

MINNESOTA PUBLIC OFFERING STATEMENT

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

**539 S. 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 either the trade name Exxon or the trade name Mobil.

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

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

ISSUANCE DATE: ~~March 27~~ April 2, 2025 ~~2026~~

Effective in Minnesota: ~~April 14~~ _____, ~~2025~~ 2026

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EXHIBITS

- Exhibit A - Wholesale Marketer 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 Wholesale Marketer Agreement. These additional disclosures and riders, if any, appear in Exhibit B.

ITEM 1
FRANCHISE AGREEMENT

See the Wholesale Marketer Agreement attached as Exhibit A.

ITEM 2
SUMMARY

As a franchisee of Marathon Petroleum Company LP (“MPC LP”), you will enter into a wholesale marketer agreement (“*Wholesale Marketer Agreement*”). Each Wholesale Marketer 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 either Exxon or Mobil, whichever is applicable, branded gasoline and diesel fuel from MPC LP and distribute to branded outlets you own, or resell to retail motor fuel facilities owned 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 have been attached to this public offering statement. You should review these documents carefully before signing any agreement with MPC LP. All section references in this summary refer to sections of the Wholesale Marketer Agreement – Specific Provisions (“SP”) or General Terms and Conditions (“GT&C”), as indicated.

You will be obligated to purchase from MPC LP the product minimum quantities as identified in the Wholesale Marketer Agreement (GT&C Section 2.1 and SP Exhibit B). You will also be obligated to provide a continuous supply of products to the outlets identified in the Wholesale Marketer Agreement, and to properly utilize the Exxon or Mobil marks, whichever is applicable, in connection with the operation of any such outlet (GT&C Section 2.2). During the term of the Wholesale Marketer Agreement, you shall use the Exxon or Mobil trademarks and trade dress, whichever is applicable, in accordance with the Wholesale Marketer Agreement and any operations manuals and standards periodically set by MPC LP (SP Section 9 and GT&C Section 7). You shall also comply with all core values set by ExxonMobil Corporation in connection with the use of the Exxon or Mobil marks (SP Section 6), and, so long as you are using the Exxon or Mobil marks, you shall maintain a high level of customer service and expeditiously respond to customer complaints (SP Section 12). You must at all times: keep complete and accurate records of all products purchased and all products sold, consigned or delivered to outlets; provide information to MPC LP in the form it requests; and permit, and cause outlets to permit, MPC LP to audit the books and records and inspect the facilities (SP Section 15 and GT&C Section 3.4). You shall at all times maintain storage tanks, dispensers and other facilities in compliance with applicable law and specifications MPC LP may periodically issue; further, you shall be responsible for taking all necessary leak and water contamination prevention and detection measures (GT&C Section 4). You must handle all products carefully and take reasonable precautions to avoid commingling or contamination of products (GT&C Section 5.5). So long as MPC LP elects to accept 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 (SP Section 11 and GT&C Section 8.1). You must comply with all standards, procedures and specifications required by MPC LP in operating the business and storing, handling, selling and dispensing fuel (SP Sections 8 and 10(B)). 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 (GT&C Section 10); (ii)

maintaining at all times the minimum amount and type of insurance required by law and providing to MPC LP certificates of such insurance (SP Section 14 and GT&C Section 12); (iii) complying with any other applicable laws and regulations (SP Sections 8(C), 8(D) and 10(B)), and GT&C Section 11.1); 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, willful misconduct or breach of the Wholesale Marketer Agreement (GT&C Section 11.3).

During the term of the Wholesale Marketer Agreement, MPC LP shall grant you the right to use the applicable trademarks and trade dress (GT&C Section 7.1) and shall make available to you certain confidential information for use in operation of the business (GT&C Section 7.6). Further, MPC LP shall ensure that the products meet its specification at the time of delivery (GT&C Section 2.4). In the event MPC LP changes supply terminals or discontinues the sale of any product at a supply terminal, it shall provide at least 15 days prior written notice of such discontinuance to you (GT&C Section 5.1).

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 wholesalers.

Goods and Services

You will purchase Exxon and Mobil branded gasoline and diesel fuel, depending on the branding of the outlet(s), 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 Wholesale Marketer 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 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

WHOLESALE INFORMATION

Exhibit C contains a list of Exxon and Mobil branded wholesalers within the State of Minnesota as of December 31, ~~2024~~2025.

