>	<u>\$ 5,294</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, 2020	980	\$ 10	(329)	\$(15,157)	\$33,208	\$ 4,650	\$ (512)	\$ 7,053	\$29,252	\$ 968
Net income	—	—	—	—	—	9,738	—	1,163	10,901	100
Dividends declared on common stock (\$2.32 per share)	—	—	—	—	—	(1,483)	—	—	(1,483)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,349)	(1,349)	(100)
Other comprehensive income	—	—	—	—	—	—	445	—	445	—
Shares repurchased	—	—	(76)	(4,740)	—	—	—	—	(4,740)	—
Share-based compensation	4	—	—	(7)	147	—	—	4	144	—
Equity transactions of MPLX	—	—	—	—	(93)	—	—	(461)	(554)	(3)
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	<u>993</u>	<u>\$ 10</u>	<u>(625)</u>	<u>\$(43,502)</u>	<u>\$33,465</u>	<u>\$34,562</u>	<u>\$ (131)</u>	<u>\$ 6,100</u>	<u>\$30,504</u>	<u>\$ 895</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 LP ("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.

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"). Speedway's results are reported separately as discontinued operations, net of tax, in our consolidated statements of income for all periods presented. In addition, we separately disclosed the operating and investing cash flows of Speedway as discontinued operations within our consolidated statements of cash flow. See Note 5 for discontinued operations disclosures.

Refer to Notes 6 and 11 for additional information about our operations.

Basis of Presentation

All significant intercompany transactions and accounts have been eliminated.

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, 2023, we owned the general partner and approximately 65 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 - The vast majority of our Refining & Marketing 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

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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 21 for disclosure of our revenue disaggregated by segment and product line and to Note 11 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 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 27 for additional disclosures about our lease contracts.

As a lessor under ASU No. 2016-02, *Leases* ("ASC 842"), MPLX may be required to re-classify existing operating leases to sales-type leases upon modification and related reassessment of the leases. See Note 27 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 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.

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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 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, based on 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 flow.

3. Accounting Standards

Recently Adopted

During 2023, we adopted ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The adoption of this accounting standard update did not have a material impact on our financial statements.

Not Yet Adopted

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. We are currently evaluating the impact this ASU will have on our disclosures.

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

In November 2023, the FASB issued an ASU to update reportable segment disclosure requirements primarily by requiring enhanced disclosures about significant segment expenses. This ASU is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. We are currently evaluating the impact this ASU will have on our disclosures.

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

In March 2023, the FASB issued an 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. This ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted. We do not expect the application of this ASU to have a material impact on our consolidated financial statements or disclosures.

4. Short-Term Investments

Investments Components

The components of investments were as follows:

	December 31, 2023						
<i>(Millions of dollars)</i>	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					4,362	4,362	—
Total					<u>\$ 10,224</u>	<u>\$ 5,443</u>	<u>\$ 4,781</u>

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December 31, 2022

<i>(Millions of dollars)</i>	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	\$ 3,074	\$ —	\$ (1)	\$ 3,073	\$ 1,106	\$ 1,967
Certificates of deposit and time deposits	Level 2	2,093	—	—	2,093	1,500	593
U.S. government securities	Level 1	1,071	—	—	1,071	498	573
Corporate notes and bonds	Level 2	66	—	—	66	54	12
Total available-for-sale debt securities		\$ 6,304	\$ —	\$ (1)	\$ 6,303	\$ 3,158	\$ 3,145
Cash					5,467	5,467	—
Total					\$ 11,770	\$ 8,625	\$ 3,145

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. All of our available-for-sale debt securities held as of December 31, 2023 mature within one year or less or are readily available for use.

5. Discontinued Operations

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 for cash proceeds of approximately \$21.38 billion. After-tax proceeds were approximately \$17.22 billion. This transaction resulted in a pretax gain of \$11.68 billion (\$8.02 billion after income taxes) after deducting the book value of the net assets and certain other adjustments.

The transaction provided for adjustments for working capital and other miscellaneous items, which were finalized with 7-Eleven in the fourth quarter of 2022, resulting in an additional pretax gain of \$60 million.

Fuel Supply Agreements

During the second quarter of 2021, we entered into various 15-year fuel supply agreements through which we continue to supply fuel to Speedway.

6. 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, 2023, we owned approximately 65 percent of the outstanding MPLX common units.

Unit Repurchase Program

In November 2020, MPLX announced the board authorization of a unit repurchase program for the repurchase of up to \$1.0 billion of MPLX's outstanding common units held by the public, which was exhausted in 2022. 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 discontinued at any time.

Total unit repurchases were as follows for the respective periods:

<i>(In millions, except per unit data)</i>	2023	2022	2021
Number of common units repurchased	—	15	23
Cash paid for common units repurchased	\$ —	\$ 491	\$ 630
Average cost per unit	\$ —	\$ 31.96	\$ 27.52

As of December 31, 2023, MPLX had approximately \$846 million remaining under its unit repurchase authorization.

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. The Series B preferred units were included in noncontrolling interest on our consolidated balance sheet at December 31, 2022.

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 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>	2023	2022	2021
Decrease due to change in ownership	\$ (4)	\$ (164)	\$ (166)
Tax impact	—	44	73
Decrease in MPC’s additional paid-in capital, net of tax	\$ (4)	\$ (120)	\$ (93)

7. 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 through guarantees or other financial arrangements, except as noted. MPC has effectively guaranteed certain indebtedness of LOOP LLC (“LOOP”) and LOCAP LLC (“LOCAP”), in which MPLX holds an interest. See Note 28 for more information. The assets of MPLX can only be used to settle its own obligations and its creditors have no recourse to our assets, except as noted earlier.

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, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 1,048	\$ 238
Receivables, less allowance for doubtful accounts	836	747
Inventories	159	148
Other current assets	33	56
Equity method investments	3,743	4,095
Property, plant and equipment, net	19,264	18,848
Goodwill	7,645	7,645
Right of use assets	264	283
Other noncurrent assets	1,644	1,664

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<i>(Millions of dollars)</i>	December 31, 2023	December 31, 2022
Liabilities		
Accounts payable	\$ 723	\$ 664
Payroll and benefits payable	—	4
Accrued taxes	79	67
Debt due within one year	1,135	988
Operating lease liabilities	45	46
Other current liabilities	336	338
Long-term debt	19,296	18,808
Deferred income taxes	16	13
Long-term operating lease liabilities	211	230
Deferred credits and other liabilities	476	366

Non-Consolidated VIEs

Green Bison Soy Processing, LLC

We formed a joint venture with Archer-Daniels-Midland Company (“ADM”) for the production of soybean oil to supply rapidly growing demand for renewable diesel fuel. The joint venture, which is named Green Bison Soy Processing, LLC, owns and operates a soybean processing complex in Spiritwood, North Dakota, with ADM owning 75 percent of the joint venture and MPC owning 25 percent. Green Bison Soy Processing, LLC is a VIE since it is unable to fund its operations without financial support from its equity 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.

LF Bioenergy Acquisition

On March 8, 2023, MPC announced the acquisition of a 49.9 percent interest in LF Bioenergy. LF Bioenergy is a VIE since it is unable to fund its operations without financial support from its equity 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.

Martinez Renewables LLC

On September 21, 2022, MPC closed on the formation of the Martinez Renewables LLC joint venture. We determined that, as of the closing date, Martinez Renewables LLC is a VIE because the entity does not have sufficient equity to complete the modification of the plant to produce renewable fuels 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.

Crowley Coastal Partners

We have determined that Crowley Coastal Partners LLC (“Crowley Coastal Partners”) is a VIE based on the terms of the existing financing arrangement for Crowley Blue Water Partners LLC (“Crowley Blue Water Partners”) and the associated debt guarantee by MPC and Crowley Maritime Corporation. Our maximum exposure to loss includes our equity method investment in Crowley Coastal Partners and the debt guarantees provided to each of the lenders to Crowley Blue Water Partners. 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.

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We account for our ownership interest in each of these investments as an equity method investment. See Note 15 for ownership percentages and investment balances and Note 28 for our exposure to guarantees related to our non-consolidated VIEs.

8. Related Party Transactions

Transactions with related parties were as follows:

<i>(Millions of dollars)</i>	2023	2022	2021
Sales to related parties	\$ 915	\$ 144	\$ 93
Purchases from related parties	1,818	1,175	962

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 fuels from certain of our equity affiliates.

9. 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>	2023	2022	2021
Income from continuing operations, net of tax	\$ 11,172	\$ 15,978	\$ 2,553
Net income attributable to noncontrolling interest	(1,491)	(1,534)	(1,263)
Net income allocated to participating securities	(7)	(8)	(2)
Redemption of preferred units	(2)	—	—
Income from continuing operations available to common stockholders	9,672	14,436	1,288
Income from discontinued operations, net of tax	—	72	8,448
Income available to common stockholders	<u>\$ 9,672</u>	<u>\$ 14,508</u>	<u>\$ 9,736</u>

Weighted average common shares outstanding:

Basic	407	512	634
Effect of dilutive securities	2	4	4
Diluted	<u>409</u>	<u>516</u>	<u>638</u>

Income available to common stockholders per share:

Basic:

Continuing operations	\$ 23.73	\$ 28.17	\$ 2.03
Discontinued operations	—	0.14	13.31
Net income per share	<u>\$ 23.73</u>	<u>\$ 28.31</u>	<u>\$ 15.34</u>

Diluted:

Continuing operations	\$ 23.63	\$ 27.98	\$ 2.02
Discontinued operations	—	0.14	13.22
Net income per share	<u>\$ 23.63</u>	<u>\$ 28.12</u>	<u>\$ 15.24</u>

The following table summarizes the shares that were anti-dilutive, and therefore, were excluded from the diluted share calculation.

<i>(In millions)</i>	2023	2022	2021
Shares issuable under share-based compensation plans	—	—	3

10. Equity

On October 25, 2023, MPC announced that our board of directors approved a \$5.0 billion share repurchase authorization in addition to the \$5.0 billion share authorizations announced on January 31, 2023 and May 2, 2023. Share repurchase authorizations since 2012 totaled \$50.05 billion. As of December 31, 2023, \$6.78 billion remained available for repurchase under these 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 or discontinued at any time.

Total share repurchases were as follows for the respective periods:

<i>(In millions, except per share data)</i>	2023	2022	2021
Number of shares repurchased	89	131	76
Cash paid for shares repurchased	\$ 11,572	\$ 11,922	\$ 4,654
Average cost per share ^(a)	\$ 131.27	\$ 91.20	\$ 62.65

^(a) The average cost per share for the 2023 period includes excise tax on share repurchases resulting from the Inflation Reduction Act of 2022, but does not reduce the share repurchase authorization.

The number of shares repurchased shown above and the amount remaining available under the share repurchase authorizations reflect the repurchase of 489,190 common shares for \$73 million that were transacted in the fourth quarter of 2023 and settled in the first quarter of 2024.

11. Segment Information

We have two reportable segments: Refining & Marketing and Midstream. 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, including renewable 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, including renewable diesel, 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 fuel 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.

Our chief operating decision maker (“CODM”) evaluates the performance of our segments using segment adjusted EBITDA. Our CODM is the chief executive officer. 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>	2023	2022	2021
Segment adjusted EBITDA for reportable segments			
Refining & Marketing	13,551	\$ 19,261	\$ 3,518
Midstream	6,171	5,772	5,410
Total reportable segments	<u>\$ 19,722</u>	<u>\$ 25,033</u>	<u>\$ 8,928</u>

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<i>(Millions of dollars)</i>	2023	2022	2021
Reconciliation of segment adjusted EBITDA for reportable segments to income from continuing operations before income taxes			
Total reportable segments	\$ 19,722	\$ 25,033	\$ 8,928
Corporate	(737)	(698)	(587)
Refining planned turnaround costs	(1,201)	(1,122)	(582)
Garyville incident response costs	(16)	—	—
Storm impacts	—	—	(70)
LIFO inventory (charge) credit	(145)	148	—
Gain on sale of assets ^(a)	198	1,058	—
Renewable volume obligation requirements ^(b)	—	238	—
Litigation	—	27	—
Impairments ^(c)	—	—	(13)
Idling facility expenses	—	—	(12)
Depreciation and amortization	(3,307)	(3,215)	(3,364)
Net interest and other financial costs	(525)	(1,000)	(1,483)
Income from continuing operations before income taxes	<u>\$ 13,989</u>	<u>\$ 20,469</u>	<u>\$ 2,817</u>

^(a) 2023 includes the gain associated with the remeasurement of MPLX's existing equity investment in MarkWest Torñado 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 15 and 27 for additional information.

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

^(c) 2021 reflects impairments of equity method investments.

<i>(Millions of dollars)</i>	2023	2022	2021
Sales and other operating revenues			
Refining & Marketing			
Revenues from external customers ^(a)	\$ 143,468	\$ 172,087	\$ 115,350
Intersegment revenues	107	118	144
Refining & Marketing segment revenues	<u>143,575</u>	<u>172,205</u>	<u>115,494</u>
Midstream			
Revenues from external customers ^(a)	4,911	5,366	4,633
Intersegment revenues	5,597	5,224	4,986
Midstream segment revenues	<u>10,508</u>	<u>10,590</u>	<u>9,619</u>
Total segment revenues	154,083	182,795	125,113
Less: intersegment revenues	5,704	5,342	5,130
Consolidated sales and other operating revenues	<u>\$ 148,379</u>	<u>\$ 177,453</u>	<u>\$ 119,983</u>

^(a) Includes Refining & Marketing intercompany sales to Speedway prior to May 14, 2021 and related party sales. See Notes 5 and 8 for additional information.

<i>(Millions of dollars)</i>	2023	2022	2021
Income from equity method investments			
Refining & Marketing	\$ 7	\$ 31	\$ 59
Midstream	735	624	412
Corporate ^(a)	—	—	(13)
Consolidated income from equity method investments	<u>\$ 742</u>	<u>\$ 655</u>	<u>\$ 458</u>

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<i>(Millions of dollars)</i>	2023	2022	2021
Depreciation and amortization			
Refining & Marketing	\$ 1,887	\$ 1,850	\$ 1,870
Midstream	1,320	1,310	1,329
Corporate ^(b)	100	55	165
Consolidated depreciation and amortization	<u>\$ 3,307</u>	<u>\$ 3,215</u>	<u>\$ 3,364</u>
Capital expenditures			
Refining & Marketing	\$ 1,311	\$ 1,508	\$ 911
Midstream	1,105	1,069	731
Segment capital expenditures and investments	2,416	2,577	1,642
Less investments in equity method investees	480	405	210
Plus:			
Corporate	83	108	105
Capitalized interest	55	103	68
Consolidated capital expenditures ^(c)	<u>\$ 2,074</u>	<u>\$ 2,383</u>	<u>\$ 1,605</u>

^(a) Impairment of equity method investment.

^(b) 2021 includes an impairment of \$56 million.

^(c) Includes changes in capital expenditure accruals. See Note 22 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 year ended December 31, 2023. Sales to Speedway/7-Eleven from the Refining & Marketing segment represented 10 percent and 11 percent of our total annual revenues for the years ended December 31, 2022 and 2021, respectively. See Note 21 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.

12. Net Interest and Other Financial Costs

Net interest and other financial costs were as follows:

<i>(Millions of dollars)</i>	2023	2022	2021
Interest income	\$ (530)	\$ (191)	\$ (14)
Interest expense	1,325	1,299	1,340
Interest capitalized	(60)	(104)	(73)
Pension and other postretirement non-service costs ^(a)	(89)	3	64
Loss on extinguishment of debt	9	2	133
Investments - net premium (discount) amortization	(142)	(30)	(1)
Other financial costs	12	21	34
Net interest and other financial costs	<u>\$ 525</u>	<u>\$ 1,000</u>	<u>\$ 1,483</u>

^(a) See Note 25.

13. Income Taxes

The provision for income taxes from continuing operations consisted of:

<i>(Millions of dollars)</i>	2023	2022	2021
Current:			
Federal	\$ 2,359	\$ 3,565	\$ 380
State and local	475	629	48
Foreign	11	7	5
Total current	2,845	4,201	433
Deferred:			
Federal	18	191	(164)
State and local	(46)	98	(6)
Foreign	—	1	1
Total deferred	(28)	290	(169)
Income tax provision	\$ 2,817	\$ 4,491	\$ 264

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.

Our effective tax rate for the year ended December 31, 2021 was lower than the U.S. statutory rate primarily due to permanent tax benefits related to net income attributable to noncontrolling interests and an increase in benefit related to the net operating loss (“NOL”) carryback provided under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), partially offset by state taxes.

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

	2023	2022	2021
Federal statutory rate	21 %	21 %	21 %
State and local income taxes, net of federal income tax effects	2	3	2
Noncontrolling interests	(2)	(2)	(9)
Legislation	—	—	(3)
Other	(1)	—	(2)
Effective tax rate applied to income from continuing operations before income taxes	20 %	22 %	9 %

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Deferred tax assets and liabilities resulted from the following:

<i>(Millions of dollars)</i>	December 31,	
	2023	2022
Deferred tax assets:		
Employee benefits	\$ 549	\$ 481
Environmental remediation	89	84
Finance lease obligations	365	371
Operating lease liabilities	229	224
Net operating loss carryforwards	44	44
Tax credit carryforwards	10	20
Goodwill and other intangibles	71	56
Other	68	44
Total deferred tax assets	<u>1,425</u>	<u>1,324</u>
Deferred tax liabilities:		
Property, plant and equipment	2,684	2,656
Inventories	627	686
Investments in subsidiaries and affiliates	3,706	3,660
Right of use assets	230	223
Other	11	2
Total deferred tax liabilities	<u>7,258</u>	<u>7,227</u>
Net deferred tax liabilities	<u>\$ 5,833</u>	<u>\$ 5,903</u>

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

<i>(Millions of dollars)</i>	December 31,	
	2023	2022
Assets:		
Other noncurrent assets	\$ 1	\$ 1
Liabilities:		
Deferred income taxes	5,834	5,904
Net deferred tax liabilities	<u>\$ 5,833</u>	<u>\$ 5,903</u>

At December 31, 2023 and 2022, federal operating loss carryforwards were \$3 million and \$4 million, respectively, which includes a mix of indefinite carryforward ability and expiration periods ranging from 2032 through 2034. As of December 31, 2023 and 2022, state and local operating loss and tax credit carryforwards were \$31 million and \$40 million, respectively, which includes a mix of indefinite carryforward ability and expiration periods ranging from 2025 through 2040. At both December 31, 2023 and December 31, 2022, foreign operating loss carryforwards were \$20 million, which includes expiration periods ranging from 2027 through 2043.

As of December 31, 2023 and 2022, \$28 million and \$49 million of valuation allowances have been recorded related to income taxes, primarily related to realizability of foreign tax operating losses 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 year 2019 and tax year 2021. We do not believe the eventual outcome of such audits will have a material impact on our financial statements as of December 31, 2023.

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, 2023, we have various state and local income tax returns subject to examination for years 2006 through 2022, depending on jurisdiction.

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The following table summarizes the activity in unrecognized tax benefits:

<i>(Millions of dollars)</i>	2023	2022	2021
January 1 balance	\$ 57	\$ 37	\$ 23
Additions for tax positions of current year	—	—	6
Additions for tax positions of prior years	8	38	19
Reductions for tax positions of prior years	(6)	(2)	(4)
Settlements	(20)	(15)	(6)
Statute of limitations	(1)	(1)	(1)
December 31 balance	<u>\$ 38</u>	<u>\$ 57</u>	<u>\$ 37</u>

If the unrecognized tax benefits as of December 31, 2023 were recognized, \$32 million would affect our effective income tax rate. There were \$4 million of uncertain tax positions as of December 31, 2023 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 less than \$(1) million, \$1 million and \$(2) million in 2023, 2022 and 2021, respectively. At both December 31, 2023 and December 31, 2022, \$4 million of interest and penalties receivables (payables) were accrued related to income taxes, respectively.

14. Inventories

<i>(Millions of dollars)</i>	December 31,	
	2023	2022
Crude oil	\$ 3,211	\$ 3,047
Refined products	4,940	4,748
Materials and supplies	1,166	1,032
Total	<u>\$ 9,317</u>	<u>\$ 8,827</u>

The LIFO method accounted for 87 percent and 88 percent of total inventory value at December 31, 2023 and 2022, respectively. Current acquisition costs were estimated to exceed the LIFO inventory value at December 31, 2023 and 2022 by \$2.77 billion and \$3.72 billion, respectively.

The cost of inventories of crude oil and refined products is determined primarily under the LIFO method.

15. Equity Method Investments

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.

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 the net gain on disposal of assets line of the accompanying consolidated statements of income.

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.

Crowley Ocean Partners

Crowley Coastal Partners was formed in May 2016 to own both Crowley Ocean Partners LLC (“Crowley Ocean Partners”) and Crowley Blue Waters Partners. MPC accounts for our 50 percent ownership in Crowley Coastal Partners as an equity method investment.

On December 1, 2022, MPC purchased all of Crowley Coastal Partner’s interest in Crowley Ocean Partners and its four subsidiaries for approximately \$485 million, which included \$196 million to pay off the debt associated with the four tankers. As a result of the transaction, Crowley Ocean Partners is now included in our consolidated results. MPC will continue to account for its 50 percent interest in Crowley Coastal Partners as an equity method investment.

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

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.

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.

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<i>(In millions of dollars, except ownership percentages)</i>	VIE	Ownership as of	Carrying value at	
		December 31, 2023	2023	2022
Refining & Marketing				
The Andersons Marathon Holdings LLC		50%	\$ 227	\$ 204
Martinez Renewables LLC	X	50%	1,266	1,070
Other ^(a)	X		168	54
Refining & Marketing Total			\$ 1,661	\$ 1,328
Midstream				
<i>MPLX</i>				
Andeavor Logistics Rio Pipeline LLC	X	67%	\$ 171	\$ 177
Centrahoma Processing LLC		40%	114	131
Illinois Extension Pipeline Company, L.L.C.		35%	228	236
LOOP LLC		41%	314	287
MarEn Bakken Company LLC		25%	449	475
MarkWest EMG Jefferson Dry Gas Gathering Company, L.L.C.	X	67%	336	335
MarkWest Torñado GP, L.L.C. ^(b)		100%	—	306
MarkWest Utica EMG, L.L.C.	X	58%	676	669
Minnesota Pipe Line Company, LLC		17%	174	178
Rendezvous Gas Services, L.L.C.	X	78%	129	137
Sherwood Midstream Holdings LLC	X	51%	113	125
Sherwood Midstream LLC	X	50%	500	512
Whistler Pipeline LLC		38%	214	211
Other ^(a)	X		325	316
MPLX Total			\$ 3,743	\$ 4,095
<i>MPC-Retained</i>				
Capline Pipeline Company LLC		33%	\$ 402	\$ 404
Crowley Coastal Partners, LLC	X	50%	53	55
Gray Oak Pipeline, LLC		25%	284	302
LOOP LLC		10%	78	71
South Texas Gateway Terminal LLC ^(c)		—%	—	170
Other ^(a)	X		39	41
MPC-Retained Total			\$ 856	\$ 1,043
Midstream Total			\$ 4,599	\$ 5,138
Total			\$ 6,260	\$ 6,466

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

^(b) MPLX purchased the remaining interest in MarkWest Torñado GP, L.L.C. during 2023. This entity is now consolidated and included in our consolidated results.

^(c) MPC sold its interest in South Texas Gateway Terminal LLC in 2023.

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

<i>(Millions of dollars)</i>	2023	2022	2021
Income statement data:			
Revenues and other income	\$ 6,544	\$ 5,069	\$ 4,343
Income from operations	2,428	1,907	1,389
Net income	2,089	1,740	1,230
Balance sheet data – December 31:			
Current assets	\$ 2,610	\$ 1,811	
Noncurrent assets	21,098	20,324	
Current liabilities	1,569	1,478	
Noncurrent liabilities	6,719	4,750	

As of December 31, 2023, the carrying value of our equity method investments was \$301 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 \$941 million, \$772 million and \$652 million in 2023, 2022 and 2021, respectively.

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

<i>(Millions of dollars)</i>	December 31, 2023			December 31, 2022		
	Gross PP&E	Accumulated Depreciation	Net PP&E	Gross PP&E	Accumulated Depreciation	Net PP&E
Refining & Marketing	\$ 32,496	\$ 17,992	\$ 14,504	\$ 32,292	\$ 16,745	\$ 15,547
Midstream	29,620	9,589	20,031	27,659	8,118	19,541
Corporate	1,632	1,055	577	1,550	981	569
Total ^(a)	<u>\$ 63,748</u>	<u>\$ 28,636</u>	<u>\$ 35,112</u>	<u>\$ 61,501</u>	<u>\$ 25,844</u>	<u>\$ 35,657</u>

^(a) Includes finance leases. See Note 27.

Property, plant and equipment includes construction in progress of \$1.40 billion and \$2.29 billion at December 31, 2023 and 2022, respectively, which primarily relates to capital projects at our refineries and midstream facilities.

17. 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 2023 and 2022.

At December 31, 2023, MPC had four reporting units with goodwill totaling approximately \$8.24 billion. For the annual impairment assessment as of November 30, 2023, 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.

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The changes in the carrying amount of goodwill for 2023 were as follows:

<i>(Millions of dollars)</i>	Refining & Marketing	Midstream	Total
Balance as of December 31, 2021	\$ 561	\$ 7,695	\$ 8,256
Impairment losses	—	—	—
Disposal of assets	—	(12)	(12)
Balance as of December 31, 2022	561	7,683	8,244
Impairment losses	—	—	—
Balance as of December 31, 2023	<u>\$ 561</u>	<u>\$ 7,683</u>	<u>\$ 8,244</u>
Gross goodwill as of December 31, 2023	\$ 6,141	\$ 10,824	\$ 16,965
Accumulated impairment losses	(5,580)	(3,141)	(8,721)
Balance as of December 31, 2023	<u>\$ 561</u>	<u>\$ 7,683</u>	<u>\$ 8,244</u>

Intangible Assets

Our definite lived intangible assets as of December 31, 2023 and 2022 are as shown below.

<i>(Millions of dollars)</i>	December 31, 2023			December 31, 2022		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer contracts and relationships	\$ 3,838	\$ 2,132	\$ 1,706	\$ 3,624	\$ 1,825	\$ 1,799
Brand rights and tradenames	101	79	22	100	64	36
Royalty agreements	173	142	31	138	103	35
Other	41	35	6	36	30	6
Total	<u>\$ 4,153</u>	<u>\$ 2,388</u>	<u>\$ 1,765</u>	<u>\$ 3,898</u>	<u>\$ 2,022</u>	<u>\$ 1,876</u>

At both December 31, 2023 and December 31, 2022, we had indefinite lived intangible assets of \$71 million, which are emission allowance credits.

Amortization expense was \$316 million for both 2023 and 2022. Estimated future amortization expense for the next five years related to the intangible assets at December 31, 2023 is as follows:

<i>(Millions of dollars)</i>	
2024	\$ 265
2025	250
2026	230
2027	201
2028	179

18. 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, 2023 and 2022 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.

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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	—

December 31, 2022						
<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	\$ 310	\$ —	\$ —	\$ (243)	\$ 67	\$ 100
Liabilities:						
Commodity contracts	\$ 301	\$ —	\$ —	\$ (301)	\$ —	\$ —
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, 2023, cash collateral of \$29 million was netted with mark-to-market derivative liabilities. As of December 31, 2022, cash collateral of \$58 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, 2023 used significant unobservable inputs including: (1) NGL prices interpolated and extrapolated due to inactive markets ranging from \$0.61 to \$1.44 per gallon with a weighted average of \$0.76 per gallon and (2) the probability of renewal of 100 percent for the five-year term of the natural gas purchase agreement and the 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>	2023	2022
Beginning balance	\$ 61	\$ 108
Unrealized and realized (gain) loss included in net income	11	(35)
Settlements of derivative instruments	(11)	(12)
Ending balance	\$ 61	\$ 61
The amount of total (gain)/loss for the period included in earnings attributable to the change in unrealized (gain)/loss relating to liabilities still held at the end of period:	\$ 9	\$ (33)

See Note 19 for the income statement impacts of our derivative instruments.

Fair Values – Non-recurring

Non-recurring fair value measurements and disclosures in 2023 relate primarily to the acquisition of the remaining interest in MarkWest Torñado GP, L.L.C. as discussed in Note 15.

Non-recurring fair value measurements and disclosures in 2022 relate primarily to sales-type leases discussed in Note 27 and the Martinez Renewables LLC equity method investment discussed in Note 15. 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 \$27.0 billion and \$25.5 billion at December 31, 2023, respectively, and approximately \$26.3 billion and \$24.0 billion at December 31, 2022, respectively. These carrying and fair values of our debt exclude the unamortized issuance costs which are netted against our total debt.

19. Derivatives

For further information regarding the fair value measurement of derivative instruments, including any effect of master netting agreements or collateral, see Note 18. 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, 2023 and 2022 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, 2023		December 31, 2022	
	Asset	Liability	Asset	Liability
Commodity derivatives				
Other current assets	\$ 244	\$ 249	\$ 310	\$ 301
Other current liabilities ^(a)	—	11	—	10
Deferred credits and other liabilities ^(a)	—	50	—	51

^(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, 2023.

<i>(Units in thousands of barrels)</i>	Percentage of contracts that expire next quarter	Position	
		Long	Short
Exchange-traded ^(a)			
Crude oil	71.2%	42,455	44,998
Refined products	90.7%	17,657	18,996
Blending products	89.3%	6,030	5,938
Soybean oil	82.7%	4,339	5,088

^(a) Included in exchange-traded are spread contracts in thousands of barrels: Crude oil - 10,866 long and 10,986 short; Refined products - 615 long and 386 short. There are no spread contracts for blending products or 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)		
	2023	2022	2021
Sales and other operating revenues	\$ 7	\$ —	\$ (47)
Cost of revenues	(15)	(58)	(333)
Other income	2	—	—
Total	\$ (6)	\$ (58)	\$ (380)

20. Debt

Our outstanding borrowings at December 31, 2023 and 2022 consisted of the following:

<i>(Millions of dollars)</i>	December 31, 2023	December 31, 2022
Marathon Petroleum Corporation:		
Senior notes	\$ 6,449	\$ 6,449
Notes payable	1	1
Finance lease obligations	464	522
Total	6,914	6,972
MPLX LP:		
Senior notes	20,700	20,100
Finance lease obligations	6	8
Total	20,706	20,108
Total debt	27,620	27,080
Unamortized debt issuance costs	(141)	(142)
Unamortized discount, net of unamortized premium	(196)	(238)
Amounts due within one year	(1,954)	(1,066)
Total long-term debt due after one year	\$ 25,329	\$ 25,634

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,	
	2023	2022
Senior notes, 3.625% due September 2024	750	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	\$ 6,449	\$ 6,449

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.

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MPLX Senior Notes

<i>(Millions of dollars)</i>	December 31,	
	2023	2022
Senior notes, 4.500% due July 2023	\$ —	\$ 989
Senior notes, 4.875% due December 2024	1,149	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, 4.500% - 4.875% due 2023 – 2025	12	23
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	—
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	—
Senior notes, 4.900% due April 2058	500	500
Total	\$ 20,700	\$ 20,100

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.

2022 Activity

On March 14, 2022, MPLX issued \$1.5 billion aggregate principal amount of 4.950 percent senior notes due March 2052 in an underwritten public offering. The net proceeds were used to repay amounts outstanding under the MPC intercompany loan agreement and under the previous MPLX credit agreement.

On August 11, 2022, MPLX issued \$1.0 billion aggregate principal amount of 4.950 percent senior notes due September 2032 in an underwritten public offering. The net proceeds were used to redeem all of the \$500 million aggregate principal amount of 3.500 percent senior notes due December 2022, \$14 million of which was issued by Andeavor Logistics LP, and to redeem all of the \$500 million aggregate principal amount of 3.375 percent senior notes due March 2023.

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.

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Schedule of Maturities

Principal maturities of long-term debt, excluding finance lease obligations, as of December 31, 2023 for the next five years are as follows:

(Millions of dollars)

2024	\$	1,901
2025		2,950
2026		2,249
2027		2,000
2028		1,750

Available Capacity under our Facilities as of December 31, 2023

<i>(Millions of dollars)</i>	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 2024
MPLX						
MPLX bank revolving credit facility	2,000	—	—	2,000	—	July 2027

^(a) The committed borrowing and letter of credit issuance capacity of 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

On July 7, 2022, MPC entered into a new five-year revolving credit agreement (the “MPC Credit Agreement”) to replace its previous \$5.0 billion credit facility that was scheduled to expire in October 2023. The MPC Credit Agreement, among other things, provides for a \$5.0 billion unsecured revolving credit facility that matures in July 2027 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. The financial covenants of the MPC Credit Agreement are substantially the same as those contained in the previous credit agreement.

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, 2023, 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

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eligible trade receivables (as calculated in accordance with the Loan and Security Agreement) that are pledged as collateral under the facility. In September 2023, the trade receivables securitization facility was amended to, among other things, extend its term until September 30, 2024.

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, 2023, we were in compliance with the covenants contained in the Loan and Security Agreement and other facility documentation.

MPLX Bank Revolving Credit Facility

On July 7, 2022, MPLX entered into a new five-year revolving credit agreement (the “MPLX Credit Agreement”) to replace its previous \$3.5 billion credit facility that was scheduled to expire in July 2024. The MPLX Credit Agreement, among other things, provides for a \$2.0 billion unsecured revolving credit facility that matures in July 2027 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, 2023, MPLX was in compliance with the covenants contained in the MPLX Credit Agreement.

21. Revenue

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

<i>(Millions of dollars)</i>	2023	2022	2021
Refining & Marketing			
Refined products	\$ 134,303	\$ 161,362	\$ 107,345
Crude oil	7,423	8,962	7,132
Services and other	1,742	1,763	873
Total revenues from external customers	143,468	172,087	115,350
Midstream			
Refined products	1,675	2,219	1,590
Services and other ^(a)	3,236	3,147	3,043
Total revenues from external customers	4,911	5,366	4,633
Sales and other operating revenues	\$ 148,379	\$ 177,453	\$ 119,983

^(a) Includes sales-type lease revenue. See Note 27.

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, 2023, 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, 2023 include matching buy/sell receivables of \$4.7 billion.

22. Supplemental Cash Flow Information

<i>(Millions of dollars)</i>	2023	2022	2021
Net cash provided by operating activities included:			
Interest paid (net of amounts capitalized)	\$ 1,200	\$ 1,060	\$ 1,231
Income taxes paid to taxing authorities	2,751	4,869	2,436
Cash paid for amounts included in the measurement of lease liabilities			
Payments on operating leases	493	498	569
Interest payments under finance lease obligations	25	24	21
Net cash provided by financing activities included:			
Principal payments under finance lease obligations	79	79	71
Non-cash investing and financing activities:			
Right of use assets obtained in exchange for new operating lease obligations	465	367	349
Right of use assets obtained in exchange for new finance lease obligations	21	60	37
Contribution of assets ^(a)	—	818	—
Book value of equity method investment ^(b)	311	150	—

^(a) Represents the book value of property, plant and equipment, inventory and working capital contributed by MPC to Martinez Renewables LLC. See Note 15 for additional information.

^(b) 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 Crowley Ocean Partners of \$25 million and \$125 million, respectively, prior to MPC buying out the remaining interest in these entities. See Note 15 for additional information.

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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>	2023	2022	2021
Additions to property, plant and equipment per the consolidated statements of cash flows	\$ 1,890	\$ 2,420	\$ 1,464
Increase (decrease) in capital accruals	184	(37)	141
Total capital expenditures	<u>\$ 2,074</u>	<u>\$ 2,383</u>	<u>\$ 1,605</u>

23. Other Current Liabilities

The following summarizes the components of other current liabilities:

<i>(Millions of dollars)</i>	December 31,	
	2023	2022
Environmental credits liability	\$ 778	\$ 429
Accrued interest payable	316	315
Other current liabilities	551	423
Total other current liabilities	<u>\$ 1,645</u>	<u>\$ 1,167</u>

24. 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)	<u>(46)</u>	<u>116</u>	<u>(1)</u>	<u>69</u>
Balance as of December 31, 2022	<u>\$ (163)</u>	<u>\$ 165</u>	<u>\$ —</u>	<u>\$ 2</u>

<i>(Millions of dollars)</i>	Pension Benefits	Other Benefits	Other	Total
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)	<u>(98)</u>	<u>(36)</u>	<u>1</u>	<u>(133)</u>
Balance as of December 31, 2023	<u>\$ (261)</u>	<u>\$ 129</u>	<u>\$ 1</u>	<u>\$ (131)</u>

^(a) These accumulated other comprehensive loss components are included in the computation of net periodic benefit cost. See Note 25.

25. 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>	2023	2022	2021
Cash balance weighted average interest crediting rates	3.57 %	3.00 %	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 \$2,441 million and \$2,272 million as of December 31, 2023 and 2022.

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	
	2023	2022	2023	2022
Benefit obligations at January 1	\$ 2,359	\$ 3,295	\$ 650	\$ 828
Service cost	195	228	18	26
Interest cost	116	102	31	21
Actuarial loss/(gain)	184	(653)	31	(168)
Benefits paid ^(a)	(291)	(613)	(51)	(57)
Benefit obligations at December 31	2,563	2,359	679	650
Fair value of plan assets at January 1	1,838	3,043	—	—
Actual return on plan assets	266	(622)	—	—
Employer contributions	269	30	51	57
Benefits paid from plan assets	(291)	(613)	(51)	(57)
Fair value of plan assets at December 31	2,082	1,838	—	—
Funded status at December 31	\$ (481)	\$ (521)	\$ (679)	\$ (650)

^(a) Of the \$613 million in benefits paid in 2022, \$285 million is related to the pension annuity lift-out.

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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	
	2023	2022	2023	2022
Current liabilities	(8)	(7)	(50)	(50)
Noncurrent liabilities	(473)	(514)	(629)	(600)
Accrued benefit cost	<u>\$ (481)</u>	<u>\$ (521)</u>	<u>\$ (679)</u>	<u>\$ (650)</u>

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	
	2023	2022	2023	2022
Net actuarial loss	\$ 467	\$ 386	\$ 50	\$ 19
Prior service credit	(69)	(114)	(202)	(224)

Amounts exclude those related to LOOP and Explorer, equity method investees with defined benefit pension and postretirement plans for which net losses (gains) of \$10 million and \$(5) million were recorded in accumulated other comprehensive income (loss) in 2023, 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		
	2023	2022	2021	2023	2022	2021
Service cost	\$ 201	\$ 230	\$ 287	\$ 18	\$ 26	\$ 34
Interest cost	116	102	93	31	21	30
Expected return on plan assets	(163)	(142)	(139)	—	—	—
Amortization of prior service cost (credit)	(45)	(45)	(45)	(22)	(22)	2
Amortization of actuarial (gain) loss	(5)	4	37	—	6	10
Settlement (gain) loss	(1)	79	75	—	—	1
Net periodic benefit cost ^(a)	<u>\$ 103</u>	<u>\$ 228</u>	<u>\$ 308</u>	<u>\$ 27</u>	<u>\$ 31</u>	<u>\$ 77</u>
Actuarial (gain) loss	\$ 75	\$ 109	\$ (227)	\$ 31	\$ (167)	\$ (16)
Prior service credit	—	—	—	—	—	(276)
Amortization of actuarial (gain) loss	6	(83)	(112)	—	(6)	(11)
Amortization of prior service (cost) credit	45	45	45	22	22	(2)
Total recognized in other comprehensive (income) loss	<u>\$ 126</u>	<u>\$ 71</u>	<u>\$ (294)</u>	<u>\$ 53</u>	<u>\$ (151)</u>	<u>\$ (305)</u>
Total recognized in net periodic benefit cost and other comprehensive (income) loss	<u>\$ 229</u>	<u>\$ 299</u>	<u>\$ 14</u>	<u>\$ 80</u>	<u>\$ (120)</u>	<u>\$ (228)</u>

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

For certain of our pension plans, lump sum payments to employees retiring in 2023, 2022 and 2021 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 2023, 2022 and 2021.

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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 2023, 2022 and 2021.

	Pension Benefits			Other Benefits		
	2023	2022	2021	2023	2022	2021
Benefit obligation:						
Discount rate	4.85 %	5.04 %	2.82 %	4.88 %	5.08 %	2.93 %
Rate of compensation increase	4.18 %	4.18 %	5.70 %	4.18 %	4.18 %	5.70 %
Net periodic benefit cost:						
Discount rate	5.10 %	3.33 %	2.70 %	5.08 %	2.93 %	2.55 %
Expected long-term return on plan assets	7.00 %	5.75 %	5.75 %	— %	— %	— %
Rate of compensation increase	4.18 %	4.18 %	5.70 %	4.18 %	4.18 %	5.70 %

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,		
	2023	2022	2021
Health care cost trend rate assumed for the following year:			
Medical: Pre-65	7.70 %	6.60 %	5.80 %
Prescription drugs	10.80 %	8.90 %	6.40 %
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	2032	2031	2030
Prescription drugs	2032	2031	2030

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

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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, 2023, 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, 2023 and 2022.

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 includes 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. Other investments classified as Level 1 include mutual funds that are publicly registered, valued at NAV on a daily basis using a market approach.

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 1 include publicly traded depository receipts, while Level 2 include derivative transactions.

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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, 2023 and 2022.

<i>(Millions of dollars)</i>	December 31, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ —	\$ 63	\$ —	\$ 63	\$ —	\$ 3	\$ —	\$ 3
Equity:								
Common stocks	50	—	—	50	40	—	—	40
Mutual funds	115	—	—	115	104	—	—	104
Pooled funds	—	791	—	791	—	742	—	742
Fixed income:								
Corporate	—	588	—	588	—	582	—	582
Government	—	330	—	330	211	41	—	252
Pooled funds	—	118	—	118	—	79	—	79
Private equity	—	—	10	10	—	—	13	13
Real estate	—	—	12	12	—	—	14	14
Other	—	2	3	5	—	5	4	9
Total investments, at fair value	<u>\$ 165</u>	<u>\$ 1,892</u>	<u>\$ 25</u>	<u>\$ 2,082</u>	<u>\$ 355</u>	<u>\$ 1,452</u>	<u>\$ 31</u>	<u>\$ 1,838</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 2023, we made contributions totaling \$258 million to our funded pension plans. For 2024, 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 \$8 million and \$50 million, respectively, in 2024.

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
2024	\$ 147	\$ 50
2025	168	51
2026	177	51
2027	183	52
2028	194	52
2029 through 2033	1,100	266

Contributions to defined contribution plan

We also contribute to a defined contribution plan for eligible employees. Contributions to this plan totaled \$176 million, \$167 million and \$165 million in 2023, 2022 and 2021, 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 2023, 2022 and 2021 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 2023 and 2022 is for the plan years ending on December 31, 2022 and December 31, 2021, 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 2023, 2022 and 2021 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 (Millions of dollars)			Surcharge Imposed	Expiration Date of Collective – Bargaining Agreement
		2023	2022		2023	2022	2021		
Central States, Southeast and Southwest Areas Pension Plan ^{(a),(b)}	366044243	Red	Red	Implemented	\$ 5	\$ 5	\$ 5	No	January 31, 2024

^(a) This agreement has a minimum contribution requirement of \$338 per week per employee for 2024. A total of 278 employees participated in the plan as of December 31, 2023.

^(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 \$7 million, \$7 million and \$7 million for 2023, 2022 and 2021, respectively.

26. 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 Units and 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, 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.