ITEM 11

FINANCIAL STATEMENTS

Attached as Exhibit D are the audited financial statements of Marathon Petroleum Corporation (“MPC”), including the consolidated balance sheets as of December 31, ~~2023~~2024 and December 31, ~~2024~~2025, and the related consolidated statements of income, cash flows and equity and redeemable noncontrolling interest for fiscal years ended December 31, ~~2022~~2023, December 31, ~~2023~~2024, and December 31, ~~2024~~2025. MPC, as MPC LP’s ultimate parent, guarantees MPC LP’s performance of all obligations under each Wholesale Marketer Agreement MPC LP executes (Guarantee of Performance included in Exhibit D).

ITEM 12

RECEIPTS

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

EXHIBIT A

WHOLESALE MARKETER AGREEMENT

WHOLESALE MARKETER AGREEMENT
Specific Provisions
(for Exxon or Mobil brand)

THIS WHOLESALE MARKETER AGREEMENT, consists of these Specific Provisions with the exhibits attached and incorporated hereto (“**Specific Provisions**”), and the Wholesale Marketer Agreement – General Terms and Conditions (2022) (the “**General Provisions**”), in its entirety “**Agreement**”, is dated [Select Month] 1, 20 [Select Year] and is between Marathon Petroleum Company LP, a Delaware limited partnership, (“**Seller**”) and [Insert Legal Entity Name], a [Insert State] [Select One] (“**Wholesaler**”).

RECITALS

1. Seller has entered into a brand agreement with ExxonMobil Corporation (Seller’s ExxonMobil Brand Agreement) pursuant to which Seller may use, and grant the use of, ExxonMobil’s Proprietary Marks in connection with the retail identification of the retail motor fuel outlets and allow certain motor fuel supplied by Seller and sold from those outlets to be branded as Exxon or Mobil branded motor fuel.
2. Wholesaler wishes to purchase Exxon or Mobil branded, as indicated below, motor fuel from Seller for retail sale by Wholesaler at Branded Outlets owned by Wholesaler or supplied by Wholesaler.
3. Seller is willing to sell branded motor fuel to Wholesaler and to allow Wholesaler to use the Proprietary Marks of the applicable brand in accordance with the terms of this Agreement in connection with the retail identification of the outlets that are subject to this Agreement and to allow motor fuel sold from or through those outlets to be branded as Exxon or Mobil branded motor fuel, as indicated below.

THEREFORE, for good and valuable consideration, the parties agree as follows:

1. **Term.** The Term of this Agreement shall begin on [Select Month] 1, 20[Select Year] (the “**Effective Date**”), and end at midnight on [Select Month] 1, 20[Select Year].
2. **Grant. “Proprietary Marks” or “Marks”** to be used in connection with the retail sale of motor fuel pursuant to this Agreement refer to the Exxon and/or Mobil trademark (as applicable and identified on Exhibit A as the Brand for each Branded Outlet), and which may also be referred to as the “**Brand**”, and shall mean only those trademarks identified on Exhibit C-1 and D-1, as applicable, and related trade dress. With regard to the Proprietary Marks, Seller grants Wholesaler the nonexclusive right to use the Proprietary Marks in connection with the sale of Products only at Branded Outlets operated or supplied by Wholesaler and approved in writing by Seller pursuant to the terms of this agreement, and to grant the nonexclusive use of the Proprietary Marks in connection with the sale of Products to Wholesalers’ franchised and supplied outlets, provided that Seller has not withdrawn its approval or terminated this Agreement.. The grant set forth shall be limited to only the specific corresponding goods and services listed on Exhibits C-1 and D-1 (as to the retail motor fuels Business only), and C-2 and D-2 (as to the Related Businesses only) (the “**Authorized Uses**”). Wholesaler agrees and acknowledges that the Proprietary Marks may be used only during the Term and only at the approved Branded Outlets and that nothing set forth in this Agreement shall be interpreted to grant any rights in or to such Proprietary Marks for any offsite use. In addition, specifically excluded from any Authorized Use is use of any Proprietary Mark on or in connection with any auto repair services or any trucks, cars or other rolling stock of any nature.
3. **Contract Year.** “**Contract Year**” means the 12 month period beginning on the Effective Date and each subsequent 12 month period during the Term.

4. **Supply Terminals.** The distributing plants (“**Supply Terminals**”) from which deliveries of Products are ordinarily made to and received by Wholesaler under this Agreement, which may be changed from time to time at Seller’s discretion are:

| Supply Terminals |
|--------------------------|
| [Insert Name and Number] |
| [Insert Name and Number] |
| [Insert Name and Number] |
| [Insert Name and Number] |

5. **Product Minimum Quantities.** The “**Product Minimum Quantities**” that Wholesaler is obligated to purchase

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by quarter and Contract Year is set forth in Exhibit B.