No performance share unit awards were granted prior to 2021. Prior to 2021, we granted performance unit awards to certain officer employees under the MPC 2012 Plan. Performance units were dollar-denominated. The target value of all performance units was \$1.00, with actual payout up to \$2.00 per unit (up to 200 percent of target). Performance unit awards had a 36-month requisite service period. The payout value of these awards was determined by the relative ranking of the TSR of MPC common stock compared to the TSR of a select group of peer companies, as well as the Standard & Poor’s 500 Energy Index fund over an average of four measurement periods. These awards were settled 25 percent in MPC common stock and 75 percent in cash. The number of shares actually distributed was determined as 25 percent of the final payout divided by the closing price of MPC common stock on the day the Committee certifies the final TSR rankings, or the next trading day if the certification is made outside of normal trading hours. The performance units paying out in cash were accounted for as liability awards and recorded at fair value with a mark-to-market adjustment made each quarter, as determined using a Monte Carlo valuation model. The performance units that settle in shares were accounted for as share awards, did not receive dividend equivalents and were expensed at grant date fair value, over the requisite service period. The grant date fair value was determined using a Monte Carlo valuation model. All outstanding performance unit awards were paid out during 2023; no performance unit awards remain outstanding at December 31, 2023.

Total Share-Based Compensation Expense

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

<i>(Millions of dollars)</i>	2023	2022	2021
Share-based compensation expense	\$ 211	\$ 153	\$ 88
Tax benefit recognized on share-based compensation expense	51	37	22
Cash received by MPC upon exercise of stock option awards	62	243	106
Tax benefit received for tax deductions for stock awards exercised	49	53	13

Stock Option Awards

The following is a summary of our common stock option activity in 2023:

	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, 2022	2,489,234	\$ 46.78		
Exercised	(1,445,223)	42.95		
Forfeited or expired	—	—		
Outstanding at December 31, 2023 ^(a)	<u>1,044,011</u>	52.07	2.2	\$ 101

^(a) All options outstanding at December 31, 2023 are fully vested and exercisable.

The intrinsic value of options exercised by MPC employees during 2023, 2022 and 2021 was \$136 million, \$247 million and \$88 million, respectively.

As of December 31, 2023, 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 and restricted stock unit award activity of our common stock in 2023:

	Restricted Stock		Restricted Stock Units	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Units	Weighted Average Grant Date Fair Value
Unvested at December 31, 2022	691	\$ 54.60	1,786,150	\$ 50.36
Granted	—	—	601,161	133.94
Vested	(691)	54.60	(1,115,810)	41.78
Forfeited	—	—	(78,797)	85.85
Unvested at December 31, 2023	<u>—</u>	<u>—</u>	<u>1,192,704</u>	98.16

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
2023	\$ —	\$ —	\$ 144	\$ 133.94
2022	17	—	99	75.81
2021	20	—	90	55.27

As of December 31, 2023, there was no unrecognized compensation cost related to restricted stock awards. Unrecognized compensation cost related to restricted stock unit awards was \$75 million, which is expected to be recognized over a weighted average period of 2.0 years.

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Performance Awards

The following is a summary of performance share unit awards activity in 2023:

	Number of Performance Share Units
Unvested at December 31, 2022	862,313
Granted	295,296
Vested	(549,905)
Forfeited	(27,038)
Unvested at December 31, 2023	580,666

We paid \$14 million, \$26 million and \$10 million during the years ended 2023, 2022 and 2021, respectively, to settle performance unit awards. No cash was paid during the same years to settle performance share unit awards.

As of December 31, 2023, unrecognized compensation cost related to performance awards was \$55 million, which is expected to be recognized over a weighted average period of 1.3 years. As of December 31, 2023, the total liability associated with performance awards was \$279 million.

MPLX Awards

Compensation expense for awards of MPLX units are not material to our consolidated financial statements for 2023.

27. 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 95 years. Most long-term leases include renewal options ranging from less than one year to 49 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>	2023	2022	2021
Finance lease cost:			
Amortization of right of use assets	\$ 73	\$ 81	\$ 78
Interest on lease liabilities	25	29	31
Operating lease cost	489	490	565
Variable lease cost	54	59	62
Short-term lease cost	881	772	446
Total lease cost	<u>\$ 1,522</u>	<u>\$ 1,431</u>	<u>\$ 1,182</u>

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

<i>(Millions of dollars)</i>	December 31,	
	2023	2022
Operating leases		
Assets		
Right of use assets	\$ 1,233	\$ 1,214
Liabilities		
Operating lease liabilities	\$ 454	\$ 368
Long-term operating lease liabilities	764	841
Total operating lease liabilities	<u>\$ 1,218</u>	<u>\$ 1,209</u>
Weighted average remaining lease term (in years)	4	5
Weighted average discount rate	4.1 %	3.5 %
Finance leases		
Assets		
Property, plant and equipment, gross	\$ 765	\$ 818
Less accumulated depreciation	413	412
Property, plant and equipment, net	<u>\$ 352</u>	<u>\$ 406</u>
Liabilities		
Debt due within one year	\$ 69	\$ 79
Long-term debt	401	451
Total finance lease liabilities	<u>\$ 470</u>	<u>\$ 530</u>
Weighted average remaining lease term (in years)	9	9
Weighted average discount rate	5.1 %	5.1 %

As of December 31, 2023, 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
2024	\$ 494	\$ 91
2025	356	82
2026	181	79
2027	100	63
2028	66	47
2029 and thereafter	128	228
Gross lease payments	<u>1,325</u>	<u>590</u>
Less: imputed interest	107	120
Total lease liabilities	<u>\$ 1,218</u>	<u>\$ 470</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 term 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.

Table of Contents

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>	2023	2022	2021
Operating leases:			
Rental income	\$ 243	\$ 327	\$ 376
Sales-type leases:			
Interest income (Sales-type rental revenue-fixed minimum)	114	46	—
Interest income (Revenue from variable lease payments)	22	16	—
Sales-type lease revenue	<u>\$ 136</u>	<u>\$ 62</u>	<u>\$ —</u>

The following is a schedule of minimum future rentals on the non-cancelable operating leases as of December 31, 2023:

<i>(Millions of dollars)</i>	
2024	\$ 117
2025	95
2026	75
2027	53
2028	46
2029 and thereafter	250
Total minimum future rentals	<u>\$ 636</u>

Annual minimum undiscounted lease payment receipts under our sales-type leases were as follows as of December 31, 2023:

<i>(Millions of dollars)</i>	
2024	\$ 175
2025	161
2026	150
2027	141
2028	132
2029 and thereafter	959
Total minimum future rentals	1,718
Less: imputed interest	778
Lease receivables ^(a)	<u>\$ 940</u>
Current lease receivables ^(b)	\$ 102
Long-term lease receivables ^(c)	838
Unguaranteed residual assets	78
Total sales-type lease assets	<u>\$ 1,018</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 \$50 million for the year ended December 31, 2023. These amounts are reflected as additions to property, plant and equipment in the consolidated statements of cash flows.

Table of Contents

The following schedule summarizes our investment in assets held under operating lease by major classes as of December 31, 2023 and 2022:

<i>(Millions of dollars)</i>	December 31,	
	2023	2022
Gathering and transportation	\$ 86	\$ 94
Processing and fractionation	1,000	973
Pipelines	12	—
Terminals	129	128
Land, building and other	10	10
Property, plant and equipment	1,237	1,205
Less accumulated depreciation	396	330
Total property, plant and equipment, net	<u>\$ 841</u>	<u>\$ 875</u>

28. 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 both December 31, 2023 and December 31, 2022, accrued liabilities for remediation totaled \$387 million. 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 \$5 million at both December 31, 2023 and December 31, 2022.

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 remain 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 \$24 million and \$27 million at December 31, 2023 and 2022, respectively, and are included in other current liabilities in our consolidated balance sheets. Our long-term asset retirement obligations were \$218 million and \$186 million at December 31, 2023 and 2022, 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 Court 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.

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 tend 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 \$222 million as of December 31, 2023.

Dakota Access Pipeline

MPLX holds a 9.19 percent indirect interest in Dakota Access, which owns and operates 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 is expected to be issued by the end of 2024.

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 vacation 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 shutdown. 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 vacation 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, 2023, our maximum potential undiscounted payments under the Contingent Equity Contribution Agreement were approximately \$170 million.

Crowley Blue Water Partners

In connection with our 50 percent indirect interest in Crowley Blue Water Partners, we have agreed to provide a conditional guarantee of up to 50 percent of its outstanding debt balance in the event there is no charter agreement in place with an investment grade customer for the entity's three vessels as well as other financial support in certain circumstances. As of December 31, 2023, our maximum potential undiscounted payments under this arrangement were \$94 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 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 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 \$113 million as of December 31, 2023, which primarily consist of a commitment to contribute cash to an equity method investee for certain catastrophic events, in lieu of procuring insurance coverage, 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, a commitment to pay a termination fee on a supply agreement if terminated during the initial term, 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, 2023, our contractual commitments to acquire property, plant and equipment totaled \$281 million. Our contractual commitments to acquire property, plant and equipment totaled \$289 million at December 31, 2022.

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.

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 2024 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 at Findlay, Ohio on March 18, 2024.

Guarantor:

MARATHON PETROLEUM CORPORATION



By: _____

Name: Kelly Niese

Its: Vice President, Treasury and Treasurer

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, (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 Street East, Suite 500, St. Paul, MN 55101.

I have received a public offering statement dated March 28, 2024, effective in Minnesota on _____, 2024, 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 Wholesalers
- 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
---------------	--------------------	-----------------------

_____ Date	_____ Signature	_____ Printed Name
---------------	--------------------	-----------------------

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)**

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.

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Date

Signature

Printed Name

Date

Signature

Printed Name

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

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 ~~30, 2023, as amended on January 31~~28, 2024

Effective in Minnesota: ~~April 20, 2023, as amended on February~~
~~14~~ _____, 2024

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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~~ [Wholesalers](#)
- 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 ~~and~~, 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 WHOLESALERS

Not applicable – no location involved.

ITEM 10

WHOLESALER INFORMATION

Exhibit C contains a list of ARCO, MARATHON and TESORO branded ~~buyers~~[wholesalers](#) within the State of Minnesota as of December 31, ~~2022~~[2023](#).

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, ~~2021~~2022 and December 31, ~~2022~~2023, and the related consolidated statements of income, cash flows, and equity and redeemable noncontrolling interest for fiscal years ended December 31, ~~2020~~2021, December 31, ~~2021~~2022, and December 31, ~~2022~~2023. 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 the Public Offering Statement.

4EXHIBIT A

*[Link-to-previous
setting changed
from on in
original to off in
modified.]*

BRANDED PRODUCT SUPPLY AND TRADEMARK LICENSE AGREEMENT

MPC LP (ARCO/Marathon/Tesoro)
[2024 MN Public Offering
Statement](#)
[Ex. A – Branded Supply Agreement](#)
[2023 MN Public Offering
Statement \(rev. 01/2024\)](#)

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

MPC LP (ARCO/Marathon/Tesoro)
2024 MN Public Offering Statement
Ex. A – Branded Supply Agreement

(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

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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

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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

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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.

MPC LP (ARCO/Marathon/Tesoro)
2024 MN Public Offering Statement
Ex. A – Branded Supply Agreement

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.

MPC LP (ARCO/Marathon/Tesoro)
2024 MN Public Offering Statement
Ex. A – Branded Supply Agreement

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

MPC LP (ARCO/Marathon/Tesoro)
[2024 ~~2023~~ MN Public Offering Statement \(rev. 01/2024\)](#)
[Ex. A – Branded Supply Agreement](#)

Ex. A – Branded Supply Agreement

[Link-to-previous setting changed from off in original to on in modified.]

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.

Statement (rev. 01/2024)
Ex. A – Branded Supply 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:

26

—

By:

—

Its:

[MPC LP \(ARCO/Marathon/Tesoro\)](#)
[2024 MN Public Offering Statement](#)
[Ex. A – Branded Supply Agreement](#)

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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[MPC LP \(ARCO/Marathon/Tesoro\)
2024 MN Public Offering Statement
Ex. A – Branded Supply Agreement](#)

[MPC LP \(ARCO/Marathon/Tesoro\)
MN Public Offering Statement \(rev. 01/2024\)
Ex. A – Branded Supply Agreement](#)

EXHIBIT B
STATE ADDENDUM AND AGREEMENT RIDER

[MPC LP \(ARCO/Marathon/Tesoro\)](#)
[2024 MN Public Offering Statement](#)
[Ex. B - State Pages](#)

**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: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

EXHIBIT C
BRANDED
BUYERS

[Link-to-previous setting changed from off in original to on in modified.]

LIST OF BRANDED WHOLESALERS

List of Branded ~~Buyers~~ Wholesalers
As of December 31, ~~2022~~2023

Branded Wholesaler Name	Business Address	Phone	Fuel Brand
Northdale Oil, Inc.	203 14th Street Northeast, East Grand Forks, Minnesota 56721	701-886-7533	Tesoro
D & M OIL LLC[†]	123 Southern Avenue, Dubuque, Iowa 52004-1540	563-557-7540	Tesoro
Dooley's Petroleum, Inc.	3101 3rd Avenue SW, Wilmar, Minnesota 56201	320-875-2641	Tesoro
Hartland Fuel Products, L.L.C.[†]	920 10th Ave North / P.O. Box 809, Onalaska, Wisconsin	608-779-6540	Tesoro
Zarns Oil, Inc.	1018 Haven Road, Little Falls, Minnesota 56345	320-632-9666	Tesoro
Northdale Oil, Inc.	203 14th Street Northeast, East Grand Forks, Minnesota 56721	701-886-7533	ARCO
Dean's Bulk Service Inc.	19217 Highway 34, Barnesville, Minnesota 56514	218-354-2378	ARCO
Farstad Oil, Inc.[†]	100 NE 27th St, Minot, North Dakota 58703	701-852-1194	ARCO, Marathon
Lakeside Oil[†]	1200 Harger Road, Suite 604, Oak Brook, Illinois 60523	708-447-1999	ARCO, Marathon
Buy Rite Services Inc.	675 Stinson Boulevard, Minneapolis, Minnesota 55413	612-331-4404	ARCO, Marathon
D & M Oil <u>Oil</u> LLC [†]	123 Southern Avenue, Dubuque, Iowa 52004-1540	563-557-7540	ARCO, Marathon, <u>Tesoro</u>
Olson Oil Co., Inc. <u>Dale Petroleum Company[†]</u>	1425 W. Lincoln Avenue, Fergus Falls, Minnesota 56537 <u>501 Oak Ridge Way E, West Fargo, North Dakota 58078</u>	218-736-2786 <u>800-279-7309</u>	ARCO, Marathon
<u>Dean's Bulk Service Inc.</u>	<u>19217 Highway 34, Barnesville, Minnesota 56514</u>	<u>218-354-2378</u>	<u>ARCO</u>
Dooley's Petroleum, Inc.	3101 3rd Avenue SW, Wilmar, Minnesota 56201	320-875-2641	ARCO, Marathon, <u>Tesoro</u>
<u>Energy Solution Partners, LLC[†]</u>	<u>306 Arthur St., Tomah, Wisconsin, 54660</u>	<u>888-369-7906</u>	<u>ARCO, Marathon</u>
Farmers Union Oil Co-Of <u>Company of Moorhead, Minnesota</u>	1321 Center Ave, Moorhead, Minnesota 56560	218-233-2497	Marathon
Hartland Fuel Products, L.L.C. [†] <u>dba HTP Energy[†]</u>	920 10th Ave North / P.O. Box 809, Onalaska, Wisconsin 54650	608-779-6540	<u>ARCO, Marathon</u>
Mountain Express Oil Aeworth[†]	5333 Bells Ferry Road, Aeworth, Georgia 30102	770-713-6501	Marathon
Energy Solution Partners[†]	306 Arthur St., Tomah, Wisconsin, 54660	888-369-7906	Marathon
Lehigh Gas Wholesale LLC [†]	645 Hamilton St., Suite 500, Allentown, Pennsylvania	610-625-8000	Marathon
<u>Northdale Oil, Inc.</u>	<u>203 14th Street Northeast, East Grand Forks, Minnesota 56721</u>	<u>701-886-7533</u>	<u>ARCO, Tesoro</u>
Dale Petroleum Company[†] <u>Olson Oil</u>	501 Oak Ridge Way E, West Fargo, North Dakota	800-279-7309	ARCO, Marathon

<u>Co., Inc.</u>	58078 <u>1425 W. Lincoln Avenue, Fergus Falls, Minnesota 56537</u>	<u>218-736-2786</u>	
<u>Parkland USA Corporation dba Farstad Oil¹</u>	<u>100 NE 27th St, Minot, North Dakota 58703</u>	<u>701-852-1194</u>	<u>ARCO, Marathon, Tesoro</u>
<u>World Fuel Services, Inc. dba Lakeside Oil¹</u>	<u>9800 N.W. 41 Street, Miami Florida 33178</u>	<u>305-428-8000</u>	<u>ARCO, Marathon</u>
<u>Zarns Oil, Inc.</u>	<u>1018 Haven Road, Little Falls, Minnesota 56345</u>	<u>320-632-9666</u>	<u>Marathon</u>

¹ Although this wholesaler'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

MPC LP (ARCO/Marathon/Tesoro)
[2024 2023 MN Offering Statement](#) (rev.
01/2024)

AUDITED FINANCIAL STATEMENTS

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, 2023 and December 31, 2022 ~~and 2021~~, 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, ~~2022~~2023, 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, 2023 and December 31, 2022 ~~and 2021~~, and the results of its operations and its cash flows for each of the three years in the period ended December 31, ~~2022~~2023 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 ~~audit~~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.

- ~~PricewaterhouseCoopers LLP, 406 Washington Street, Suite 200, Toledo, OH 43604
T: (419) 254-2500, F: (419) 254-2550, www.pwc.com/us~~
-



Goodwill Impairment Test — Crude Gathering Reporting Unit

As described in Note 18~~17~~ to the consolidated financial statements and as disclosed by management, the Company's consolidated goodwill balance was \$8.2 billion as of December 31, ~~2022~~2023, 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 customers' 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, producer customers' 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.

~~"Pri"e, rt/loose e_aerer's Lip~~
(Add) PricewaterhouseCoopers

February ~~23~~28, ~~2023~~2024

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

(Add)

*PricewaterhouseCoopers LLP, 406 Washington Street, Suite 200, Toledo, OH 43604
T: (419) 254 2500, F: (419) 254 2550, www.pwc.com/us*

[Table of Contents](#)

**Marathon Petroleum Corporation
Consolidated Statements of Income**

<i>(In millions, except per share data)</i>	2022 2023	2024 2022	2020 2021
Revenues and other income:			
Sales and other operating revenues	\$ 177,453148,379	\$ 119,983177,453	\$ 69,779119,98
Income (loss) from equity method investments ^(a)	655742	458655	(935)458
Net gain on disposal of assets	1,061217	21,061	7021
Other income	783969	468783	118468
Total revenues and other income	179,952150,307	120,930179,952	69,032120,930
Costs and expenses:			
Cost of revenues (excludes items below)	151,671128,566	110,008151,671	65,733110,008
Impairment expense	—	—	8,426
Depreciation and amortization	3,2153,307	3,3643,215	3,3753,364
Selling, general and administrative expenses	2,7723,039	2,5372,772	2,7102,537
Restructuring expenses	—	—	367
Other taxes	825881	724825	668721
Total costs and expenses	158,483135,793	116,630158,483	81,279116,630
Income (loss) from continuing operations	21,46914,514	4,30021,469	(12,247)4,300
Net interest and other financial costs	1,000525	1,4831,000	1,3651,483
Income (loss) from continuing operations before income taxes	20,46913,989	2,81720,469	(13,612)2,817
Provision (benefit) for income taxes on continuing operations	4,4912,817	2644,491	(2,430)264
Income (loss) from continuing operations, net of tax	15,97811,172	2,55315,978	(11,182)2,553
Income from discontinued operations, net of tax	72—	8,44872	1,2058,448
Net income (loss)	16,05011,172	11,00116,050	(9,977)11,001
Less net income (loss) attributable to:			
Redeemable noncontrolling interest	8894	10088	84100
Noncontrolling interests	1,4461,397	1,1631,446	(232)1,163
Net income (loss) attributable to MPC	\$ 14,5169,681	\$ 9,73814,516	\$ (9,826)9,738
Per share data (See Note 109)			
Basic:			
Continuing operations	\$ 28.1723.73	\$ 2.0328.17	\$ (16.99)2.03
Discontinued operations	0.14—	13.310.14	1.8613.31
Net income (loss) per share	\$ 28.3123.73	\$ 15.3428.31	\$ (15.13)15.34
Weighted average shares outstanding	512407	634512	649634
Diluted:			
Continuing operations	\$ 27.9823.63	\$ 2.0227.98	\$ (16.99)2.02
Discontinued operations	0.14—	13.220.14	1.8613.22
Net income (loss) per share	\$ 28.1223.63	\$ 15.2428.12	\$ (15.13)15.24

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Weighted average shares outstanding
638

409
~~649~~

516

(e) ~~2020 includes impairment expense. See Note 7 for further information.~~

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>	2023	2022	2021	2020
Net income (loss)	<u>\$</u> <u>11,172</u>	\$ 16,050	\$ 11,0	\$ (9,97)
Defined benefit plans:				
Actuarial changes, net of tax of \$ 36(24) , \$ 9136 and \$ (51),91 , respectively	<u>(85)</u>	122	276	(157)
Prior service, net of tax of \$(4518), \$ 58(15) and \$(11),58 , respectively	<u>(49)</u>	(52)	175	(34)
Other, net of tax of \$—, \$— and \$(2) and \$—, respectively	<u>1</u>	(1)	(6)	(1)
Other comprehensive income (loss)	<u>(133)</u>	69	445	(192)
Comprehensive income (loss)	<u>11,039</u>	16,119	11,446	(10,169)
Less comprehensive income (loss) -attributable to:				
Redeemable noncontrolling interest	<u>94</u>	88	100	84
Noncontrolling interests	<u>1,397</u>	1,446	1,163	(232)
Comprehensive income (loss)-attributable to MPC	<u>\$</u> <u>9,548</u>	\$ 14,585	\$ 10,	\$ (10,01)

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

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**Marathon Petroleum Corporation
Consolidated Balance Sheets**

(Millions of dollars, except share data)	December 31,	
	2022	2021
Assets		
Cash and cash equivalents	\$ 8,625,443	\$ 5,294,862
Short-term investments	3,145,781	5,548,315
Receivables, less allowance for doubtful accounts of \$294 and \$40,29, respectively	13,477,619	11,034,477
Inventories	8,827,317	8,055,827
Other current assets	1,168,971	568,168
Total current assets	35,242,131	30,496,242
Equity method investments	6,466,260	5,409,466
Property, plant and equipment, net	35,657,112	37,440,657
Goodwill	8,244	8,256,244
Right of use assets	1,214,233	1,372,214
Other noncurrent assets	3,084,307	2,400,081
Total assets	\$ 89,904,85,987	\$ 85,373,89,90
Liabilities		
Accounts payable	\$ 15,312,761	\$ 13,700,15,31
Payroll and benefits payable	967,115	941,967
Accrued taxes	1,140,221	1,234,1,140
Debt due within one year	1,066,954	574,1,066
Operating lease liabilities	368,454	438,368
Other current liabilities	1,167,645	1,047,1,167
Total current liabilities	20,020,150	17,898,20,020
Long-term debt	25,634,329	24,968,25,634
Deferred income taxes	5,904,834	5,638,5,904
Defined benefit postretirement plan obligations	1,114,1,102	1,015,1,114
Long-term operating lease liabilities	844,764	927,841
Deferred credits and other liabilities	1,304,1,409	1,346,1,304
Total liabilities	54,817,54,588	51,792,54,817
Commitments and contingencies (see Note 2928)		
Redeemable noncontrolling interest	968,895	965,968
Equity		
Preferred stock, no shares issued and outstanding (par value \$0.01 per share, 30	—	—
Common stock:		
Issued – 993 million and 990 million and 984 million shares (par value \$0.01 per share, 2 billion shares authorized)	10	10
Held in treasury, at cost – 625 million and 536 million and 405 million shares	(31,841,43,502)	(19,904,31,841)
Additional paid-in capital	33,402,33,465	33,262,33,402
Retained earnings	26,142,34,562	12,905,26,142
Accumulated other comprehensive income (loss)	2(131)	(67)2
Total MPC stockholders' equity	27,715,24,404	26,206,27,715
Noncontrolling interests	6,404,6,100	6,410,6,404
Total equity	34,119,30,504	32,616,34,119
Total liabilities, redeemable noncontrolling interest and equity	\$ 89,904,85,987	\$ 85,373,89,90

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

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Marathon Petroleum Corporation
Consolidated Statements of Cash Flows

(Millions of dollars)	2022 <u>2023</u>	2021 <u>2022</u>	2020 <u>2021</u>
Operating activities:			
Net income (loss)	\$ 16,050 <u>11,172</u>	\$ 11,004 <u>16,050</u>	\$ (9,977) <u>11,001</u>
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Amortization of deferred financing costs and debt discount	50 <u>(78)</u>	79 <u>50</u>	69 <u>79</u>
Impairment expense	—	—	8,426
Depreciation and amortization	3,215 <u>3,307</u>	3,364 <u>3,215</u>	3,375 <u>3,364</u>
Pension and other postretirement benefits, net	172 <u>(191)</u>	(499) <u>172</u>	220 <u>(499)</u>
Deferred income taxes	290 <u>(28)</u>	(169) <u>290</u>	(244) <u>169</u>
Net gain on disposal of assets	(1,064) <u>217</u>	(211) <u>061</u>	(70) <u>21</u>
(Income) loss from equity method investments	(655) <u>742</u>	(458) <u>655</u>	935 <u>(458)</u>
Distributions from equity method investments	772 <u>941</u>	652 <u>772</u>	577 <u>652</u>
Income from discontinued operations	(72) <u>—</u>	(8,448) <u>72</u>	(1,205) <u>8,448</u>
Changes in income tax receivable	(555) <u>135</u>	2,089 <u>(555)</u>	(1,807) <u>2,089</u>
Changes in the fair value of derivative instruments	(147) <u>70</u>	16 <u>(147)</u>	45 <u>16</u>
Changes in:			
Current receivables	(2,315) <u>1,972</u>	(5,299) <u>2,315</u>	1,465 <u>(5,299)</u>
Inventories	(787) <u>489</u>	(33) <u>787</u>	1,750 <u>(33)</u>
Current accounts payable and accrued liabilities	1,909 <u>(1,316)</u>	6,260 <u>1,909</u>	(2,927) <u>6,260</u>
Right of use assets and operating lease liabilities, net	— <u>(7)</u>	3 <u>—</u>	(19) <u>3</u>
All other, net	(547) <u>412</u>	(153) <u>547</u>	191 <u>(153)</u>
Cash provided by operating activities - continuing operations	16,319 <u>14,117</u>	8,384 <u>16,319</u>	807 <u>8,384</u>
Cash provided by (used in) operating activities - discontinued operations	42 <u>—</u>	(4,024) <u>42</u>	1,612 <u>(4,024)</u>
Net cash provided by operating activities	16,361 <u>14,117</u>	4,360 <u>16,361</u>	2,419 <u>4,360</u>
Investing activities:			
Additions to property, plant and equipment	(2,420) <u>1,890</u>	(1,464) <u>2,420</u>	(2,787) <u>1,464</u>
Acquisitions, net of cash acquired	(413) <u>246</u>	— <u>(413)</u>	—
Disposal of assets	90 <u>36</u>	153 <u>90</u>	150 <u>153</u>
Investments – acquisitions and contributions	(405) <u>480</u>	(210) <u>405</u>	(485) <u>210</u>
– redemptions, repayments and return of capital and sales proceeds	515 <u>275</u>	395 <u>15</u>	137 <u>395</u>
Purchases of short-term investments	(6,023) <u>8,622</u>	(12,498) <u>6,023</u>	(12,498)
Sales of short-term investments	1,296 <u>2,082</u>	1,544 <u>1,296</u>	— <u>1,544</u>
Maturities of short-term investments	7,159 <u>5,048</u>	5,406 <u>7,159</u>	— <u>5,406</u>
All other, net	824 <u>702</u>	513 <u>824</u>	635 <u>13</u>
Cash provided by (used in) investing activities - continuing operations	623 <u>(3,095)</u>	(6,517) <u>623</u>	(2,922) <u>6,517</u>
Cash provided by (used in) investing activities - discontinued operations	—	21,314 <u>—</u>	(335) <u>21,314</u>
Net cash provided by (used in) investing activities	623 <u>(3,095)</u>	14,797 <u>623</u>	(3,257) <u>14,797</u>
Financing activities:			
Commercial paper – issued	—	7,414 <u>—</u>	2,055 <u>7,414</u>

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– repayments	—	(8,437)	(1,0348,437)
Long-term debt – borrowings	3,3791,589	12,1503,379	17,08212,150
– repayments	(2,2801,079)	(17,4002,280)	(15,38017,400)
Debt issuance costs	(3915)	(39)	—(50)
	<u>62</u>	<u>243</u>	<u>106</u>

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<i>(Millions of dollars)</i>	2023	2022	2021	2020
Issuance of common stock		243	106	11
Common stock repurchased	<u>(11,572)</u>	(11,922)	(4,654)	
Dividends paid	<u>(1,261)</u>	(1,279)	(1,484)	(1,510)
Distributions to noncontrolling interests	<u>(1,281)</u>	(1,214)	(1,449)	(1,244)
Repurchases of noncontrolling interests	=	(491)		(630)
<u>Redemption of noncontrolling interests - preferred units</u>	<u>(600)</u>	=		<u>(33)</u>
All other, net	<u>(50)</u>	(44)	(35)	(35)
Net cash used in financing activities	<u>(14,207)</u>	(13,647)	(14,419)	(135)
Net change in cash, cash equivalents and restricted cash	<u>\$ (3,185)</u>	\$ 3,337	\$ 4,7	\$ (973)
Cash, cash equivalents and restricted cash balances:^(a)				
Continuing operations - beginning of year	<u>8,631</u>	5,294	416	1,395
Discontinued operations - beginning of year	=	—	140	134
Less: Discontinued operations - end of year	=	—	—	140
Continuing operations - end of year	<u>\$ 5,446</u>	\$ 8,631	\$ 5,2	\$ 416

(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.

MINNESOTA PUBLIC OFFERING STATEMENT

Marathon Petroleum Corporation

Consolidated Statements of Equity and Redeemable Noncontrolling Interest

<i>(Shares in millions)</i>	Common Stock		Treasury Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive	Non- controlling	Total Equity	Redeemable Non- controlling	
Balance as of December 31,										\$ 968	
Net income (loss)	—	—	—	—	—	(9,826) 9,738	—	(232) 1,163	(10,058) 10,901	84,100	
Dividends declared on common stock (\$2.32 per share)	—	—	—	—	—	(1,514) 1,483	—	—	(1,514) 483	—	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,163) 349	(1,163) 349	(84,100)	
Other comprehensive loss	—	—	—	—	—	—	(192)	—	(192)	—	
Share-based compensation	2	—	—	(14)	92	—	—	8	86	—	
Equity transactions of MPLX	—	—	—	—	(41)	—	—	(5)	(46)	—	
Balance as of December	980	\$	(329)	\$	\$	\$ 4,650	\$	\$ 7,053	\$ 29,252	\$ 968	
Net income	—	—	—	—	—	9,738	—	1,163	10,901	100	
Dividends declared on common	—	—	—	—	—	(1,483)	—	—	(1,483)	—	
Distributions to noncontrolling	—	—	—	—	—	—	—	(1,349)	(1,349)	(100)	
Other comprehensive income	—	—	—	—	—	—	445	—	445	—	
Shares repurchased	—	—	(76)	(4,740)	—	—	—	—	(4,740)	—	
Share-based compensation	4	—	—	(7)	147	—	—	4	144	—	
Equity transactions of MPLX	—	—	—	—	(93)	—	—	(461)	(554)	(3)	
Balance as of December	984	\$	(405)	\$	\$	\$ 12,905	\$	\$ 6,410	\$ 32,616	\$ 968	
Net income	—	—	—	—	—	14,516	—	1,446	15,962	88	
Dividends declared on common	—	—	—	—	—	(1,279)	—	—	(1,279)	—	
Distributions to noncontrolling	—	—	—	—	—	—	—	(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	—	
Balance as of December 31, 2023	993	\$ 10	(625)	\$ (43,502)	\$ 33,465	\$ 34,562	\$	(131)	\$ 6,100	\$ 30,504	\$ 89

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

Equity transactions of MPLX (120) (327) (447) —

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~~[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 LP ("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.

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"). Speedway's results are reported separately as discontinued operations, net of tax, in our consolidated statements of income for all periods presented. In addition, we separately disclosed the operating and investing cash flows of Speedway as discontinued operations within our consolidated statements of cash flow. See Note 5 for discontinued operations disclosures.

Refer to Notes 6 and [4211](#) for additional information about our operations.

Basis of Presentation

All significant intercompany transactions and accounts have been eliminated.

~~In accordance with ASC 205, *Discontinued Operations*, intersegment sales from our Refining & Marketing segment to Speedway are no longer eliminated as intercompany transactions and are now presented within sales and other operating revenues, since we continue to supply fuel to Speedway subsequent to the sale to 7-Eleven. All periods presented have been retrospectively adjusted through the sale date of May 14, 2021 to reflect this change. Additionally, from August 2, 2020 through May 14, 2021, in accordance with ASC 360, *Property, Plant, and Equipment*, we ceased recording depreciation and amortization for Speedway's PP&E, finite-lived intangible assets and right of use lease assets.~~

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, ~~2022~~[2023](#), we owned the general partner and approximately 65 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.

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Our revenue recognition patterns are described below by reportable segment:

- Refining & Marketing - The vast majority of our Refining & Marketing 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

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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 [2321](#) for disclosure of our revenue disaggregated by segment and product line and to Note [4211](#) 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 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 [2827](#) for additional disclosures about our lease contracts.

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As a lessor under ASU No. 2016-02, *Leases* ("ASC 842"), MPLX may be required to re-classify existing operating leases to sales-type leases upon modification and related reassessment of the leases. See Note [2827](#) 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.

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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 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 ~~and~~, (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.

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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.

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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 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.

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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.

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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 [unit awards](#) granted to our employees is [estimated on the date of grant 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 [vesting 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 ~~the~~ 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 based on 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 flow.

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3. Accounting Standards

Recently Adopted

During 2023, we adopted ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The adoption of this accounting standard update did not have a material impact on our financial statements.

~~We adopted the following ASU during 2022, which did not have a material impact to our financial statements or financial statement disclosures:~~

ASU		Effective Date
2021-10	<i>Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance</i>	January 1, 2022

~~Assistance~~ **Not Yet Adopted**

[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. We are currently evaluating the impact this ASU will have on our disclosures.

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

In November 2023, the FASB issued an ASU to update reportable segment disclosure requirements primarily by requiring enhanced disclosures about significant segment expenses. This ASU is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. We are currently evaluating the impact this ASU will have on our disclosures.

[ASU 2023-01, Leases \(Topic 842\): Common Control Arrangements](#)

In March 2023, the FASB issued an 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. This ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted. We do not expect the application of this ASU to have a material impact on our consolidated financial statements or disclosures.

4. Short-Term Investments

Investments Components

The components of investments were as follows:

(Millions of dollars)	December 31, 2022 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	\$3,074.3	\$ -	\$ 3,073	1,106.28	1,967.2	
Certificates of deposit and time deposits	Level 2	2,093.18	—	2,093	1,800	593.103	
U.S. government securities	Level 1	1,074.78	—	1,074(1)	78	498	573.784
Corporate notes and bonds	Level 2	66.85	—	66	54	42.85	
Total available-for-sale debt securities		\$6,304.5	\$ -	\$ 6,303(1)	3,158.10	3,145.4	
Cash				5,467.4	4,362		
Total				\$ 11,770	10,224	\$8,625.4	\$3,145.4

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December 31, ~~2021~~2022

<i>(Millions of dollars)</i>	Fair Value Level	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-term Investment
Available-for-sale debt securities							
Commercial paper	Level 2	\$4,905 ³	\$ —	\$ (\$4,904 ³	\$868 ¹	\$4,036 ¹
Certificates of deposit and time deposits	Level 2	2,024 ² 93	—	—	2,024 ² 3	750 ¹ 0	1,274 ⁵ 3
U.S. government securities	Level 1	281,071	—	—	281,071	—498	28573
Corporate notes and bonds	Level 2	274 ⁶	—	—	274 ⁶	6154	210 ¹²
Total available-for-sale debt securities		\$7,228 ⁶	\$ —	\$ (\$7,227 ⁶	\$1,679 ³	\$5,548 ³
Cash					3,612 ⁵ 7	3,612 ⁵ 67	—
Total					\$10,839	\$5,294 ⁸	\$5,548 ³

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

~~Unrealized losses on debt investments held from May 14, 2021, which coincides with the sale of Speedway, to December 31, 2022 were not material.~~ Realized gains/losses were not material. All of our available-for-sale debt securities held as of December 31, ~~2022~~2023 mature within one year or less or are readily available for use.

5. Discontinued Operations

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 for cash proceeds of approximately \$21.38 billion. After-tax proceeds were approximately \$17.22 billion. This transaction resulted in a pretax gain of \$11.68 billion (\$8.02 billion after income taxes) after deducting the book value of the net assets and certain other adjustments.

The transaction provided for adjustments for working capital and other miscellaneous items, which were finalized with 7-Eleven in the fourth quarter of 2022, resulting in an additional pretax gain of \$60 million.

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Results of operations for Speedway are reflected through the close of the sale. The following table presents Speedway results and the gain on sale as reported in income from discontinued operations, net of tax, within our consolidated statements of income.

(Millions of dollars)	2022	2021	2020
Revenues, other income and net gain on disposal of assets:			
Revenues and other income	\$ —	\$ —	\$ 19,920
Net gain on disposal of assets	60	11,682	4
Total revenues, other income and net gain on disposal of assets	60	20,102	19,920
Costs and expenses:			
Cost of revenues (excludes items below)	—	7,654	17,573
Depreciation and amortization	—	3	244
Selling, general and administrative expenses	—	121	323
Other taxes	—	75	193
Total costs and expenses	—	7,853	18,333
Income from operations	60	12,249	1,587
Net interest and other financial costs	—	6	20
Income before income taxes	60	12,243	1,567
Provision (benefit) for income taxes	(12)	3,795	362
Income from discontinued operations, net of tax	\$ 72	\$ 8,448	\$ 1,205

Fuel Supply Agreements

During the second quarter of 2021, we entered into various 15-year fuel supply agreements through which we continue to supply fuel to Speedway.

6. 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, 2022, we owned approximately 65 percent of the outstanding MPLX common units.

Unit Repurchase Program

On November 2, 2020, MPLX announced the board authorization of a unit repurchase program for the repurchase of up to \$1.0 billion of MPLX's outstanding common units held by the public, which was exhausted during the fourth quarter of 2022. On August 2, 2022, MPLX announced its board of directors approved an incremental \$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 discontinued at any time.

Total unit repurchases were as follows for the respective periods:

(In millions, except per share/unit data)	2023	2021	2020
Number of common units repurchased	—	23	4
Cash paid for common units repurchased	\$ —	\$ —	\$ —
Average cost per unit	\$ —	\$ 2	\$ 22.5

As of December 31, 2022, MPLX had approximately \$846 million remaining under its unit repurchase authorization.

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Redemption of Business from MPLX

On July 31, 2020, Western Refining Southwest, Inc. (now known as Western Refining Southwest LLC) ("WRSW"), a wholly owned subsidiary of MPC, entered into a Redemption Agreement (the "Redemption Agreement") with MPLX, pursuant to which

MPLX transferred to WRSW all of the outstanding membership interests in Western Refining Wholesale, LLC, ("WRW") in exchange for the redemption of MPLX common units held by WRSW. The transaction effected the transfer to MPC of the Western wholesale distribution business that MPLX acquired as a result of its acquisition of Andeavor Logistics LP ("ANDX"). Beginning in the third quarter of 2020, the results of these operations are presented in MPC's Refining & Marketing segment.

At the closing, per the terms of Redemption Agreement, MPLX redeemed 18,582,088 MPLX common units (the "Redeemed Units") held by WRSW. The number of Redeemed Units was calculated by dividing WRW's aggregate valuation of \$340 million by the simple average of the volume-weighted average NYSE prices of an MPLX common unit for the ten trading days ending at market close on July 27, 2020. The transaction resulted in a minor decrease in MPC's ownership interest in MPLX.

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Redemption of the Series B Preferred Units

As of December 31, 2022, MPLX had 600,000 preferred units ("Series B preferred units") representing limited partner interests of MPLX and having a liquidation value of \$1,000 per unit. On February 15, 2023, MPLX exercised its right to redeem all of ~~the~~ its 600,000 outstanding preferred units (the "Series B preferred units at the"). 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. The Series B preferred units ~~are~~ were included in noncontrolling ~~interests~~ interest on our consolidated balance ~~sheets~~ sheet at December 31, 2022.

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 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 ~~Corporate and~~ Midstream ~~segments~~ 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>	<u>2023</u>	2022	2021
Decrease due to change in ownership	\$ (16 44)	\$ (166 164)	\$ (271 66)
Tax impact	44 —	73 44	(14) 73
Decrease in MPC's additional paid-in capital, net of tax	\$ (12 04)	\$ (93 120)	\$ (419 3)

7. Impairments

~~During 2021, we recognized \$69 million of impairment expense within our Midstream segment related to the divestiture, abandonment or closure of certain assets as detailed in the table below.~~

~~During the first quarter of 2020, the outbreak of COVID-19 caused overall deterioration in the economy and the environment in~~

~~which we operate. The related changes to our expected future cash flows, as well as a sustained decrease in share price, were considered triggering events requiring the performance of various tests of the carrying values of our assets. Triggering events requiring the performance of various tests of the carrying value of our Midstream assets were also identified by MPLX as a result of the overall deterioration in the economy and the environment in which MPLX and its customers operate, which led to a~~

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reduction in forecasted volumes processed by the systems operated by MarkWest Utica-EMG, L.L.C., MPLX's equity method investee, as well as a sustained decrease in the MPLX unit price. These tests resulted in the majority of the impairment charges in 2020, as discussed below.

The table below provides information related to the impairments recognized, along with the location of these impairments within the consolidated statements of income.

<i>(Millions of dollars)</i>	<i>Income Statement Line</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
Goodwill	Impairment expense	\$ —	\$ —	\$ 7,39
Equity method investments	Income (loss) from equity method investments	—	13	1,315
Long-lived assets	Impairment expense ^(e)	—	—	1,032
Long-lived assets	Depreciation and amortization	—	56	—
Total impairments		\$ —	\$ 69	\$ 9,74

(e) The amount of 2020 impairment expense not described in the narrative below is related to certain immaterial Midstream assets.

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Goodwill

During the first quarter of 2020, we recorded an impairment of goodwill of \$7.33 billion. The goodwill impairment within the Refining & Marketing segment was primarily driven by the effects of the COVID-19 pandemic and the decline in commodity prices. The impairment within the Midstream segment was primarily driven by additional information related to the slowing of drilling activity, which reduced production growth forecasts from MPLX's producer customers.

During the third quarter of 2020, we recorded an impairment of goodwill of \$64 million. The \$64 million of goodwill was transferred from our Midstream segment to our Refining & Marketing segment during the third quarter of 2020 in connection with the transfer to MPC of the MPLX wholesale distribution business as described in Note 6. The transfer required goodwill impairment tests for the transferor and transferee reporting units. Our Refining & Marketing reporting unit that recorded the \$64 million impairment expense has no remaining goodwill.

The fair values of the reporting units for the first quarter of 2020 goodwill impairment analysis were determined based on applying both a discounted cash flow method, or income approach, as well as a market approach. The discounted cash flow fair value estimate is based on known or knowable information at the measurement date. The significant assumptions that were used to develop the estimates of the fair values under the discounted cash flow method included management's best estimates of the expected future results and discount rates, which range from 9.0 percent to 13.5 percent across all reporting units. Significant assumptions that were used to estimate the MPLX Eastern Gathering and Processing and MPLX Crude Gathering reporting units' fair values 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 customer's development plans, which impact future volumes and capital requirements. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the interim goodwill impairment test will prove to be an accurate prediction of the future. The fair value measurements for the individual reporting units' overall fair values represent Level 3 measurements.