6. **Core Values.** In connection with the use of the Exxon and Mobil brands ExxonMobil has established the following core values (“**Core Values**”) to build and maintain a lasting relationship with its customers, the motoring public:

- (1) To deliver quality products that customers can trust.
- (2) To employ friendly, helpful people.
- (3) To provide speedy, reliable service.
- (4) To provide clean and attractive retail facilities.
- (5) To be a responsible, environmentally-conscious neighbor.

Wholesaler acknowledges that its commitment to operate the Branded Outlets in accordance with the Core Values is a material obligation under this Agreement. Additionally, Wholesaler shall enter into a written agreement with respect to each of its franchised Branded Outlets that require the Operator’s commitment to the Core Values.

7. **Related Businesses.**

(A) Wholesaler may utilize the Proprietary Marks set forth on Exhibit C-1 and D-1 in connection with the types of businesses set forth in Exhibit C-2 and D-2 as Authorized Uses (“**Related Businesses**”), as applicable to the Branded Outlet, and to grant to an Operator the right to use such Proprietary Marks in connection with Related Businesses solely to the extent and in the manner specified by Seller from time to time. For the avoidance of doubt, Seller shall have the right to change, modify, amend, add or remove, in its sole discretion, the Related Businesses permitted pursuant to this Section and the Authorized Use(s) set forth on Exhibit C-2 and D-2.

(B) The motor fuels business, under which Wholesaler distributes the Products for retail sale at the Branded Outlets, the retail sales of motor fuels at the Branded Outlets and the Related Businesses are herein collectively referred to as the “**Businesses.**”

(C) Wholesaler acknowledges, and shall require its Operators to acknowledge, that the operation of a Related Business using any Proprietary Mark impacts customers’ perceptions and acceptance of the Products and Proprietary Marks. Accordingly, Wholesaler may operate, or authorize an Operator to operate, a Related Business utilizing Proprietary Marks at a Wholesaler Branded Outlet only in compliance with requirements as set out from time to time by Seller. If Wholesaler or any Operator fails to comply with Seller’s requirements for such a Related Business at any Wholesaler Branded Outlet, without limiting any other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement including, when applicable, termination or non-renewal of this Agreement and the Franchise Relationship Seller may withdraw its approval for the use of any such Proprietary Mark for that Wholesaler Branded Outlet or the applicable Related Business.

(D) During the Term, Wholesaler shall operate, and shall cause its Operators to operate, any Related Business utilizing any Proprietary Mark, as approved under this Agreement, in compliance with this Agreement and shall not operate, and shall cause its Operators not to operate, any other businesses or activities utilizing Proprietary Marks at any Wholesaler Branded Outlet unless agreed in writing by the parties hereto. During the Term, and except as

expressly provided in this Agreement, Wholesaler (or any of its Operators) may change, delete or add a Related Business at a Wholesaler Branded Outlet only with the prior written consent of Seller.

8. Brand and Branded Outlet Standards.

(A) In its reasonable discretion, Seller may approve or not approve the branding of any outlet or the use or operation of any Business proposed by Wholesaler or any Operator. Wholesaler shall comply and cause its Operators to comply with any requirements and conditions imposed by Seller in giving its approval.

(B) By written notice to Wholesaler, Seller may withdraw its approval to:

- (i) Brand any Wholesaler Branded Outlet (“**debrand**”); or
- (ii) Use or operate any Business (including, for the avoidance of doubt, any Related Business) at any outlet if, in Seller’s reasonable judgment:

- (a) That outlet (or any Business there) fails to portray the image and standards Seller expects from its Branded Outlets;
- (b) Wholesaler, or any Operator, is in default of any obligation, condition, representation or warranty under this Agreement or any related or supplemental agreement with respect to that retail outlet (or any Business); or
- (c) Any actions by Wholesaler, any Operator, any Affiliate of Wholesaler or any third party management company in connection with its operations on behalf of Wholesaler, whether in violation of its obligations under this Agreement or otherwise, cause harm to the value or reputation of the Proprietary Marks or to the business or image of Seller or ExxonMobil.

To the extent that Seller determines that any such failure, default or other issue is curable by the Wholesaler or its Operator, Wholesaler shall have the right to attempt to cure such failure, default or other issue within seven (7) business days following Wholesaler’s receipt of written notice thereof from Seller or, if not reasonably curable with such 7-day period, Wholesaler shall initiate the cure thereof within such 7-day period and diligently prosecute such cure to completion, but in any event not to exceed one hundred and twenty (120) days. For the avoidance of doubt, Wholesaler acknowledges that willful misbranding of any Product shall be grounds for debranding a Wholesaler Branded Outlet without any ability to cure and the terms of this Section are subject to and not in limitation of Seller’s rights set forth in paragraph 15 of the General Provisions, notwithstanding any other provision of this Agreement.