Equity Method Investments

During the first quarter of 2020, we recorded equity method investment impairment charges totaling \$1.32 billion, of which \$1.25 billion related to MarkWest Utica EMG, L.L.C. and its investment in Ohio Gathering Company, L.L.C. The impairments were largely due to a reduction in forecasted volumes gathered and processed by the systems operated by the equity method investments. The fair value of the investments were determined based upon applying a discounted cash flow method, an income approach. The discounted cash flow fair value estimate is based on known or knowable information at the interim measurement date. The significant assumptions that were used to develop the estimate of the fair value under the discounted cash flow method include management's best estimates of the expected future cash flows, including prices and volumes, the weighted average cost of capital and the long-term growth rate. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the impairment test will prove to be an accurate prediction of the future. The fair value of these equity method investments represents a Level 3 measurement.

Long-lived Assets

Long-lived assets (primarily consisting of property, plant and equipment, intangible assets other than goodwill, and right of use assets) used in operations are assessed for impairment whenever changes in facts and circumstances indicate that the carrying value of the assets may not be recoverable based on the expected undiscounted future cash flow of an asset group. For purposes of impairment evaluation, long-lived assets must be grouped at the lowest level for which independent cash flows can be identified, which generally is the refinery and associated distribution system level for Refining & Marketing segment assets and the plant level or pipeline system level for Midstream segment assets. If the sum of the undiscounted estimated pretax cash flows is less than the carrying value of an asset group, fair value is determined, and the carrying value is written down to the determined fair value.

During the first quarter of 2020, we identified long-lived asset impairment triggers relating to all of our refinery asset groups within the Refining & Marketing segment as a result of decreases to the Refining & Marketing segment expected future cash flows. The cash flows associated with these assets were significantly impacted by the effects of the COVID-19 pandemic and commodity price declines. We performed recoverability tests for each refinery asset group by comparing the undiscounted estimated pretax cash flows to the carrying value of each asset group. Only the Gallup refinery's carrying value exceeded its undiscounted estimated pretax cash flows. It was determined that the fair value of the Gallup refinery's property, plant and equipment was less than the carrying value. As a result, we recorded a charge of \$142 million in the first quarter of 2020 to impairment expense on the consolidated statements of income. The fair value measurements for the Gallup refinery assets represent Level 3 measurements.

During the second quarter of 2020, we identified long-lived asset impairment triggers relating to all of our refinery asset groups within the Refining & Marketing segment, except the Gallup refinery as it had been impaired to its estimated salvage value in the first quarter, as a result of continued unfavorable macroeconomic conditions impacting the Refining & Marketing segment expected future cash flows. We performed recoverability tests for each refinery asset group by comparing the undiscounted estimated pretax cash flows to the carrying value of each asset group. All of these refinery asset groups' undiscounted estimated pretax cash flows exceeded their carrying value by at least 17 percent.

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The determination of undiscounted estimated pretax cash flows for the first and second quarter refinery asset group recoverability tests utilized significant assumptions including management's best estimates of the expected future cash flows, allocation of certain Refining & Marketing segment cash flows to the individual refinery asset groups, the estimated useful life of certain refinery asset groups, and the estimated salvage value of certain refinery asset groups.

On August 3, 2020, we announced our plans to evaluate possibilities to strategically reposition our Martinez refinery, including the potential conversion of the refinery into a renewable diesel facility. The facility is expected to ramp up to producing 730 million gallons per year by the end of 2023, with pretreatment capabilities coming online in 2023. As a result of the progression of these activities, we identified assets that would be repurposed and utilized in a renewable diesel facility configuration and assets that would be abandoned since they had no function in a renewable diesel facility configuration. This change in our intended use for the Martinez refinery is a long-lived asset impairment trigger for the assets that would be repurposed and remain as part of the Martinez asset group. We assessed the asset group for impairment by comparing the undiscounted estimated pretax cash flows to the carrying value of the asset group and the undiscounted estimated pretax cash flows exceeded the Martinez asset group carrying value. We recorded impairment expense of \$342 million for the abandoned assets as we are no longer using these assets and have no expectation to use these assets in the future. Additionally, as a result of our efforts to progress the conversion of Martinez refinery into a renewable diesel facility, MPLX cancelled in process capital projects related to its Martinez refinery logistics operations resulting in impairments of \$27 million in the third quarter of 2020.

In the fourth quarter of 2020, we concluded the evaluation of our intended use of MPLX terminal assets near the Gallup refinery and determined that the assets were abandoned, resulting in an impairment charge of \$67 million. Following this conclusion, we revised the estimate of the salvage value for the Gallup refinery asset group resulting in an additional \$44 million impairment charge. These charges are included in impairment expense on our consolidated statements of income.

The determinations of expected future cash flows and the salvage values of refineries, as described earlier, require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of our impairment analysis will prove to be an accurate prediction of the future. Should our assumptions significantly change in future periods, it is possible we may determine the carrying values of certain of our refinery asset groups exceed the undiscounted estimated pretax cash flows of their refinery asset groups, which would result in future impairment charges.

During the first quarter of 2020, MPLX identified an impairment trigger relating to asset groups within MPLX's Western Gathering and Processing ("G&P") reporting unit as a result of significant changes to expected future cash flows for these asset groups resulting from the effects of the COVID-19 pandemic. The cash flows associated with these assets were significantly impacted by volume declines reflecting decreased forecasted producer customer production as a result of lower commodity prices. MPLX assessed each asset group within the Western G&P reporting unit for impairment. It was determined that the fair value of the East Texas G&P asset group's underlying assets were less than the carrying value. As a result, MPLX recorded impairment charges totaling \$350 million related to its property, plant and equipment and intangibles, which are included in impairment expense on our consolidated statements of income. Fair value of property, plant and equipment was determined using a combination of an income and cost approach. The income approach utilized significant assumptions including management's best estimates of the expected future cash flows and the estimated useful life of the asset group. The cost approach utilized assumptions for the current replacement costs of similar assets adjusted for estimated depreciation and deterioration of the existing equipment and economic obsolescence. The fair value of the intangibles was determined based on applying the multi-period excess earnings method, which is an income approach. Key assumptions included management's best estimates of the expected future cash flows from existing customers, customer attrition rates and the discount rate. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the impairment analysis will prove to be an accurate prediction of the future. The fair value measurements for the asset group fair values represent Level-3 measurements.

8- 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 through guarantees or other financial arrangements, except as noted. MPC has effectively guaranteed certain indebtedness of LOOP LLC ("LOOP") and LOCAP LLC ("LOCAP"), in which MPLX holds an interest. See Note 2928 for more information. The assets of MPLX can only be used to settle its own obligations and its creditors have no recourse to our assets, except as noted earlier.

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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, 2022 2023	December 31, 2021 2022
Assets		
Cash and cash equivalents	234 \$ 1,048	\$ 43 238
Receivables, less allowance for doubtful accounts	747 836	660 747
Inventories	448 159	142 148
Other current assets	58 33	55 56
Equity method investments	4,098 3,743	3,984 4,095
Property, plant and equipment, net	18,848 19,264	20,042 18,848
Goodwill	7,645	7,657 7,645
Right of use assets	283 264	268 283
Other noncurrent assets	1,584 1,644	894 1,664

[Table of Contents](#)**MINNESOTA PUBLIC OFFERING STATEMENT**

<i>(Millions of dollars)</i>	<u>December 31,</u>	<u>December 31,</u>
Liabilities		
Accounts payable	\$ 664,723	\$ 674,664
Payroll and benefits payable	4—	64
Accrued taxes	67,79	75,67
Debt due within one year	988,135	499,988
Operating lease liabilities	46,45	59,46
Other current liabilities	338,336	304,338
Long-term debt	18,808,19, 296	18,072,18, 808
Deferred income taxes	13,16	10,13
Long-term operating lease liabilities	230,211	205,230
Deferred credits and other liabilities	366,476	559,366

Non-Consolidated VIEs**Martinez Renewables Green Bison Soy Processing, LLC**

~~On September 21, 2022, MPC closed on the formation of the Martinez Renewable Fuels joint venture (the “Martinez Renewable joint venture”) with Neste Corporation (“Neste”). We determined that, as of the closing date, Martinez Renewables LLC is a VIE because the entity does not have sufficient equity to complete the modification of the plant to produce renewable fuels 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.~~
We formed a joint venture with Archer-Daniels-Midland Company (“ADM”) for the production of soybean oil to supply rapidly growing demand for renewable diesel fuel. The joint venture, which is named Green Bison Soy Processing, LLC, owns and operates a soybean processing complex in Spiritwood, North Dakota, with ADM owning 75 percent of the joint venture and MPC owning 25 percent. Green Bison Soy Processing, LLC is a VIE since it is unable to fund its operations without financial support from its equity 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.

Capline LLLC Bioenergy Acquisition

~~Capline LLLC On March 8, 2023, MPC announced the acquisition of a 49.9 percent interest in LF Bioenergy. LF Bioenergy is a VIE since it is unable to fund its operations without financial support from its equity owners and is a VIE. Our maximum exposure to loss as a result of our involvement with Capline LLC includes our equity method investment, any additional capital contribution commitments and any operating expenses incurred by Capline LLC in excess of compensation received for performance of the operating services. 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.~~

Martinez Renewables LLC

On September 21, 2022, MPC closed on the formation of the Martinez Renewables LLC joint venture. We determined that, as of the closing date, Martinez Renewables LLC is a VIE because the entity does not have sufficient equity to complete the modification of the plant to produce renewable fuels 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.

Crowley Coastal Partners

We have determined that Crowley Coastal Partners LLC (“Crowley Coastal Partners”) is a VIE based on the terms of the existing financing arrangement for Crowley Blue Water Partners LLC (“Crowley Blue Water Partners”) and the associated debt guarantee by MPC and Crowley Maritime Corporation. Our maximum exposure to loss includes our equity method investment in Crowley Coastal Partners and the debt guarantees provided to each of the lenders to Crowley Blue Water Partners. 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

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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 [4615](#) for ownership percentages and investment balances and Note [2928](#) for our exposure to guarantees related to our non-consolidated VIEs.

98. Related Party Transactions

Transactions with related parties were as follows:

<i>(Millions of dollars)</i>	<u>2023</u>	2022	2021
2020			
Sales to related parties	\$ <u>915</u>	\$ 144	\$
93	\$ 423		
Purchases from related parties	<u>1,818</u>	1,175	
962	738		

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 fuels](#) from certain of our equity affiliates.

409. Earnings Per Share

We compute basic earnings ~~(loss)~~ per share by dividing net income ~~(loss)~~ 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 ~~(loss)~~ per share using the two-class method. Diluted income ~~(loss)~~ 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>	<u>2022</u> <u>2023</u>	<u>2022</u>	2021	<u>2020</u>
Income (loss) from continuing operations, net of tax	\$ 15,978 <u>11,172</u>	\$ <u>15,978</u>	\$ 2,188	\$ (11,18)
Less: Net income (loss) attributable to noncontrolling interest	1,534 <u>(1,491)</u>	<u>(1,534)</u>	(1,263)	(151)
Net income allocated to participating securities	8 <u>(7)</u>	<u>(8)</u>	(2)	<u>4</u>
Redemption of preferred units	<u>(2)</u>	—		—
Income (loss) from continuing operations available to common stockholders	14,436 <u>9,672</u>	<u>14,436</u>	1,288	(11,032)
Income from discontinued operations, net of tax	72 <u>—</u>	<u>72</u>	8,448	1,205
Income (loss) available to common stockholders	\$ 14,508 <u>9,672</u>	\$ <u>14,508</u>	\$ 9,736	\$ (9,82)
Weighted average common shares outstanding:				
Basic	512 <u>407</u>	<u>512</u>	634	649
Effect of dilutive securities	<u>42</u>	4	4	—
Diluted	516 <u>409</u>	<u>516</u>	638	649

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<i>(In millions, except per share data)</i>	2022	2021		2020
Income (loss) available to common stockholders per share:				
Basic:				
Continuing operations	\$ 28.17 23.73	\$ 28.17	\$ 2	\$ (16.9)
Discontinued operations	0.14	0.14	13.31	1.86
Net income (loss) per share	\$ 28.31 23.73	\$ 28.31	\$ 15	\$ (15.1)
Diluted:				
Continuing operations	\$ 27.98 23.63	\$ 27.98	\$ 2	\$ (16.9)
Discontinued operations	0.14	0.14	13.22	1.86
Net income (loss) per share	\$ 28.12 23.63	\$ 28.12	\$ 15	\$ (15.1)

The following table summarizes the shares that were anti-dilutive, and therefore, were excluded from the diluted share calculation.

<i>(In millions)</i>	2023	2022	2021
Shares issuable under share-based compensation plans	—	—	—
3	11	—	—

4110. Equity

~~We announced our board of directors approved a \$5.0 billion share repurchase authorization on February 2, 2022, which was exhausted during the fourth quarter of 2022, and an additional \$5.0 billion share repurchase authorization on August 2, 2022. These authorization have no expiration date.~~

On October 25, 2023, MPC announced that our board of directors approved a \$5.0 billion share repurchase authorization in addition to the \$5.0 billion share authorizations announced on January 31, 2023 and May 2, 2023. Share repurchase authorizations since 2012 totaled \$50.05 billion. As of December 31, 2023, \$6.78 billion remained available for repurchase under these 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 or discontinued at any time.

Total share repurchases were as follows for the respective periods:

<i>(In millions, except per share data)</i>	2023	2022	2021	2020
Number of shares repurchased	89	131	76	—
Cash paid for shares repurchased	\$ 11,572	\$ 11,922	\$ 4	\$ —
Average cost per share ^(a)	\$ 131.27	\$ 91.20	\$ 6	\$ —

~~As of December 31, 2022, MPC had \$3.33 billion remaining under its share repurchase authorizations, which reflects the repurchase of 830,000 common shares for \$96 million that settled in the first quarter of 2023.~~

^(a) The average cost per share for the 2023 period includes excise tax on share repurchases resulting from the Inflation Reduction Act of 2022, but does not reduce the share repurchase authorization.

The number of shares repurchased shown above and the amount remaining available under the share repurchase authorizations reflect the repurchase of 489,190 common shares for \$73 million that were transacted in the fourth quarter of 2023 and settled in the first quarter of 2024.

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4211. Segment Information

We have two reportable segments: Refining & Marketing and Midstream. 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, including renewable 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, including renewable diesel, 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 fuel supply contracts with direct dealers who operate locations mainly under the ARCO® brand.
- Midstream – ~~gathers,~~ transports, stores, ~~and~~ distributes ~~and markets~~ crude oil ~~and,~~ 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 ~~gathers,~~ transports, fractionates, stores and markets NGLs. The Midstream segment primarily reflects the results of MPLX.

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During the first quarter of 2022, our chief operating decision maker (“CODM”) began to evaluate the performance of our segments using segment adjusted EBITDA. We have modified our presentation of segment performance to be consistent with this change, including prior periods presented for consistent and comparable presentation. Our CODM is the chief executive officer. Amounts included in income (loss) 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>	2022 2023	2021 2022	2020 2021
Segment adjusted EBITDA for reportable segments			
Refining & Marketing	19,26413,551	\$ 3,51819,261	\$ (1,939)3,51
Midstream	5,7726,171	5,4105,772	5,0645,410
Total reportable segments	\$ 25,03319,722	\$ 8,92825,033	\$ 3,1228,92

<i>(Millions of dollars)</i>	2023	2022	2021
Reconciliation of segment adjusted EBITDA for reportable segments to income (loss) from continuing operations before income taxes			
Total reportable segments	\$ 25,03319,722	\$ 8,92825,033	\$ 3,1228,92
Corporate	(698)737	(587)698	(635)587
Refining planned turnaround costs	(1,201)	(1,122)	(582)
Garyville incident response costs	(16)	—	—
Storm impacts	—	(70)	(70)
LIFO inventory (charge) credit	148(145)	—148	(561)
Gain on sale of assets ^(a)	1,058198	—1,058	66
Renewable volume obligation requirements ^(b)	238	—238	—
Litigation	27	—27	84
Impairments ^(c)	—	(13)	(9,744)13
Idling facility expenses	—	(12)	(12)
Restructuring expenses ^(d)	—	—	(367)
Transaction related costs ^(e)	—	—	(8)
Depreciation and amortization	(3,215)3,307	(3,364)3,215	(3,375)3,364
Net interest and other financial costs	(1,000)525	(1,483)1,000	(1,365)1,483
Income (loss) from continuing operations before income taxes	\$ 20,46913,989	\$ 2,81720,469	\$ (13,612)2,81

(a) 2023 includes the gain associated with the remeasurement of MPLX's existing equity investment in MarkWest Torñado 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 non-cash \$549 million gain related to the contribution of assets by MPC on the formation of the Martinez Renewables LLC joint venture and the non-cash \$509 million gain on lease reclassification. See Note 16 Notes 15 and 2827 for additional information.

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

(c) 2021 reflects impairments of equity method investments. 2020 reflects impairments of goodwill, equity method investments and long-lived assets. See Note 7.

(d) See Note 19.

(e) 2020 includes costs incurred in connection with the Midstream strategic review and other related efforts. Costs incurred in connection with the Speedway separation are included in discontinued operations. See Note 5.

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<i>(Millions of dollars)</i>	2023	2022	2021	2020
Sales and other operating revenues				
Refining & Marketing				
Revenues from external customers ^(a)	\$ <u>143,468</u>	\$ 172,087	\$ 115	\$ 66,14
Intersegment revenues	107	118	144	67
Refining & Marketing segment revenues	<u>143,575</u>	172,205	115,494	66,247
Midstream				
Revenues from external customers ^(a)	4,911	5,366	4,633	3,599
Intersegment revenues	5,597	5,224	4,986	4,839
Midstream segment revenues	<u>10,508</u>	10,590	9,619	8,438
Total segment revenues	<u>154,083</u>	182,795	125,113	74,685
Less: intersegment revenues	5,704	5,342	5,130	4,906
Consolidated sales and other operating revenues	\$ <u>148,379</u>	\$ 177,453	\$ 119	\$ 69,71

(a) Includes Refining & Marketing intercompany sales to Speedway prior to May 14, 2021 and related party sales. See Notes 5 and 98 for additional information.

<i>(Millions of dollars)</i>	20 22	2023	2022	2021	202 0
Income (loss) from equity method investments					
Refining & Marketing	\$	<u>7</u>	\$	\$	\$
			31	59	259
Midstream		<u>735</u>	624	412	378
				(13)	412
Corporate ^(a)		=	—		(1,3
					151
					3)
Consolidated income (loss) from equity method investments	\$	<u>742</u>	\$	\$	\$
			655	458	(93
					5)4
					58

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(Millions of dollars)

	2023	2022	2021
Depreciation and amortization			
Refining & Marketing	\$ 1,887	\$ 1,850	\$ 1,871
Midstream	1,320	1,310	1,329
Corporate ^(b)	100	55	165
Consolidated depreciation and amortization	\$ 3,307	\$ 3,215	\$ 3,365
Capital expenditures			
Refining & Marketing	\$ 1,311	\$ 1,508	\$ 91
Midstream	1,105	1,069	731
Segment capital expenditures and investments	2,416	2,577	1,642
Less investments in equity method investees	480	405	210
Plus:			
Corporate	83	108	105
Capitalized interest	55	103	68
Consolidated capital expenditures ^(c)	\$ 2,074	\$ 2,383	\$ 1,600

(a) Impairment of equity method investment. See Note 7.

(b) 2021 includes an impairment of \$56 million. See Note 7.

(c) Includes changes in capital expenditure accruals. See Note 2422 for a reconciliation of total capital expenditures to additions to property, plant and equipment as reported in the consolidated statements of cash flows.

Since we will continue to supply fuel to Speedway subsequent to the sale to 7-Eleven, we have reported intersegment sales to Speedway, that were previously eliminated in consolidation, as third party sales. All periods presented have been retrospectively adjusted through the sale date of May 14, 2021 to reflect this change. No single customer accounted for more than 10 percent of annual revenues for the year ended December 31, 2023. Sales to Speedway/7-Eleven from the Refining & Marketing segment represented 10 percent, 11 percent and 11 percent of our total annual revenues for the years ended December 31, 2022, and 2021 and 2020, respectively. See Note 2321 for the disaggregation of our revenue by segment and product line.

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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.

13.12. Net Interest and Other Financial Costs

Net interest and other financial costs were as follows:

<i>(Millions of dollars)</i>	<u>2023</u>	2022	2021	2020
Interest income	\$ (530)	\$ (191)	\$	\$
Interest expense	1,325	1,299	1,340	1,462
Interest capitalized	(60)	(104)	(73)	(129)
Pension and other postretirement non-service costs ^(a)	(89)	3	64	11
(Gain) loss on extinguishment of debt	<u>9</u>	2	133	(9)
Investments - net premium (discount) amortization	(142)	(30)	(1)	39
Other financial costs	<u>12</u>	21	34	39
Net interest and other financial costs				
(a) See Note 26.				
	\$ <u>525</u>	\$ 1,000	\$ 1,400	\$ 1,366

14. Income Taxes

~~The provision (benefit) for income taxes from continuing operations consisted~~

~~(Millions of dollars)~~

~~(a) See Note 25.~~

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[13. Income Taxes](#)

The provision for income taxes from continuing operations consisted of:

<u>(Millions of dollars)</u>	<u>2023</u>	<u>of:</u> <u>2022</u>	<u>2021</u>
Current:			
Federal	\$ <u>2,359</u>	\$ 3,565	\$ 380
State and local	<u>475</u>	629	48
Foreign	<u>11</u>	7	5
Total current	<u>2,845</u>	4,201	433
Deferred:			
Federal	<u>18</u>	191	(164)
State and local	<u>(46)</u>	98	(6)
Foreign	<u>—</u>	1	1
Total deferred	<u>(28)</u>	290	(169)
Income tax provision (benefit)	<u>\$ 2,817</u>	\$ 4,491	\$ 264

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 ~~tax computed at the~~ U.S. statutory rate primarily due to state taxes, partially offset by permanent tax benefits related to net income attributable to noncontrolling interests.

Our effective tax rate for the year ended December 31, 2021 was lower than the ~~tax computed at the~~ U.S. statutory rate primarily due to permanent tax benefits related to net income attributable to noncontrolling interests and an increase in benefit related to the net operating loss ("NOL") carryback provided under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), partially offset by state taxes ~~and local income taxes.~~

~~Our effective income tax benefit rate for the year ended December 31, 2020 was lower than the tax benefit computed at the U.S. statutory rate due to a significant amount of our pre-tax loss consisting of non-deductible goodwill impairment charges, partially offset by the tax rate differential resulting from the NOL carryback provided under the CARES Act. Additionally, our non-controlling interest in MPLX generally provides an effective tax rate benefit since the tax associated with these ownership interests is paid by those interests, but this benefit was lower for the year ended December 31, 2020 due to impairment charges recorded by MPLX.~~

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

	<u>2023</u>		2022		2021
Federal statutory rate	21	%	21	%	21
State and local income taxes, net of federal income tax effects	<u>32</u>		<u>23</u>		2
Goodwill impairment	—		—		(8)
Noncontrolling interests	(2)		(9)		(9)
—Legislation	—		(3)		4
Other	<u>(1)</u>		<u>(2)</u>		<u>(12)</u>
Effective tax rate applied to income (loss) from continuing operations before income taxes	<u>22</u>	%	<u>9</u>	%	<u>18</u>

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On March 27, 2020, the CARES Act was enacted by Congress and signed into law by President Trump in response to the COVID-19 pandemic. The CARES Act contained a NOL carryback provision which allowed MPC to carryback our 2020 taxable loss to 2015 and later years. The five-year NOL carryback is available for all businesses producing taxable losses in 2018 through 2020. Based on the NOL carryback, as provided by the CARES Act, we realized a cumulative income tax benefit of \$2.30 billion. We received \$1.55 billion of the income tax benefit in cash during the fourth quarter of 2021, an additional \$690 million was realized as an offset to 2021 income tax liability payment obligations and we expect to receive the remaining \$59 million refund during 2023.

Deferred tax assets and liabilities resulted from the following:

	December 31,	
	2022	<u>2021</u>
<i>(Millions of dollars)</i>	<u>2022</u>	<u>2021</u>
	<u>2023</u>	
Deferred tax assets:		
Employee benefits	\$ 481,549	\$ 496,481
Environmental remediation	84,89	94,84
Finance lease obligations	374,365	339,371
Operating lease liabilities	224,229	263,224
Net operating loss carryforwards	44	122,44
Tax credit carryforwards	20,10	19,20
Goodwill and other intangibles	58,71	35,56
Other	44,68	58,44
Total deferred tax assets	1,324,142	1,422,132
	<u>5</u>	<u>24</u>
Deferred tax liabilities:		
Property, plant and equipment	2,656,268	2,716,26
	<u>4</u>	<u>56</u>
Inventories	686,627	717,686
Investments in subsidiaries and affiliates	3,660,370	3,350,36
	<u>6</u>	<u>60</u>
Right of use assets	223,230	257,223
Other	211	182
Total deferred tax liabilities	7,227,25	7,068,72
	<u>8</u>	<u>27</u>
Net deferred tax liabilities	\$ 5,903,583	
\$	5,636,903	

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

	December 31,	
	<u>2022</u>	<u>2021</u>
<i>(Millions of dollars)</i>		
Assets:		
Other noncurrent	\$	\$
Liabilities:		
Deferred income taxes	5,904	5,638
Net deferred tax liabilities	\$	\$ 5,638

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	<u>December 31,</u>	
<u>(Millions of dollars)</u>	<u>2023</u>	<u>2022</u>
<u>Assets:</u>		
Other noncurrent assets	\$ 1	\$ 1
<u>Liabilities:</u>		
Deferred income taxes	5,834	5,904
<u>Net deferred tax liabilities</u>	<u>\$ 5,833</u>	<u>\$ 5,903</u>

At ~~both~~ December 31, 2023 and 2022 ~~and 2021~~, federal operating loss carryforwards were \$3 million and \$4 million, respectively, which includes a mix of indefinite carryforward ability and expiration periods ranging from 2032 through 2037~~2034~~. As of December 31, 2023 and 2022 ~~and 2021~~, state and local operating loss and tax credit carryforwards were \$40~~31~~ million and \$128~~40~~ million, respectively, which includes a mix of indefinite carryforward ability and expiration periods ranging from 2023~~2025~~ through 2040. ~~As of~~At both December 31, 2023 and December 31, 2022 ~~and 2021~~, foreign operating loss carryforwards were \$20 million ~~and \$9 million, respectively~~, which includes expiration periods ranging from 2029~~2027~~ through 2043.

As of December 31, 2023 and 2022 ~~and 2021~~, \$49~~28~~ million and \$38~~49~~ million of valuation allowances have been recorded related to income taxes, primarily related to realizability of foreign tax operating losses 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~~federal income tax return that allows the IRS, working in conjunction with MPC, to determine tax return compliance with the U.S. ~~Federal~~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. ~~During the fourth quarter of 2021, an IRS audit was initiated for~~ MPLX and its subsidiaries are undergoing examination of its U.S. federal income tax returns by the IRS for the tax year 2019 and ~~continued during 2022~~tax year 2021. We do not believe the eventual outcome of such ~~audit~~audits will have a material impact on our financial statements as of December 31, 2022~~2023~~.

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, 2022~~2023~~, we have various state and local income tax returns subject to examination for years 2006 through 2024~~2022~~, depending on jurisdiction.

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The following table summarizes the activity in unrecognized tax benefits:

(Millions of dollars)	20 22 <u>20</u> <u>23</u>	<u>20</u> <u>22</u>	20 21	20 20
January 1 balance	\$	<u>57</u>	\$ 37	\$ 23
Additions for tax positions of current year		<u>=</u>	—	6
Additions for tax positions of prior years		<u>8</u>	38	19
Reductions for tax positions of prior years		<u>(6)</u>	(2)	(4)
Settlements		<u>(20)</u>	(15)	(6)
Statute of limitations		<u>(1)</u>	(1)	(1)
December 31 balance	\$	<u>38</u>	\$ 57	\$ 37

If the unrecognized tax benefits as of December 31, ~~2022~~2023 were recognized, \$~~49~~32 million would affect our effective income tax rate. There were \$~~29~~4 million of uncertain tax positions as of December 31, ~~2022~~2023 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 less than \$(1) million, \$1 million, \$(2) million and \$(~~19~~2) million in 2023, 2022, and 2021 ~~and 2020~~, respectively. As of

At both December 31, 2023 and December 31, ~~2022 and 2021~~, \$4 million and \$6 million of interest and penalties receivables (payables) were accrued related to income taxes, respectively.

1514. Inventories

(Millions of dollars)	December 31,		
	<u>2023</u>	2022	2021
Crude oil	\$ <u>3,211</u>	\$ 3	\$ 2,600
Refined products	<u>4,940</u>	4,748	4,460
Materials and supplies	<u>1,166</u>	1,032	956
Total	\$ <u>9,317</u>	\$ 8	\$ 8,016

The LIFO method accounted for 87 percent and 88 percent of total inventory value at ~~both~~ December 31, 2023 and 2022 and 2021, respectively. Current acquisition costs were estimated to exceed the LIFO inventory value by \$3.72 billion as of December 31, 2022. There was \$2.84 billion excess of replacement or current cost over our stated LIFO cost at December 31, ~~2021~~2023 and 2022 by \$2.77 billion and \$3.72 billion, respectively.

The cost of inventories of crude oil and refined products is determined primarily under the LIFO method.

15. Equity Method Investments

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

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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.

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 the net gain on disposal of assets line of the accompanying consolidated statements of income.

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.

Crowley Ocean Partners

Crowley Coastal Partners was formed in May 2016 to own both Crowley Ocean Partners LLC (“Crowley Ocean Partners”) and Crowley Blue Waters Partners. MPC accounts for our 50 percent ownership in Crowley Coastal Partners as an equity method investment.

On December 1, 2022, MPC purchased all of Crowley Coastal Partner’s interest in Crowley Ocean Partners and its four subsidiaries for approximately \$485 million, which included \$196 million to pay off the debt associated with the four tankers. As a result of the transaction, Crowley Ocean Partners is now included in our consolidated results. MPC will continue to account for its 50 percent interest in Crowley Coastal Partners as an equity method investment.

The excess of the \$144 million fair value over the \$125 million book value of our 50 percent indirect interest in Crowley Ocean Partners resulted in a \$19 million gain, which is included in the income ~~(loss)~~ from equity method investments line of the accompanying consolidated statements of income.

Martinez Renewables LLC

On September 21, 2022, MPC closed on the formation of the Martinez ~~Renewable~~[Renewables LLC](#) joint venture. MPC contributed property, plant and equipment, inventory, and working capital with an estimated fair value of ~~\$1.47~~[1.471](#) billion and Neste contributed \$728 million in cash. MPC recorded a ~~non-cash~~ 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.

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 ~~non-cash~~ gain, which is included in the net gain on disposal of assets line of the accompanying consolidated statements of income.

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<i>(In millions of dollars, except ownership percentages)</i>	VIE	Ownership as of	Carrying value at	
		December 31,	December 31,	
		2022	2022	2021
Refining & Marketing				
The Andersons Marathon Holdings LLC		50%	\$	\$ 46
Martinez Renewables LLC	X	50%	1,070	—
Watson Cogeneration Company		—%	—	28
Other ^(a)	X		54	19
Refining & Marketing Total			\$	\$ 24
Midstream				
MPLX				
Andeavor Logistics Rio Pipeline LLC	X	67%	\$	\$ 46
Centrahoma Processing LLC		40%	131	133
Illinois Extension Pipeline Company, L.L.C.		35%	236	243
LOOP LLC		41%	287	265
MarEn Bakken Company LLC		25%	475	449
MarkWest EMG Jefferson Dry Gas Gathering	X	67%	335	332
MarkWest Torñado GP, L.L.C.	X	60%	306	246
MarkWest Utica EMG, L.L.C.	X	57%	669	680
Minnesota Pipe Line Company, LLC		17%	178	183
Rendezvous Gas Services, L.L.C.	X	78%	137	147
Sherwood Midstream Holdings LLC	X	51%	125	136
Sherwood Midstream LLC	X	50%	512	544
Whistler Pipeline LLC	X	38%	211	155
Other ^(a)	X		316	285
MPLX Total			\$	\$ 3,98
MPC Retained				
Capline Pipeline Company LLC	X	33%	\$	\$ 36
Crowley Coastal Partners, LLC	X	50%	55	185
Gray Oak Pipeline, LLC		25%	302	318
LOOP LLC		10%	71	66
South Texas Gateway Terminal LLC		25%	170	173
Other ^(a)	X		41	46
MPC-Retained Total			\$	\$ 1,16
Midstream Total			\$	\$ 5,16
Total			\$	\$ 5,46

<i>(In millions of dollars, except ownership percentages)</i>	VIE	Ownership as of	Carrying value at	
		December 31,	December 31,	
		2023	2023	2022
Refining & Marketing				
The Andersons Marathon Holdings LLC		50%	\$	\$ 204
Martinez Renewables LLC	X	50%	1,266	1,070
Other ^(a)	X		168	54
Refining & Marketing Total			\$	\$ 1,328
Midstream				
MPLX				
Andeavor Logistics Rio Pipeline LLC	X	67%	\$	\$ 177

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<u>Centrahoma Processing LLC</u>		<u>40%</u>		<u>114</u>	<u>131</u>
<u>Illinois Extension Pipeline Company, L.L.C</u>		<u>35%</u>		<u>228</u>	<u>236</u>
<u>LOOP LLC</u>		<u>41%</u>		<u>314</u>	<u>287</u>
<u>MarEn Bakken Company LLC</u>		<u>25%</u>		<u>449</u>	<u>475</u>
<u>MarkWest EMG Jefferson Dry Gas Gathering Company, L.L.C.</u>	<u>X</u>	<u>67%</u>		<u>336</u>	<u>335</u>
<u>MarkWest Torñado GP, L.L.C.^(b)</u>		<u>100%</u>		<u>—</u>	<u>306</u>
<u>MarkWest Utica EMG, L.L.C.</u>	<u>X</u>	<u>58%</u>		<u>676</u>	<u>669</u>
<u>Minnesota Pipe Line Company, LLC</u>		<u>17%</u>		<u>174</u>	<u>178</u>
<u>Rendezvous Gas Services, L.L.C.</u>	<u>X</u>	<u>78%</u>		<u>129</u>	<u>137</u>
<u>Sherwood Midstream Holdings LLC</u>	<u>X</u>	<u>51%</u>		<u>113</u>	<u>125</u>
<u>Sherwood Midstream LLC</u>	<u>X</u>	<u>50%</u>		<u>500</u>	<u>512</u>
<u>Whistler Pipeline LLC</u>		<u>38%</u>		<u>214</u>	<u>211</u>
<u>Other^(a)</u>	<u>X</u>			<u>325</u>	<u>316</u>
<u>MPLX Total</u>			<u>\$</u>	<u>3,743</u>	<u>\$</u> <u>4,095</u>

MPC-Retained

<u>Capline Pipeline Company LLC</u>		<u>33%</u>	<u>\$</u>	<u>402</u>	<u>\$</u> <u>404</u>
<u>Crowley Coastal Partners, LLC</u>	<u>X</u>	<u>50%</u>		<u>53</u>	<u>55</u>
<u>Gray Oak Pipeline, LLC</u>		<u>25%</u>		<u>284</u>	<u>302</u>
<u>LOOP LLC</u>		<u>10%</u>		<u>78</u>	<u>71</u>
<u>South Texas Gateway Terminal LLC^(c)</u>		<u>—%</u>		<u>—</u>	<u>170</u>
<u>Other^(a)</u>	<u>X</u>			<u>39</u>	<u>41</u>
<u>MPC-Retained Total</u>			<u>\$</u>	<u>856</u>	<u>\$</u> <u>1,043</u>
<u>Midstream Total</u>			<u>\$</u>	<u>4,599</u>	<u>\$</u> <u>5,138</u>
<u>Total</u>			<u>\$</u>	<u>6,260</u>	<u>\$</u> <u>6,466</u>

MINNESOTA PUBLIC OFFERING STATEMENT

MINNESOTA PUBLIC OFFERING STATEMENT

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

(b) MPLX purchased the remaining interest in MarkWest Torñado GP, L.L.C. during 2023. This entity is now consolidated and included in our consolidated results.

(c) MPC sold its interest in South Texas Gateway Terminal LLC in 2023.

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

(Millions of dollars)	2023	2022	2021	2020
Income statement data:				
Revenues and other income	\$ 6,544	\$ 5,069	\$ 4	\$ 3,011
Income from operations	2,428	1,907	1,389	599
Net income	2,089	1,740	1,230	454
Balance sheet data – December 31:				
Current assets	\$ 2,610	\$ 1,811	\$ 1,233	
Noncurrent assets	21,098	20,324	18,074	
Current liabilities	1,569	1,478	804	
Noncurrent liabilities	6,719	4,750	5,141	

As of December 31, ~~2022~~2023, the carrying value of our equity method investments was \$~~304~~301 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 \$~~772~~941 million, \$~~652~~772 million and \$~~577~~652 million in 2023, ~~2022~~, and 2021 and ~~2020~~, respectively.

See Note 7 for information regarding impairments of equity method investments.

4716. Property, Plant and Equipment (PP&E)

(Millions of dollars)	December 31, 2023			December 31, 2022			December 31, 2021		
	Gross PP&E	Accumulated Depreciation	Net PP&E	Gross PP&E	Accumulated Depreciation	Net PP&E	Gross PP&E	Accumulated Depreciation	Net PP&E
Refining & Marketing	\$	\$	\$	\$	\$	\$ 15,547	\$	\$	\$ 16,214
Midstream	29,620	9,589	20,031	27,659	8,118	19,541	28,098	7,384	20,714
Corporate	1,632	1,055	577	1,550	981	569	1,446	933	513
Total ^(a)	\$	\$	\$	\$	\$	\$ 35,657	\$	\$	\$ 37,441

(a) Includes finance leases. See Note 2827.

Property, plant and equipment includes construction in progress of \$~~2-29~~1.40 billion and \$~~2-27~~2.29 billion at December 31, 2023 and ~~2022~~ and ~~2021~~, respectively, which primarily relates to capital projects at our refineries and midstream facilities.

4817. 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 2023 and ~~2022~~ and ~~2021~~.

At December 31, ~~2022~~2023, MPC had four reporting units with goodwill totaling approximately \$8.24 billion. For the annual impairment assessment as of November 30, ~~2022~~2023, 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

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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.

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MINNESOTA PUBLIC OFFERING STATEMENT

The changes in the carrying amount of goodwill for ~~2022~~2023 were as follows:

<i>(Millions of dollars)</i>	Refining & Marketing	Midstream	Total
Balance as of December 31, 2020 2021	\$ 561	\$ 7,695	\$ 8,256
Impairment losses	—	—	—
Disposal of assets	—	(12)	(12)
Balance as of December 31, 2021 2022	561	7,695	
8,256 7,683	8,244		
Impairment losses	—	—	—
Disposal of assets	—	(12)	(12)
Balance as of December 31, 2022 2023	\$ 561	\$ 7,683	\$ 8,244
Gross goodwill as of December 31, 2022 2023	6,144	10,824	16,965
Accumulated impairment losses	(5,580)	(3,141)	(8,721)
Balance as of December 31, 2022 2023	\$ 561	\$ 7,683	\$ 8,244

Intangible Assets

Our definite lived intangible assets as of December 31, ~~2023 and 2022~~ and ~~2021~~ are as shown below.

<i>(Millions of dollars)</i>	December 31, 2022 2023			December 31, 2021 2022		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer contracts and relationships	\$ 3,838	2,132	1,706	3,624	1,825	1,799
Total	\$ 4,153	2,388	1,765	3,898	2,022	1,876
	\$ 3,495	1,457	2,038			
Brand rights and tradenames	101	79	22	100	64	
36	400	50	50			
Royalty agreements	173	142	31	138	103	
35	435	96	39			
Other	364	303	6	36	283	86

At both December 31, ~~2023 and 2022~~ and ~~2021~~, we had definite lived intangible assets of \$71 million, which are emission allowance credits.

Amortization expense ~~for 2022 and 2021~~ was \$316 million ~~for both 2023 and 2022~~ and ~~\$330 million, respectively~~2022. Estimated future amortization expense for the next five years related to the intangible assets at December 31, ~~2022~~2023 is as follows:

<i>(Millions of dollars)</i>	
2023 2024	\$ 315
2024	265
2025	257
2026	241
2027	230
	493

19. Restructuring

~~During the third quarter of 2020, we indefinitely idled our refinery located in Gallup, New Mexico and initiated actions to strategically reposition our Martinez, California refinery to a renewable diesel facility. We also approved an involuntary workforce reduction plan. In connection with these strategic actions, we recorded restructuring expenses of \$367 million in 2020.~~

~~The indefinite idling of the Gallup refinery and actions to strategically reposition the Martinez refinery to a renewable diesel facility resulted in \$195 million of restructuring expenses. Of the \$195 million of restructuring expenses, we expect \$130 million to settle in cash for costs related to decommissioning refinery processing units and storage tanks and fulfilling environmental remediation obligations. Additionally, we recorded a non-cash reserve against our materials and supplies inventory at these facilities of \$51 million.~~

~~The involuntary workforce reduction plan, together with employee reductions resulting from our actions affecting the Gallup and Martinez refineries, affected approximately 2,050 employees. We recorded \$172 million of restructuring expenses for~~

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~~separation benefits payable under our employee separation plan and certain collective bargaining agreements that we expect to settle in~~

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cash. Certain of the affected MPC employees provided services to MPLX. MPLX has various employee services agreements and secondment agreements with MPC pursuant to which MPLX reimburses MPC for employee costs, along with the provision of operational and management services in support of MPLX's operations. Pursuant to such agreements, MPC was reimbursed by MPLX for \$37 million of the \$172 million of restructuring expenses recorded for these actions.

Restructuring expenses were accrued as restructuring reserves within accounts payable, payroll and benefits payable, other current liabilities and deferred credits and other liabilities within our consolidated balance sheets. We expect cash payments for the remaining exit and disposal costs reserve to occur through 2024.

<i>(Millions of dollars)</i>	Employee separation	Exit and	Total
Restructuring reserve balance at September 30, 2020 ^(e)	\$ 158	\$ 133	\$ 294
Adjustments	14	5	19
Cash payments	(134)	(35)	(169)
Restructuring reserve balance at December 31, 2020	38	103	144
Cash payments	(38)	(44)	(82)
Restructuring reserve balance at December 31, 2021	—	59	59
Cash payments	—	(13)	(13)
Restructuring reserve balance at December 31, 2022	\$ —	\$ 46	\$ 46
<u>2028</u>			<u>179</u>

^(e) The restructuring reserve was zero until the third quarter of 2020.

2018. 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, 2023 and 2022 ~~and 2021~~ 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.

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		December 31, 2022 2023						
		Fair Value Hierarchy						
(Millions of dollars)		Level 1	Level 2	Level 3	Netting and	Net Carrying Value on Balance	Collateral Pledged Not	
Assets:								
Commodity contracts		\$ 310 2	\$ —	\$ —	\$ (243)220	\$ 6724	\$ 4007	
Liabilities:								
Commodity contracts		\$ 301 2	\$ —	\$ —	\$ (301)249	\$ —	\$ —	
Embedded derivatives in commodity contracts		—	—	61	—	61	—	

		December 31, 2021 2022						
		Fair Value Hierarchy						
(Millions of dollars)		Level 1	Level 2	Level 3	Netting and	Net Carrying Value on Balance	Collateral Pledged Not	
Assets:								
Commodity contracts		\$ 270 3	\$ 1 —	\$ —	\$ (235)243	\$ 3667	\$ 341C	
Liabilities:								
Commodity contracts		\$ 248 3	\$ 1 —	\$ —	\$ (249)301	\$ —	\$ —	
Embedded derivatives in commodity contracts		—	—	108 61	—	108 61	—	

(a) Represents the impact of netting assets, liabilities and cash collateral when a legal right of offset exists. As of December 31, ~~2022~~2023, cash

collateral of \$~~58~~29 million was netted with mark-to-market derivative liabilities. As of December 31, ~~2021~~2022, cash collateral of \$~~14~~58 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.