(C) Wholesaler shall not permit and shall ensure that its Operator do not permit the following activities or types of business to occur at any Wholesaler Branded Outlet or at any commercial enterprise associated with or adjacent to such Wholesaler Branded Outlet:

- (i) The sale or use of illegal drugs or drug paraphernalia or other illegal substances or activities,
- (ii) The sale of any pornographic material or other material that Seller in its sole judgment determines may be offensive to the general public,
- (iii) Adult businesses (examples include but are not limited to massage parlors, strip clubs, and video stores),
- (iv) Bars or establishments that allow for any consumption of intoxicating beverages or any sales or consumption of intoxicating beverages in violation of applicable federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders or permits, or
- (v) The illegal sale of any tobacco products, including without limitation, sales in violation of any federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Wholesaler shall promptly advise Seller, and shall ensure that Operators promptly advise Wholesaler, of any citations or notifications of violations received at any Branded Outlet from any regulatory authority resulting from any such tobacco sales and of the resolution of any such citations and notifications.

(D) Wholesaler shall cause all Branded Outlets to meet the following minimum facility/product/service requirements (unless such compliance will result in the Wholesaler or Operator, as the case may be, being in breach of any federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders, or permits) or Wholesaler shall lose the right to use or display Proprietary Marks or to grant to its Operators the right to use or display Proprietary Marks at any Branded Outlet(s) failing to meet these requirements:

- (i) Paved driveways with safe and good ingress and egress; and

- (ii) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
- (iii) Clean premises free of debris, trash, and fire hazards; and
- (iv) Modern restrooms for men and women available to the general public; and
- (v) Offer, at the Branded Outlets, all grades of Brand motor gasoline that may be in the Brand product slate, (consisting of three (3) grades of gasoline each for the Brand product slate as of the Effective Date, subject to change from time to time); and
- (vi) Post, at all times, of actual motor fuel prices, in numerals, in price sign systems (approved by Seller in its sole discretion) located on the premises of the Branded Outlet(s).

(E) Nothing in this Agreement may be construed as creating any Franchise or Franchise Relationship between Seller and any person or entity other than Wholesaler, including without limitation, any Operator, employee or contractor of Wholesaler.

(F) This Agreement does not give Wholesaler an exclusive right in any market or geographic area to sell Products or conduct any Related Business.

9. Trademarks

(A) Wholesaler is permitted to display the Proprietary Marks solely to designate the brand of the Products or other approved Businesses being operated at a Wholesaler Branded Outlet (which uses shall be limited to only the specific corresponding Authorized Use(s) as to each Proprietary Mark). If there shall be posted, mounted, or otherwise displayed on or in connection with any Wholesaler Branded Outlet any sign, poster, placard, plate, device or form of advertising matter whether or not received from Seller, consisting in whole or in part of any of the Proprietary Marks, Wholesaler agrees at all times to display the same, or cause the Operators to display the same, properly and not to diminish, dilute, denigrate, or otherwise adversely affect the same. Wholesaler further agrees to take no action that will diminish or dilute the value of any Proprietary Mark.

(B) Immediately upon termination (whether in full or as to any individual outlet) or expiration of this Agreement, or prior thereto upon demand by Seller, Wholesaler shall discontinue all uses of the Proprietary Marks, including the posting, mounting or display of any Proprietary Mark and all uses of Proprietary Marks in connection with business cards, advertisements and letterhead/stationary, and shall cause its Operators to do the same. If Wholesaler or any Operator ceases to do business at any Wholesaler Branded Outlet, Wholesaler shall, and shall cause its Operators to, discontinue the posting, mounting or display of any Proprietary Marks immediately upon ceasing to sell the Products or operate the Business, including, without limitation, in the event that the Wholesaler Branded Outlet in question is debranded by Seller under this Agreement or in any event upon demand by Seller. Wholesaler acknowledges Seller's self-help rights to the fullest extent allowable under applicable law and agrees that Wholesaler shall be solely responsible for all fees, costs and expenses incurred by Seller or its Affiliates in exercising any such rights.

(C) Wholesaler agrees to notify Seller or its designee of any apparent or threatened infringement, dilution or other misuse ("Misuse") of any Proprietary Mark promptly after becoming aware of such Misuse. Wholesaler has no right to take any action, legal or otherwise, against such Misuse, however, Wholesaler agrees to provide Seller or its licensor with any assistance which, in the opinion or judgment of Seller, is necessary to protect the right, title and interest of the owner of the Marks in and to the Proprietary Marks. Wholesaler shall have no right to retain any monetary recovery from any misusing third party by way of judgment, settlement or otherwise. Wholesaler shall have no recourse against Seller, ExxonMobil, or their respective agents, officers, directors, and employees or third parties under their control in the event the owner of the Proprietary Marks chooses not to act against any apparent or threatened Misuse of any of the Proprietary Marks or if any third party challenges the right of Wholesaler to use any of the Proprietary Marks.

(D) Wholesaler shall not, and shall cause its Operators not to, sell non Brand motor fuels under any Proprietary Mark, including without limitation, any Brand identified canopy or at any fueling island where Wholesaler or a Operator is selling Products. As used in this Section, "non-Brand motor fuels" shall not be construed to apply to gasohol or other synthetic motor fuels of similar usability, to the extent provided for in the Gasohol Competition Act of 1980, Pub. L.96-493 or renewable fuels as defined in Section 2807 of the Petroleum Marketing Practices Act; provided however, that Wholesaler and its Operators shall label such product so as to ensure that consumers are not confused that such product is a Brand motor fuel.

(E) In connection with the sale of any non-Brand motor fuels, Wholesaler agrees to protect, and cause its Operator(s) in question to protect, the identity of the Products and the Proprietary Marks by all reasonable methods, which would prevent customer confusion or misinformation. Wholesaler agrees to conform, and cause its Operators to conform, to the de-branding requirements which will be provided to Wholesaler, as the same may be revised from time to time, including but not limited to posting of Seller approved signs which clearly distinguish the Products from non-Exxon or Mobil-branded motor fuels, disclaiming any product liability of ExxonMobil for damage resulting from use of non-Exxon or Mobil-branded motor fuels, and removing or covering any signs which may mislead, confuse, or misinform any customers or reduce their goodwill toward any Proprietary Mark. In addition, Wholesaler agrees to comply, and cause its Operators to comply, with any additional steps beyond the ExxonMobil de-branding requirements set forth in any applicable law, ordinance or regulation regarding the labeling of petroleum products.

(F) In furtherance of its obligations as set forth in this Section, Wholesaler agrees that it will for itself, and as to any of its Operators, require of such Operators that they will, while identifying the source of the Products sold at any Wholesaler Branded Outlet, comply with the provisions of this Section. Such assistance includes, but is not limited to, the authorization to Seller or ExxonMobil to commence legal proceedings in Wholesaler's name, and at Wholesaler's expense, for the purposes of enforcing Wholesaler's obligations in this Section.

(G) For the avoidance of doubt, Wholesaler shall have neither the right to use or display at marinas, nor the right to authorize or permit the use or display at marinas by Operators of, any Proprietary Mark and shall not sell, and shall cause its Operators not to sell, Products at marinas.

(H) To protect the Proprietary Marks from diminution, dilution, or destruction by misuse or failure by those to whom permission to display them has been granted under this Agreement, Wholesaler agrees that upon request by Seller it will provide Seller with a list of the names and addresses of Operators to whom Wholesaler has provided any Proprietary Mark or where any Branded Outlet is displaying such Proprietary Marks.

(I) If Wholesaler, for whatever reason, ceases to display or authorize the display of Proprietary Marks at any Branded Outlet, then Wholesaler will notify Seller in writing within thirty (30) days of that event.

(J) Except as may be expressly permitted by Seller, Wholesaler shall not, and shall cause its Operators not to, use the Proprietary Marks as part of Wholesaler's or any Operator's corporate or other entity name or as part of or in conjunction with any domain name.

(K) Wholesaler shall, and shall cause its Operators to, immediately stop using the Proprietary Marks relating to any Business at any Wholesaler Branded Outlet if:

- (i) this Agreement is terminated or the Term expires and is not renewed or extended; or
- (ii) Seller withdraws its approval to use or operate that Business at that outlet; or
- (iii) Wholesaler or its Operator(s) stops operating that Business at that outlet; and, in any such event, to follow any de-branding requirements that may then be applicable.

(L) Wholesaler's use of any of the Proprietary Marks in conjunction with any uniforms, business cards or business stationary at all times shall be subject to and in accordance with the terms of this Agreement and all standards set forth by Seller, as such standards may be amended by Seller, in its sole discretion, from time to time. All uniforms used in connection with the Businesses bearing any of the Proprietary Marks shall be purchased solely and exclusively from a Seller approved vendor.