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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, ~~2022~~2023 used significant unobservable inputs including: (1) NGL prices interpolated and extrapolated due to inactive markets ranging from \$~~0.680.61~~ to \$~~1.621.44~~ per gallon with a weighted average of \$~~0.840.76~~ per gallon and (2) the probability of renewal of 100 percent for the five-year term of the natural gas purchase agreement and the 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>	2023	2022
Beginning balance	\$ 408 61	\$ 631 <u>08</u>
Unrealized and realized (gain)/loss included in net income	(35) 11	59 <u>35</u>
Settlements of derivative instruments	(12) 11	(44) <u>12</u>
Ending balance	\$ 61	\$ 408 <u>61</u>
The amount of total (gain)/loss for the period included in earnings attributable to the change in unrealized (gain)/loss relating to liabilities still held at the end of period:	\$ (33) 9	\$ 47 <u>33</u>

See Note [24.19](#) for the income statement impacts of our derivative instruments.

Fair Values – Non-recurring

[Non-recurring fair value measurements and disclosures in 2023 relate primarily to the acquisition of the remaining interest in MarkWest Torfado GP, L.L.C. as discussed in Note 15.](#)

Non-recurring fair value measurements and disclosures [in 2022](#) relate primarily to sales-type leases discussed in Note [28.27](#) and the Martinez Renewables LLC equity method investment discussed in Note ~~46~~15. 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.

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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 \$27.0 billion and \$25.5 billion at December 31, 2023, respectively, and approximately \$26.3 billion and \$24.0 billion at December 31, 2022, respectively, and approximately \$25.1 billion and \$28.1 billion at December 31, 2021, respectively. These carrying and fair values of our debt exclude the unamortized issuance costs which are netted against our total debt.

24.19. Derivatives

For further information regarding the fair value measurement of derivative instruments, including any effect of master netting agreements or collateral, see Note 20.18. 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, 2023 and 2022 ~~and 2021~~ 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>	December 31, <u>2022</u> <u>2023</u>		December 31, <u>2021</u> <u>2022</u>	
	Asset	Liability	Asset	Liability
<u>Balance Sheet Location</u>				
<u>Commodity derivatives</u>				
Other current assets	\$ <u>244</u>	\$ <u>249</u>	\$ 310	\$
301	\$ <u>271</u>	\$ <u>249</u>		
Other current liabilities ^(a)	—	<u>1011</u>	—	<u>1510</u>
Deferred credits and other liabilities ^(a)	—	<u>5450</u>	—	<u>9351</u>

(a) Includes embedded derivatives.

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The table below summarizes open commodity derivative contracts for crude oil, refined products ~~and~~, blending products and soybean oil as of December 31, ~~2022~~2023.

<i>(Units in thousands of barrels)</i>	Percentage of contracts that expire next quarter	Position	
		Long	Short
<u>Exchange-traded^(a)</u>			
<u>Crude oil</u>	<u>65.1%</u>	<u>69,275</u>	<u>82,639</u>
<u>Refined products</u>	<u>76.6%</u>	<u>16,669</u>	<u>9,226</u>
<u>Blending products</u>	<u>98.8%</u>	<u>1,443</u>	<u>4,885</u>
<u>Soybean oil</u>	<u>53.5%</u>	<u>2,103</u>	<u>2,623</u>
<u>Crude oil</u>	<u>71.2%</u>	<u>42,455</u>	<u>44,998</u>
<u>Refined products</u>	<u>90.7%</u>	<u>17,657</u>	<u>18,996</u>
<u>Blending products</u>	<u>89.3%</u>	<u>6,030</u>	<u>5,938</u>
<u>Soybean oil</u>	<u>82.7%</u>	<u>4,339</u>	<u>5,088</u>

(a) Included in exchange-traded are spread contracts in thousands of barrels: Crude oil - ~~29,651~~10,866 long and ~~29,876~~10,986 short; Refined products - ~~1,390~~615 long and ~~25~~386 short. There are no spread contracts for blending products or soybean oil.

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

<i>(Millions of dollars)</i>	Gain		
	2022	2021	2020
<u>Income Statement Location</u>			
<u>Sales and other operating revenues</u>	\$ —	\$ (47)	\$ 72
<u>Cost of revenues</u>	(58)	(333)	34
<u>Other income</u>	—	—	4
<u>Total</u>	\$ (58)	\$ (380)	\$ 107

<i>(Millions of dollars)</i>	Gain (Loss)		
	2023	2022	2021
<u>Income Statement Location</u>			
<u>Sales and other operating revenues</u>	\$ 7	\$ —	\$ (47)
<u>Cost of revenues</u>	(15)	(58)	(333)
<u>Other income</u>	2	—	—
<u>Total</u>	\$ (6)	\$ (58)	\$ (380)

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2220. Debt

Our outstanding borrowings at December 31, [2023](#) and ~~2022~~ ~~and 2021~~ consisted of the following:

<i>(Millions of dollars)</i>	December 31, 2022 2023	December 31, 2021 2022
Marathon Petroleum Corporation:		
Senior notes	\$	\$ 6,44
Notes payable	1	1
Finance lease obligations	522 464	589 522
Total	6,972 6,914	7,039 6,972
MPLX LP:		
Bank revolving credit facility	—	300
Senior notes	20,100 20,700	18,600 20,100
Finance lease obligations	86	98
Total	20,108 20,706	18,909 20,108
Total debt	27,080 27,620	25,948 27,080
Unamortized debt issuance costs	(142) 141	(129) 142
Unamortized discount, net of unamortized premium	(238) 196	(280) 238
Amounts due within one year	(1,066) 1,954	(571) 1,066
Total long-term debt due after one year	\$ 25,634 25,329	\$ 24,968 25,63

Commercial Paper

~~On February 26, 2016, we established~~[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.

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MPC Senior Notes

<i>(Millions of dollars)</i>	December 31,	
	2022 2023	2024 2022
Senior notes, 3.625% due September 2024	750	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	\$	\$ 6.44

2021 Activity

~~On March 1, 2021, we repaid the \$1.0 billion outstanding aggregate principal amount of 5.125% senior notes due March 2021.~~

~~In June 2021, all of the \$300 million outstanding aggregate principal amount of 5.125% senior notes due April 2024, including the portion of such notes for which Andeavor was the obligor, were redeemed at a price equal to 100.854% of the principal amount, plus accrued and unpaid interest to, but not including, the redemption date.~~

~~On December 2, 2021, all of the \$1.25 billion outstanding aggregate principal amount 4.5% senior notes due May 2023 and the \$850 million outstanding aggregate principal amount of 4.75% senior notes due December 2023, including the portion of such notes for which Andeavor was the obligor, were redeemed at a price equal to par, plus a make-whole premium and accrued and unpaid interest to, but not including, the redemption date. The payment of \$132 million related to the note premium, offset by the immediate expense recognition of \$6 million of unamortized debt premium and issuance costs, resulted in a loss on extinguishment of debt of \$126 million.~~

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.

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MPLX Senior Notes

	December	
	2022	2021
(Millions of dollars)	December 31,	
Senior notes, 3.500% due December 2022	—	486
Senior notes, 3.375% due March 2023	—	2022
Senior notes, 4.500% due July 2023	\$ 1,149	\$ 98
Senior notes, 4.875% due December 2024	500	1,149
Senior notes, 4.000% due February 2025	1,189	500
Senior notes, 4.875% due June 2025	1,189	1,189
MarkWest senior notes, 4.500% - 4.875% due 2023 – 2025	12	23
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

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(Millions of dollars)	December 31,	
	2022	2021
Senior notes, 4.950% due September 2032	1,000	<u>—1,000</u>
<u>Senior notes, 5.000% due March 2033</u>	<u>1,100</u>	<u>—</u>
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, 3.500 <u>4.250</u> % - 5.250 <u>5.200</u> % due 2022 <u>2027</u> – 2047	31	<u>4531</u>
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	<u>—1,500</u>
<u>Senior notes, 5.650% due March 2053</u>	<u>500</u>	<u>—</u>
Senior notes, 4.900% due April 2058	500	500
Total	\$ <u>20,100</u> 20,700	\$ <u>18,600</u> 20,100

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.

2022 Activity

On March 14, 2022, MPLX issued \$1.5 billion aggregate principal amount of 4.950% percent senior notes due March 2052 in an underwritten public offering. The net proceeds were used to repay amounts outstanding under the MPC intercompany loan agreement and under the previous MPLX credit agreement.

On August 11, 2022, MPLX issued \$1.0 billion aggregate principal amount of 4.950% percent senior notes due September 2032 in an underwritten public offering. The net proceeds were used to redeem all of the \$500 million aggregate principal amount of 3.500% percent senior notes due December 2022, \$14 million of which was issued by Andeavor Logistics LP, and to redeem all of the

\$500 million aggregate principal amount of 3.375% percent senior notes due March 2023.

2021 Activity

~~On January 15, 2021, MPLX redeemed all the \$750 million outstanding aggregate principal amount of 5.250% senior notes due January 2025, including the portion of such notes issued by ANDX, at a price equal to 102.625% of the principal amount, plus accrued and unpaid interest to, but not including, the redemption date.~~

~~On September 3, 2021, MPLX redeemed, at par value, all of the \$1.0 billion aggregate principal amount of floating rate senior notes due September 2022, plus accrued and unpaid interest to, but not including, the redemption date. MPLX primarily funded the redemption with borrowings under the MPC intercompany loan agreement.~~

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.

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Schedule of Maturities

Principal maturities of long-term debt, excluding finance lease obligations, as of December 31, ~~2022~~[2023](#) for the next five years are as follows:

(Millions of dollars)

2023	\$	1,06
2024		1,904
2025		2,950
2026		2,249
2027		2,000

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2024	\$ 1,901
2025	2,950
2026	2,249
2027	2,000
2028	1,750

Available Capacity under our Facilities as of December 31, ~~2022~~2023

<i>(Millions of</i>	Total	Outstanding	Outstanding Letters	Available	Weighted Average Interest
MPC, excluding MPLX					
MPC bank revolving credit facility	\$ 5,000	\$ —	1	\$ 4,999	— July 2027
MPC trade receivables securitization facility ^(a)	100	—	—	100	
	— September 2023 2024				
MPLX					
MPLX bank revolving credit facility	2,000	—	—	2,000	— July 2027

(a) The committed borrowing and letter of credit issuance capacity of 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. ~~As of December 31, 2022, letters of credit in the total amount of \$1.05 billion were issued and outstanding under the facility to secure contracts awarded by the Department of Energy to purchase crude oil from the Strategic Petroleum Reserve.~~

MPC Bank Revolving Credit Facility

On July 7, 2022, MPC entered into a new five-year revolving credit agreement (the “MPC Credit Agreement”) to replace its previous \$5.0 billion credit facility that was scheduled to expire in October 2023. The MPC Credit Agreement, among other things, provides for a \$5.0 billion unsecured revolving credit facility that matures in July 2027 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. The financial covenants of the MPC Credit Agreement are substantially the same as those contained in the previous credit agreement.

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, ~~2022~~2023, 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 ~~up to an additional \$400 million of~~ 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

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eligible trade receivables (as calculated in accordance with the Loan and Security Agreement) that are pledged as collateral under the facility. In ~~July 2022~~September 2023, the trade receivables securitization facility was amended to, among other things, extend its term until September ~~2030~~, ~~2023~~2024.

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

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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, ~~2022~~2023, we were in compliance with the covenants contained in the Loan and Security Agreement and other facility documentation.

MPLX Bank Revolving Credit Facility

On July 7, 2022, MPLX entered into a new five-year revolving credit agreement (the "MPLX Credit Agreement") to replace its previous \$3.5 billion credit facility that was scheduled to expire in July 2024. The MPLX Credit Agreement, among other things, provides for a \$2.0 billion unsecured revolving credit facility that matures in July 2027 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, ~~2022~~2023, MPLX was in compliance with the covenants contained in the MPLX Credit Agreement.

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2321. Revenue

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

<i>(Millions of dollars)</i>	2023	2022	2021	2020
Refining & Marketing				
Refined products	\$ <u>134,303</u>	\$ 161,362	\$ 107	\$ 61,64
Crude oil	<u>7,423</u>	8,962	7,132	4,023
Services and other	<u>1,742</u>	1,763	873	509
Total revenues from external customers	<u>143,468</u>	172,087	115,350	66,180
Midstream				
Refined products	<u>1,675</u>	2,219	1,590	644
Services and other ^(a)	<u>3,236</u>	3,147	3,043	2,958
Total revenues from external customers	<u>4,911</u>	5,366	4,633	3,599
Sales and other operating revenues	\$ <u>148,379</u>	\$ 177,453	\$ 119	\$ 69,71

(a) Includes sales-type lease revenue. See Note [2827](#).

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, [2022](#)[2023](#), 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, [2022](#)[2023](#) include matching buy/sell receivables of ~~\$6.25~~[4.7](#) billion.

2422. Supplemental Cash Flow Information

<i>(Millions of dollars)</i>	2023	2022	2021	2020
Net cash provided by operating activities included:				
Interest paid (net of amounts capitalized)	\$ <u>1,200</u>	\$ 1,060	\$ 1,4	\$ 1,23
Net income Income taxes paid to (received from) taxing authorities	<u>2,751</u>	4,869	2,436	(179)
Cash paid for amounts included in the measurement of lease liabilities				
Payments on operating leases	<u>493</u>	498	569	654
Interest payments under finance lease obligations	<u>25</u>	24	21	25
Net cash provided by financing activities included:				
Principal payments under finance lease obligations	<u>79</u>	79	71	66
Non-cash investing and financing activities:				
Right of use assets obtained in exchange for new operating lease obligations	<u>465</u>	367	349	343
Right of use assets obtained in exchange for new finance lease obligations	<u>21</u>	60	37	110
Contribution of assets ^(a)	<u>—</u>	818	—	—
Book value of equity method investment ^(b)	<u>311</u>	150	—	—

(a) Represents the book value of property, plant and equipment, inventory and working capital contributed by MPC to Martinez Renewables LLC. See Note [4615](#) for additional information.

(b) ~~Represents~~[2023 represents the book value of MPLX's equity method investment in Torñado, 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 Crowley Ocean Partners [of \\$25 million and \\$125 million, respectively](#), prior to MPC buying out the remaining interest in these entities. See Note [4615](#) for additional information.

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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>	<u>2023</u>	2022	2021
<u>2020</u>			
Additions to property, plant and equipment per the consolidated statements of cash flows	\$ <u>1,890</u>	\$ 2,420	\$
1,464	2,787		
Increase (decrease) in capital accruals	<u>184</u>	(37)	
141	(518)		
Total capital expenditures	\$ <u>2,074</u>	\$ 2,383	\$
1,605	2,269		

23. Other Current Liabilities

The following summarizes the components of other current liabilities:

<i>(Millions of dollars)</i>	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>Environmental credits liability</u>	\$ <u>778</u>	\$ <u>429</u>
<u>Accrued interest payable</u>	<u>316</u>	<u>315</u>
<u>Other current liabilities</u>	<u>551</u>	<u>423</u>
<u>Total other current liabilities</u>	\$ <u>1,645</u>	\$ <u>1,167</u>

2524. Accumulated Other Comprehensive Income (Loss)

<i>(Millions of</i>	<u>Pension</u>	<u>Other</u>		
<u>Balance as of December 31, 2021</u>	\$ (117)	\$ 49	\$ 1	\$ (67)

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

<i>(Millions of dollars)</i>	<u>Pension Benefits</u>	<u>Other Benefits</u>	<u>Other</u>	<u>Total</u>
<u>Balance as of December 31, 2020</u>	\$ (338)	\$ (181)	7	\$ (512)
<u>Other comprehensive income (loss) before reclassifications, net of tax of \$127</u>	171	220	(5)	386
<u>Amounts reclassified from accumulated other comprehensive loss:</u>				
<u>Balance as of December 31, 2022</u>	\$ (163)	\$ 165	\$ —	\$ 2
<u>Amortization of prior service cost (credit)^(a)</u>	(45)	2	—	(43)
<u>Amortization of actuarial loss^(a)</u>	37	10	—	47
<u>Settlement loss^(a)</u>	75	4	—	79
<u>Other</u>	—	—	(1)	(1)
<u>Tax effect</u>	(17)	(3)	—	(20)
<u>Other comprehensive income (loss)</u>	221	230	(6)	445
<u>Balance as of December 31, 2021</u>	\$ (117)	\$ 49	\$ 1	\$ (67)
<u>Other comprehensive income (loss) before reclassifications,</u>				
<u>Other</u>	(70)	129	(1)	58
<u>Amounts reclassified from accumulated other</u>				
<u>Amortization of prior service credit^(a)</u>	(45)	(22)	—	(67)
<u>Amortization of actuarial loss^(a)</u>	4	6	—	10
<u>Settlement loss^(a)</u>	79	—	—	79
<u>Tax effect</u>	(14)	3	—	(11)
<u>Other comprehensive income (loss)</u>	(46)	116	(1)	69
<i>(Millions of dollars)</i>	<u>Pension</u>	<u>Other</u>	<u>Other</u>	<u>Total</u>

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Balance as of December 31, 2022	\$	\$	\$	=	\$
Other comprehensive income (loss) before reclassifications,	(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	\$	\$	\$	1	\$ (131)
<i>(Millions of dollars)</i>	<i>Benefits</i>	<i>Benefits</i>	<i>Other</i>		<i>Total</i>
Balance as of December 31, 2021	\$ (117)	\$ 49	\$ 4	\$	(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

(a) These accumulated other comprehensive loss components are included in the computation of net periodic benefit cost. See Note 2625.

MINNESOTA PUBLIC OFFERING STATEMENT

Balance as of December 31, 2022	\$ (163)	\$ 165	\$ —	\$ 2
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2625. Pension and Other Postretirement Benefits

We have two noncontributory defined benefit pension plans ~~covering~~. 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 ~~have been based primarily~~ 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 ~~of these formulae~~ for the final average pay type of benefit was frozen as of December 31, 2009. ~~Certain, and certain~~ of the pensionable earnings components were frozen as of December 31, 2012. Benefits for ~~service beginning~~ the cash balance type of benefit began on January 1, 2010 for our continuing active plan, and ~~beginning~~ 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.

(Millions of dollars)

~~2020~~

2023

2022

2021

Cash balance weighted average interest crediting rates	3.00 <u>3.57</u> %	3.00 %	3.00 %
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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 \$~~2,272,441~~ million and \$~~2,995,272~~ million as of December 31, ~~2023 and 2022~~ ~~and 2021~~.

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

(Millions of dollars)	Pension Benefits		Other Benefits		Other Benefits
	2023	2022	2023	2021	2022
Benefit obligations at January 1	\$ <u>2,359</u>	\$ 3,295	\$ 3,674	<u>650</u>	\$ 828
Service cost	<u>195</u>	228		<u>297</u>	26
Interest cost	<u>116</u>	102		<u>93</u>	21
Actuarial <u>loss</u> /(gain) ^(e)	<u>184</u>	(653)		<u>(169)</u>	(168)
Benefits paid ^(b)	<u>(291)</u>	(613)		<u>(594)</u>	(57)
Plan amendments		—		—	
Other	—	(3)		—	—
Benefit obligations at December 31	<u>2,563</u>	2,359		<u>3,29</u>	650
				<u>5679</u>	
Fair value of plan assets at January 1	<u>1,838</u>	3,043		<u>2,62</u>	—
				<u>4</u>	
Actual return on plan assets	<u>266</u>	(622)		<u>194</u>	—
				<u>—</u>	
Employer contributions ^(e)	<u>269</u>	30		<u>822</u>	57
				<u>1</u>	
Benefits paid from plan assets	<u>(291)</u>	(613)		<u>(594)</u>	(57)
				<u>51</u>	
Fair value of plan assets at December 31	<u>2,082</u>	1,838		<u>3,04</u>	—
				<u>3</u>	
Funded status at December 31	\$ <u>(481)</u>	\$ (521)	\$ <u>(252)</u>	\$ <u>679</u>	\$ (650)

^(e) The primary driver of the actuarial gain for the pension and other postretirement benefits plans in 2022 was the increase in discount rate compared to 2021.

^(b) Of the \$613 million in benefits paid in 2022, \$285 million is related to the pension annuity lift-out.

Accrued benefit cost \$ (521) \$ (252) \$ (650) \$ (828)

^(e) Of the \$822 million in pension employer contributions in 2021, \$763 million was voluntary contributions.