(M) Wholesaler acknowledges that ExxonMobil (or Exxon Mobil Corporation or any of its Affiliates as the case may be) is the exclusive owner of the Proprietary Marks, and no ExxonMobil act, or failure to act, will give Wholesaler or any Operator any ownership interest or right in any of the Proprietary Marks. All goodwill resulting from the use of the Proprietary Marks by Wholesaler or its Operators shall inure to the benefit, and is the property, of ExxonMobil (or its Affiliates as the case may be). At any time or from time to time, any Proprietary Marks used in connection with the Products or any Business may be changed. In case of any notification of change or substitution, Wholesaler shall immediately use, and cause its Operators to immediately use, the Proprietary Marks as changed.

(N) Wholesaler hereby acknowledges that failure on the part of Wholesaler or its Operator(s) to use any Proprietary Mark in accordance with the provisions of this Agreement will cause irreparable injury to Seller and

ExxonMobil and that any court of competent jurisdiction may, at the request of Seller or ExxonMobil, enforce the provisions of this Agreement by the entry of a temporary or permanent injunction against Wholesaler and in favor of Seller or ExxonMobil. Wholesaler agrees not to contest the appropriateness of injunctive relief but may contest whether it has failed to use the Proprietary Marks in accordance with the provisions of this Agreement. Wholesaler will incorporate in its agreements with each Operator the undertakings and obligations provided in this Agreement (including this Section). Wholesaler agrees to promptly notify Seller of any Operator failing to comply with any such undertaking or obligation and agrees to assist Seller or ExxonMobil in its enforcement thereof.

(O) In order to foster the continued public acceptance of the Proprietary Marks and to protect the brand reputation of the Products which are the subject of this Agreement, Wholesaler will use best efforts to promptly inform Seller of any event or condition which could significantly impact the operation of any Branded Outlet or which has resulted in or may result in media exposure related to any Branded Outlet.

10. Products, changes; Quality assurance

(A) Seller shall have the right, at its sole discretion and at any time during the Term, to change, alter, amend or eliminate any of the grades or brands of Products or any Proprietary Marks covered by this Agreement if Seller loses the right to grant the use of the Marks or ExxonMobil changes or eliminates any of the grades or brands of Products or if required by any applicable law, rule, regulation, order or other requirement; provided that the Products covered by this Agreement shall at all times continue to include diesel fuel and at least the same number of grades of gasoline as are typically sold by a majority of the competitive retail outlets in the same market, subject at all times, however, to applicable law, rule, regulation, order or other requirement.

(B) Wholesaler agrees to store, handle, sell and dispense all fuel sold through Branded Outlets in compliance with all the procedures and specifications required by Seller and to procure the compliance of its Operators. Seller reserves the right to revise the procedures and specifications at any time and Wholesaler agrees that it will, upon written notice of such revision, promptly begin compliance with the revised procedures and specifications and will procure compliance of its Operators; provided that in no event shall the Product specifications (other than for Brand proprietary additives or oxygenates) be materially different than the fungible gasoline and diesel specifications of common carrier pipelines in the applicable PADD.

(i) Wholesaler hereby acknowledges and agrees that, notwithstanding anything set forth herein to the contrary, to insure the integrity of the Marks, Seller shall have the authority to review and approve, in its sole discretion, all forms of advertising and sales promotions that will use media vehicles for the promotion and sale of any product, merchandise or services, in each case that (i) uses or incorporates any Proprietary Mark or (ii) relates to any Business operated at a Wholesaler Branded Outlet. Furthermore, for any significant advertising campaign, sponsorship and/or promotion, Wholesaler shall submit in advance to Seller or its designee, for its written approval, all materials prepared by or for Wholesaler.

(ii) If no written approval is received from Seller within ten days, then the request shall be deemed denied. Wholesaler shall expressly require all Operators to (a) agree to such review and control and (b) comply with the notice requirements set forth in this Section. Wholesaler shall be responsible for compliance (both by Wholesaler and by its Operators) with any and all applicable federal, state, county or local advertising laws, statutes, ordinances, codes, regulations, rules, orders, or permits.

(C) Wholesaler shall, and shall encourage its Operators to, offer for sale at all Wholesaler Branded Outlets Mobil 1 lubricant products.

(D) In promoting the Products and developing markets under this Agreement (including in the use of business cards and business stationary), (i) Wholesaler, in its role as branded wholesaler, shall identify itself appropriately as an "Exxon-authorized branded wholesaler" or a "Mobil-authorized branded wholesaler," as the case may be, and only as such and (ii) Wholesaler, in its role as dealer, and each Operators shall identify itself as an "Exxon-authorized dealer" or a "Mobil-authorized dealer," as the case may be, and only as such.

11. Credit Cards

(A) Wholesaler shall participate, and cause each of its Operators to participate, in (i) ExxonMobil's credit card program offerings through ExxonMobil's approved third party provider; (ii) ExxonMobil's proprietary brand

excellence program (e.g., mystery shop, provided that Wholesaler shall not be required to conduct more than 4 mystery shops per year); and (iii) the ExxonMobil Point of Purchase signage program.

All such programs referenced are subject to change or cancellation at any time and, from time to time and, new or existing programs to the required programs may be added if Seller is advised that ExxonMobil is making such changes generally with regard to its business throughout the United States.

(B) Wholesaler agrees to be bound by and comply with all terms and conditions of any card guide or agreement under which ExxonMobil or Third Party Issuer(s) agrees to process and pay for ExxonMobil Cards and other card sales tickets. The terms of such card guide or agreement may be amended and/or supplemented at any time by Seller, ExxonMobil or Third Party Issuer(s) in their sole discretion.

(C) If Wholesaler or a Franchised Dealer accepts credit or debit cards in payment for any sales of any goods or services, then Wholesaler shall comply with and shall require all such Operators to comply with all industry standard card security procedures, specifically including but not limited to (i) the Payment Card Industry Data Security Standards (PCI), (ii) the security standards and requirements imposed on merchants by the VISA Operating Rules, (iii) the security standards and requirements imposed on merchants by the MasterCard Operating Rules, (iv) the security standards and requirements imposed on merchants by American Express Travel Related Services Company, Inc., and its parents, subsidiaries and affiliates, and (v) the security standards and requirements imposed on merchants by DFS Services LLC and its parents, subsidiaries and affiliates. The foregoing duty is in addition to any duties that Wholesaler may have under an applicable card guide or agreement pursuant to subsection (A) above. In addition to all other duties to indemnify, Wholesaler will indemnify, defend, and hold harmless Seller and ExxonMobil from and against all causes of action, costs, expenses, fees, assessments, reimbursements, fines, penalties and/or losses of whatsoever nature and howsoever arising that result directly or indirectly from Wholesaler's failure or alleged failure to comply with the requirements of this subsection.

12. Customer Service and Complaints.

(A) While using any Proprietary Marks, Wholesaler agrees:

- (i) To render appropriate, prompt, efficient, and courteous service at each Branded Outlet to Wholesaler's customers, to respond expeditiously to all complaints of such customers, making fair adjustment when appropriate, and otherwise conduct Wholesaler's business in a fair and ethical manner and maintain the Operated Branded Outlets in a manner which will foster customer acceptance of and desire for the Products sold hereunder; and
- (ii) To provide sufficiently qualified and neatly dressed personnel in Seller approved uniforms (e.g., standard ExxonMobil uniform or Wholesaler proprietary C-Store brand uniform) at all Branded Outlets as appropriate to render first class service to customers; and
- (iii) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
- (iv) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Branded Outlets' premises open for dispensing of the Products during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Wholesaler.

(B) Wholesaler also agrees that, as to any of its Operators, Wholesaler will include in its arrangements with such Operators the undertakings provided in this Section in respect of each Branded Outlet and will undertake the enforcement thereof. Wholesaler further agrees that Seller may revoke the right of Wholesaler to display Proprietary Marks at any Operated Branded Outlet(s), or to permit the display of Proprietary Marks at any Franchised Branded Outlet(s) which, after notice by Seller to Wholesaler to cure, continues to be in violation of this Section or this Agreement.

13. Existing Operator Agreements; New Wholesaler Branded Outlets.

Wholesaler shall enter into a written agreement with each Operator. The agreement must:

- (1) Be consistent with this Agreement; and
- (2) Require the Operator's commitment to the Core Values; and
- (3) Impose on each Operator all of the requirements and obligations as specified in this Agreement, including without limitation, complying with the minimum image requirements, complying with the

insurance requirements, and allowing entry to its respective Branded Outlet(s) for the purposes specified in this Agreement.

14. Insurance Requirements.

(A) Wholesaler shall, and shall ensure that its Operators, name ExxonMobil Corporation, at 3225 Gallows Road, Fairfax, Virginia 22037, as an additional insured as well as Marathon Petroleum Company LP in each policy of insurance described in Paragraph 12 of the General Provisions, except Workers Compensation Insurance and Employer's Liability insurance, and that each Certificate of Insurance required pursuant to Paragraph 12.2 of the General Provisions shall provide that such coverage shall not be terminated, cancelled or materially changed without at least thirty (30) days prior written notice to ExxonMobil Corporation as well as Seller.