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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	
	2023	2022	2023	2022
Current liabilities	(8)	(7)	(50)	(50)
Accrued benefit cost	\$ (481)	\$ (521)	\$ (679)	\$ (650)
Noncurrent liabilities	(473)	(514)	(629)	(600)

<i>(Millions of dollars)</i>	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
Current liabilities	\$ (7)	\$ (11)	\$ (50)	\$ (54)
Noncurrent liabilities	(514)	(241)	(600)	(774)

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

<i>(Millions of dollars)</i>	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
Net actuarial loss	\$ 467	\$ 386	\$ 360	\$ 50
Prior service credit	(69)	(114)	(159)	(202)
Total	\$ 398	\$ 272	\$ 201	\$ (252)

Amounts exclude those related to LOOP and Explorer, equity method investees with defined benefit pension and postretirement plans for which net losses (gains) of \$41 million and \$(45) million were recorded in accumulated other comprehensive income (loss) in 2022, 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>	2023	Pension Benefits		Other Benefits		2020
		2022	2021	2022	2021	
Service cost	\$ 20	\$ 230	\$ 287	\$ 283	\$ 3	\$ 34
Interest cost	116	102	93	98	21	30
Expected return on plan assets	(163)	(142)	(139)	(133)	—	—
Amortization of prior service cost (credit)	(45)	(45)	(45)	(45)	(22)	2
Amortization of actuarial (gain) loss	(5)	4	37	36	6	10
Settlement (gain) loss	(1)	79	75	20	—	1
Net periodic benefit cost ^(a)	\$ 10	\$ 228	\$ 308	\$ 259	\$ 7	\$ 74
Actuarial (gain) loss	\$ 7	\$ 109	\$ (227)	\$ (179)	\$ (167)	\$ (8)
Prior service credit	—	—	—	—	—	(276)
Amortization of actuarial (gain) loss	6	(83)	(112)	(56)	(6)	(11)
Amortization of prior service (cost) credit	45	45	45	45	22	(2)
Total recognized in other	\$ 58	\$ (112)	\$ (344)	\$ (350)	\$ (151)	\$ (307)

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comprehensive (income) loss				(294)			(151)	
Total recognized in net periodic benefit cost and other comprehensive (income) loss	\$	2	\$	299	\$	14	\$	427
							(120)	\$
							(2)	\$
								15

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

For certain of our pension plans, lump sum payments to employees retiring in 2023, 2022, and 2021 ~~and 2020~~ 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 2023, 2022, and 2021 ~~and 2020~~.

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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 [2023](#), [2022](#), [and 2021](#) ~~and 2020~~.

		<u>Pension Benefits</u>	<u>Pension Benefits</u>		<u>Other Benefits</u>	<u>Other Benefits</u>	
	2023	2022	2021	2020 2023	2022	2021	2020
Benefit obligation:							
Discount rate	4.85 %	5.04 %	2.82 %	2.44 4.88 %	5.08 %	2.93 %	2.55 %
Rate of compensation increase	4.18 %	4.18 %	5.70 %	5.70 4.18 %	4.18 %	5.70 %	5.70 %
Net periodic benefit cost:							
Discount rate	5.10 %	3.33 %	2.70 %	3.00 5.08 %	2.93 %	2.55 %	3.23 %
Expected long-term return on plan assets	7.00 %	5.75 %	5.75 %	5.75 %	— %	— %	— %
Rate of compensation increase	4.18 %	4.18 %	5.70 %	5.70 4.18 %	4.18 %	5.70 %	5.70 %

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,		
	2022 2023	2021 2022	2020 2021
Health care cost trend rate assumed for the following year:			
Medical: Pre-65	6.60 7.70 %	5.80 6.60 %	6.00 5.80 %
Prescription drugs	8.90 10.80 %	6.40 8.90 %	7.00 6.40 %
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	2031 2032	2030 2031	2028 2030
Prescription drugs	2031 2032	2030 2031	2028 2030

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

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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

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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, ~~2022~~[2023](#), 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, [2023 and 2022](#) ~~and 2021~~.

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 includes 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. Other investments classified as Level 1 include mutual funds that are publicly registered, valued at NAV on a daily basis using a market approach.

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 1 include publicly traded depository receipts, while Level 2 include derivative transactions.

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The following tables present the fair values of our defined benefit pension plans' assets, by level within the fair value

(Millions of dollars)	December 31, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4	\$ —	\$ 4
Equity:								
Common stocks	40	—	—	40	64	—	—	64
Mutual funds	104	—	—	104	170	—	—	170
Pooled funds	—	742	—	742	—	1,192	—	1,192
Fixed income:								
Corporate	—	582	—	582	—	800	—	800
Government	211	41	—	252	415	108	—	523
Pooled funds	—	79	—	79	—	192	—	192
Private equity	—	—	13	13	—	—	19	19
Real estate	—	—	14	14	—	—	17	17
Other	—	5	4	9	1	3	18	22
Total investments, at fair								

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 2022, we made contributions totaling \$452 million to our funded pension plans. For 2023, 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 \$78 million and \$50 million, respectively, in 2023 and 2024.

Estimated future benefit payments

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

(Millions of dollars)	Pension Benefits	Other Benefits
2024	\$	\$
2025	168	51
2026	177	51
2027	183	52
2028	194	52
2029 through 2033	1,100	266

The following is a reconciliation of the beginning and ending balances recorded for plan assets classified as Level 3 in the fair value hierarchy:

Contributions to defined contribution plan

We also contribute to a defined contribution plan for eligible employees. Contributions to this plan totaled \$176 million, \$167 million and \$165 million in 2023, 2022 and 2021, respectively.

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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.

(Millions of dollars)	Pension Benefits	Other Benefits
2023	\$	\$
2024	155	50
2025	165	50
2026	173	50
2027	175	50
2028 through 2032	1,010	258

Contributions to defined contribution plan

We also contribute to a defined contribution plan for eligible employees. Contributions to this plan totaled \$167 million, \$165 million and \$180 million in 2022, 2021 and 2020, 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

Pension Protection Act Zone Status

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 2023, 2022, and 2021 and 2020 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 2023 and 2022 and 2021 is for the plan’s year ended plan years ending on December 31, 2021 and December 31, 2020, 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 2023, 2022, and 2021 and 2020 contributions. Our portion of the contributions does not make up more than five percent of total contributions to the plan.

RP Status	EIN	Expiration FIP/	MPC Contributions	Date of
Pending/ Pension Fund Imposed	Agreement	Collective –	(Millions of dollars)	Bargaining
Central States, Southeast and	366044243	2023 2022-2021 Implemented	2023 2022 2021	2020
		Red Red Implemented	\$ 5 \$ 5 \$ 5	No
				January 3, 2024

(a) This agreement has a minimum contribution requirement of \$338 per week per employee for 2023/2024. A total of 258/278 employees participated in the plan as of December 31, 2022/2023.

(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 \$7 million, \$7 million and \$7 million for 2023, 2022, and 2021 and 2020, respectively.

2726. Share-Based Compensation

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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

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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

~~We expense all share-based payments to employees and non-employee directors based on the grant date fair value of the awards over the requisite service period, adjusted for estimated forfeitures.~~

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.

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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~~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 Units and 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%) ~~during the three calendar year~~ percent) for the three-year performance period beginning ~~in~~ 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. ~~Performance share units have a vesting service period beginning on the grant date and ending on the last day of the three year; and for the awards granted in 2023, 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 ~~and~~ the Standard & Poor's 500 Index ~~and~~ the Alerian MLP Index ~~over the performance period~~, 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 ~~and recorded~~. We expense liability-classified performance share unit awards at fair value with a over the requisite service period, with mark-to-market adjustment 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.

~~We also grant~~In general, performance share ~~unit awards to certain non-officer employees. These 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 unit awards operate as explained above for awards made to certain officer units granted to employees, but the awards outside of our senior management~~ vest in one-third increments ~~on December 31 of the first, second and third calendar years of the three~~ 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.

No performance share unit awards were granted prior to 2021. Prior to 2021, we granted performance unit awards to certain officer employees under the MPC 2012 Plan. Performance units ~~are were~~ dollar-denominated. The target value of all performance units ~~is was~~ \$1.00, with actual payout up to \$2.00 per unit (up to 200 percent of target). Performance unit awards ~~have had~~ a 36-month requisite service period. The payout value of these awards ~~is was~~ determined by the relative ranking of the TSR of MPC common stock compared to the TSR of a select group of peer companies, as well as the Standard & Poor's 500 Energy Index fund over an average of four measurement periods. These awards ~~are were~~ settled 25 percent in MPC common stock and 75 percent in cash. The number of shares actually distributed ~~is was~~ determined as 25 percent of the final payout divided by the closing price of MPC common stock on the day the Committee certifies the final TSR rankings, or the next trading day if the certification is made outside of normal trading hours. The performance units paying out in cash ~~are were~~ accounted for as liability awards and recorded at fair value with a mark-to-market adjustment made each quarter, as determined using a Monte Carlo valuation model. The performance units that settle in shares ~~are were~~ accounted for as share awards ~~and do, did~~ not receive dividend equivalents ~~and were expensed at grant date fair value, over the requisite service period. The grant date fair value was determined using a Monte Carlo valuation model. All outstanding performance unit awards were paid out during 2023; no performance unit awards remain outstanding at December 31, 2023.~~

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Total Share-Based Compensation Expense

The following table reflects activity related to our share-based compensation arrangements, ~~including the converted awards related to the acquisition of Andeavor~~:

<i>(Millions of dollars)</i>	<u>2023</u>	2022	2021	2020
Share-based compensation expense	\$ <u>211</u>	\$ 153	\$ 88	\$ 100
Tax benefit recognized on share-based compensation expense	<u>51</u>	37	22	25
Cash received by MPC upon exercise of stock option awards	<u>62</u>	243	106	11
Tax benefit received for tax deductions for stock awards exercised	<u>49</u>	53	13	16

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	Restricted Stock		Restricted Stock Units	
	Number of	Weighted Average Grant Date	Number of	Weighted Average Grant Date
Unvested at December 31, 2021 2022	194,629 691	\$ 60.95 54.60	2,313,919 1,786,150	\$ 35.84 50.3
Granted	—	—	653,378601,161	75.84133.94
Vested	(191,833691)	60.9854.60	(1,026,7201,115,810)	34.2441.78
Forfeited	(2,105)	60.92	(154,42778,797)	47.6485.85
Unvested at December 31, 2022 2023	691	54.60	1,786,1501,192,704	50.3698.16

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 (Millions of dollars)	Weighted Average Grant Date Fair Value of Awards Granted During the Period	Intrinsic Value of Awards Vested During the Period (Millions of dollars)	Weighted Average Grant Date Fair Value of Awards Granted During the Period
20 22 <u>20</u> <u>23</u>	\$ 17	\$ —	\$ 99	\$ 75.84
<u>20</u>	17	—	99	75.81
20	20	—	90	55.27
20	18	56.49	59	22.82

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As of December 31, ~~2022, 2023, there was no~~ unrecognized compensation cost related to restricted stock awards ~~was less than \$1 million, which is expected to be recognized over a weighted average period of 0.1 years~~. Unrecognized compensation cost related to restricted stock unit awards was \$~~54.75~~ million, which is expected to be recognized over a weighted average period of ~~4.48~~2.0 years.

Performance Unit Awards

The following [table presents](#) a summary of ~~the 2022 activity for~~ performance [share](#) unit awards ~~to be settled in shares~~[activity](#) in [2023](#):

	Number of Units	Weighted Average Grant Date Fair Value
Unvested at December 31, 2021	6,255,283	\$ 0.78
Vested	(6,221,223)	0.77
Forfeited	(34,060)	0.89
Unvested at December 31, 2022	—	—

~~The number of shares that would be issued upon target vesting, using the closing price of our common stock on December 31, 2022 would be 26,685 shares.~~

~~Performance units to be settled in MPC shares have a grant date fair value calculated using a Monte Carlo valuation model, which requires the input of subjective assumptions. The following table provides a summary of these assumptions:~~

	<u>2020</u>
Risk-free interest rate	0.9 %
Look-back period (in years)	2.8
Expected volatility	30.4 %
Grant date fair value of performance units granted	\$ 0.1
	<u>Number of Performance</u>
Unvested at December 31, 2022	862,313
Granted	295,296
Vested	(549,905)
Forfeited	(27,038)
Unvested at December 31, 2023	580,666

~~The risk-free interest rate for the remaining performance period as of the grant date is based on the U.S. Treasury yield curve in effect at the time of the grant. The look-back period reflects the remaining performance period at the grant date. The assumption for the expected volatility of our stock price reflects the average MPC common stock historical volatility. We paid \$14 million, \$26 million and \$10 million during the years ended 2023, 2022 and 2021, respectively, to settle performance unit awards. No cash was paid during the same years to settle performance share unit awards.~~

~~As of December 31, 2023, unrecognized compensation cost related to performance awards was \$55 million, which is expected to be recognized over a weighted average period of 1.3 years. As of December 31, 2023, the total liability associated with performance awards was \$279 million.~~

MPLX Awards

Compensation expense for awards of MPLX units are not material to our consolidated financial statements for [2022](#)[2023](#).

[2827](#). 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 [96](#)[95](#) years. Most long-term leases include renewal options ranging from less than one year to 49 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>	2023	2022	2021	2020
Finance lease cost:				

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Amortization of right of use assets	\$		\$	\$	\$	\$	7
Interest on lease liabilities		<u>25</u>		29		31	35
Operating lease cost		<u>489</u>		490		565	658
Variable lease cost		<u>54</u>		59		62	60
Short-term lease cost		<u>881</u>		772		446	649
Total lease cost	\$	<u>1,522</u>	\$	1,431	\$	1	1,477

MINNESOTA PUBLIC OFFERING STATEMENT

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

	December 31,	
	2022 2023	2024 2022
<i>(Millions of dollars)</i>		
Operating leases		
Assets		
Right of use assets	\$ 1,214,120	\$ 1,372,120
Liabilities		
Operating lease liabilities	\$ 368,400	\$ 438,300
Long-term operating lease liabilities	841	927
	764	841
Total operating lease liabilities	\$ 1,209,120	\$ 1,365,120
Weighted average remaining lease term (in years)	5.4	5.0
	4	5
Weighted average discount rate	3.554.1 %	3.113.5 %
Finance leases		
Assets		
Property, plant and equipment, gross	\$ 818,700	\$ 815,800
Less accumulated depreciation	412,413	336,412
Property, plant and equipment, net	\$ 406,300	\$ 479,400
Liabilities		
Debt due within one year	\$ 790	\$ 730
Long-term debt	451,401	525,451
Total finance lease liabilities	\$ 530,470	\$ 598,530
Weighted average remaining lease term (in years)	9.99	10.39
Weighted average discount rate	5.095.1 %	5.045.1 %

As of December 31, ~~2022~~2023, 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	Fi n a n c e	Finance
2023 2024	\$ 403,494	\$	404,910
2024 2025	308,356		87,820
2025 2026	228,181		78,790
2026 2027	140,100		75,630
2027 2028	72,660		59,470
2028 2029 and thereafter	172,128		268,228
Gross lease payments	1,323,132		674,590
Less: imputed interest	114,107		144,120
Total lease liabilities	\$ 1,209,125	\$	530,470

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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 term 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>	<u>2023</u>	2022	2021
2020			
Operating leases:			
Rental income	\$ 243	\$ 327	\$ 376
	398		
Sales-type leases:			
Interest income (Sales-type rental revenue-fixed minimum)	114	46	
	—		
Interest income (Revenue from variable lease payments)	<u>22</u>	<u>16</u>	
	—		
Sales-type lease revenue	\$ <u>136</u>	\$ 62	\$ —

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

~~2022~~2023: *(Millions of dollars)*

2023 <u>2024</u>	\$ 97,117
2024 <u>2025</u>	95
2025 <u>2026</u>	64
2026 <u>2027</u>	37,75
2027 <u>2028</u>	46,53
2028 <u>2029</u> and thereafter	46
2029 <u>2030</u> and thereafter	24,250
Total minimum future rentals	\$ 330,636

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

~~2022~~2023: *(Millions of dollars)*

2023 <u>2024</u>	\$ 169,175
2024 <u>2025</u>	456
2025 <u>2026</u>	146,161
2026 <u>2027</u>	137,150
2027 <u>2028</u>	128,141
2028 <u>2029</u> and thereafter	132
2029 <u>2030</u> and thereafter	970,959
Total minimum future rentals	1,706,178
Less: present value discount interest	765 imputed
Lease receivables ^(a)	778
	\$ 944,940

Current lease receivables ^(b)	\$ 98,102
Long-term lease receivables ^(c)	843,838
Unguaranteed residual assets	66,78
Total sales-type lease assets	\$ 1,007,101

(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 \$27,50 million for the year ended December 31, ~~2022~~2023. 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, ~~2023 and 2022-and-2024~~:

(Millions of dollars)	December 31,		December 31,
	2023	2022	2024
Gathering and transportation	\$ 86	\$ 94	\$ 99
Processing and fractionation	1,000	973	867
Pipelines	12		
Terminals	129	128	128
Land, building and other	10	10	15
Property, plant and equipment	1,237	1,205	2,004
Less accumulated depreciation	396	330	523
Total property, plant and equipment, net	\$ 841	\$ 875	\$ 1,471

2928. 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 ~~both December 31, 2023 and~~ December 31, 2022 ~~and 2024~~, accrued liabilities for remediation totaled \$387 million ~~and \$401 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 \$5 million ~~and \$6 million~~ at ~~both~~ December 31, ~~2023 and December 31, 2022-and-2024, respectively~~.

Governmental and other entities in various states have filed climate-related lawsuits against ~~numerous a number of~~ energy companies, including MPC. ~~The lawsuits allege damages as a result of~~ 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 ~~and the plaintiffs~~. 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 ~~and~~ South Carolina ~~and Oregon~~. Similar lawsuits may be filed in other jurisdictions. At this early stage, the ultimate outcome of these matters remain 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 \$~~2724~~ million and \$~~1427~~ million at December 31, ~~2023 and 2022-and-2024~~, respectively, and are included in other current liabilities in our consolidated balance sheets. Our long-term asset retirement obligations were \$~~186218~~ million and \$~~187186~~ million at December 31, ~~2023 and 2022-and-2024~~, 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

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order issued by the BIA, in December 2020, THPP paid approximately \$4 million in assessed trespass damages and ceased use of

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[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 (~~together~~[collectively](#), the "U.S. Government Parties") challenging

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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. ~~We intend to vigorously defend ourselves against these counterclaims.~~ On November 8, 2023, the Court 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.

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 tend to follow the terms of the underlying debt, which extend through ~~2037~~2040. Our maximum potential undiscounted payments under these agreements for the debt principal totaled \$~~474~~222 million as of December 31, ~~2022~~2023.

Dakota Access Pipeline

MPLX holds a 9.19 percent indirect interest in ~~a joint venture ("Dakota Access") that, which~~ owns and operates ~~the Dakota Access Pipeline and Energy Transfer Crude Oil Pipeline projects, collectively referred to as~~ the Bakken Pipeline system ~~or DAPL~~. 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 ~~expects to release~~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 is expected to be issued by the end of 2024.

~~In May 2021, the D.D.C. denied a renewed request for an injunction to shut down the pipeline while the EIS is being prepared. In June 2021, the D.D.C. issued an order dismissing without prejudice the tribes' claims against the Dakota Access Pipeline. The litigation could be reopened or new litigation challenging the EIS, once completed, could be filed. The pipeline remains operational.~~

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 vacation of the easement results in a temporary shutdown of the pipeline ~~were temporarily shut down~~, 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 shutdown. MPLX also expects to contribute its 9.19 percent pro rata share of any costs to remediate any deficiencies to reinstate the ~~permit~~easement and/or return the pipeline into operation. If the ~~vacatur~~vacation of the easement ~~permit~~ 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, ~~2022~~2023, our maximum potential undiscounted payments under the Contingent Equity Contribution Agreement were approximately \$170 million.

Crowley Blue Water Partners

In connection with our 50 percent indirect interest in Crowley Blue Water Partners, we have agreed to provide a conditional guarantee of up to 50 percent of its outstanding debt balance in the event there is no charter agreement in place with an investment grade customer for the entity's three vessels as well as other financial support in certain circumstances. As of December 31, ~~2022~~2023, our maximum potential undiscounted payments under this arrangement ~~was~~were \$~~104~~94 million.

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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 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 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.

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Other guarantees

We have entered into other guarantees with maximum potential undiscounted payments totaling \$~~160~~113 million as of December 31, ~~2022~~2023, which primarily consist of a commitment to contribute cash to an equity method investee for certain catastrophic events, in lieu of procuring insurance coverage, 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, a commitment to pay a termination fee on a supply agreement if terminated during the initial term, 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, ~~2022~~2023, our contractual commitments to acquire property, plant and equipment totaled \$~~289~~281 million. Our contractual commitments to acquire property, plant and equipment totaled \$~~565~~289 million at December 31, ~~2021~~, ~~primarily consisting of refining projects which includes the conversion of the Martinez refinery to a renewable diesel facility~~2022.

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.

30. Subsequent Events

~~Incremental \$5 Billion Share Repurchase Authorization~~

~~On January 31, 2023, we announced that our board of directors approved an incremental \$5.0 billion share repurchase authorization. The authorization has no expiration date. We may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, accelerated share repurchases, tender offers or open market solicitations for shares, some of which may be effected through Rule 10b5-1 plans. The timing of repurchases will depend upon several factors, including market and business conditions, and repurchases may be discontinued at any time.~~

~~MPLX Senior Notes~~

~~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% senior notes due March 2033 and \$500 million principal amount of 5.65% 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. MPLX also provided notice to redeem all of MPLX's and MarkWest's \$1.0 billion 4.50% senior notes due July 2023.~~

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 ~~2023~~2024 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~~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 at Findlay, ~~OH~~Ohio on March 28~~18~~, ~~2023~~2024_____.

Guarantor:

MARATHON PETROLEUM CORPORATION

~~By: k1~~

Name: telly iese

MINNESOTA PUBLIC OFFERING STATEMENT

Kelly S. Niese

By: _____

Name: Kelly Niese

Its: Vice President, Treasury and Treasurer

(Del) 10/11
STP

EXHIBIT E
RECEIPTS

[MPC LP \(ARCO/Marathon/Tesoro\)](#)
[2024 MN Public Offering Statement](#)
[Ex. E – Receipts](#)

RECEIPT
(YOUR COPY)

MPC LP (ARCO/Marathon/Tesoro)
2024 MN Public Offering Statement
Ex. E – Receipts

RECEIPT
(YOUR COPY)

MPC LP (ARCO/Marathon/Tesoro)
2024 MN Public Offering Statement
Ex. E – Receipts



Summary report:	
Litera Compare for Word 11.2.0.54 Document comparison done on 3/28/2024 2:02:13 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: MPC LP (ARCO-Marathon-Tesoro) - MN Public Offering Statement (02.2024).pdf	
Modified filename: MPC LP (ARCO-Marathon-Tesoro) - 2024 MN Public Offering Statement - final.pdf	
Changes:	
Add	1586
Delete	1530
Move From	0
Move To	0
Table Insert	306
Table Delete	327
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	12
Embedded Excel	0
Format changes	0
Total Changes:	3761