(B) Each policy of insurance required pursuant to Paragraph 12 of the General provisions shall name ExxonMobil Oil Corporation as additional insured for the entire amount of the applicable policy or policies, including excess coverage policies (except Workers Compensation and Employers Liability), shall include coverage for both contract and negligence liability, shall cover ExxonMobil without conditions, and shall be primary as to all other policies or self-insurance that may provide coverage. Any deductible or self-insured retention relating to such policies shall be paid by Wholesaler or its Operators for the benefit of ExxonMobil. Wholesaler shall pay, and shall cause its Operators to pay, all premiums and assessments charged for the insurance policy or policies when due.

15. Right of Entry.

Wholesaler permits, and shall cause its Operators to permit, Seller and ExxonMobil, its Affiliates and their respective employees, agents, vendors, contractors and representatives (a) to access, analyze and reproduce books, records, correspondence, receipts, and data of Wholesaler or its Operators pertaining to activities undertaken pursuant to this Agreement, and (b) to enter, during normal operating hours, any Wholesaler Branded Outlet(s) and other places where Wholesaler or any of its Operators conduct any Business to enforce ExxonMobil's rights and remedies under this Agreement, including examining (to include video, photographic, digital, audio and other recordings), testing and sampling of all properties, tanks, containers, pumps and delivery truck tanks, and taking other action, for purposes of preserving the integrity of the Proprietary Marks, performing product quality inspections and determining Wholesaler's compliance with this Agreement (including compliance with the terms of Sections 9 and 10). If any samples thus taken are not Products or any document or record shows Wholesaler has failed to comply with its obligations hereunder (or failed to cause any Operator to so comply), Seller may, without limiting Seller's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement including, when applicable, termination or non-renewal of this Agreement and the Franchise Relationship, at its sole option, debrand the Wholesaler Branded Outlet(s) in question. Wholesaler shall preserve and shall cause its Operators to preserve all books, records, correspondence, receipts and data pertaining to activities undertaken pursuant to this Agreement for a period of three (3) years. Wholesaler agrees to include necessary provisions in its contracts with Operators that shall assure access by Seller or Exxon Mobil or its representatives to the applicable records of the Operators. Wholesaler's obligation to preserve all applicable books and records, and Seller and ExxonMobil's right to access and reproduce such books and records shall extend for a period of three (3) years after the termination of this Agreement.

Neither Seller nor ExxonMobil shall be liable to Wholesaler or any Operator for any interference with any Business of Wholesaler or its Operators as a result of the entry of either Seller or ExxonMobil on any Wholesaler Branded Outlet(s) and other places where Wholesaler or any of its Operators conduct any Business.

Upon the expiration of the Term or upon termination hereof, Seller and Exxon Mobil shall have the right, at its option, to enter, during normal operating hours, upon any premises at which the Proprietary Marks are displayed (including, without limitation all Wholesaler Branded Outlets), and to remove, paint out, or obliterate any signs, symbols or colors on said premises or on the buildings or equipment thereof which in Seller's or ExxonMobil's opinion would lead a purchaser to believe that the Products are being offered for sale at such premises. Wholesaler shall cause its Operators to grant Seller and ExxonMobil such a right of entry.

16. Construction. These Specific Provisions and the General Provisions shall be construed together to establish a single set of terms and conditions. In the event of a conflict between the Specific Provisions and the General Provisions, these Specific Provisions shall control.

17. **Notices:** Any notice to Seller or Wholesaler under this Agreement shall be delivered to such Party's address set forth below in the manner specified in General Provisions:

If to Seller:

Marathon Petroleum Company LP
Attn: Marketing Services Department
19100 Ridgewood Parkway
San Antonio, Texas 78259
Fax: (210) 745-4508

With a copy to:

Marathon Petroleum Company LP
Attn: General Counsel
539 South Main Street
Findlay, OH 45840

If to Wholesaler:

[Insert Company Name]
Attn: [Insert Name], [Insert Title]
[Insert Address]
[Insert City, State, ZIP]
Fax: ([Insert Prefix]) [Insert Number]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first referenced above.

[INSERT CUSTOMER NAME]

Marathon Petroleum Company LP
By: MPC Investment LLC, its general partner

By: _____ By: _____

Name: [Insert Authorized Signatory]

Name: [Select One]

Title: [Insert Signatory's Title]

Title: [Select One]

Date:

Date: _____

Exhibit A
(Branded Outlets and Brand Designation)

1). Branded Outlets and Brand Designation. Unless otherwise agreed to between Wholesaler and Seller, the Branded Outlets referenced in the General Provisions and the Brand authorized for each Branded Outlet, are as follows:

| Branded Outlets | | |
|------------------------|-----------------------|--------------|
| Site # | Address | Brand |
| [Insert Number] | [Insert Site Address] | [Select One] |
| [Insert Number] | [Insert Site Address] | [Select One] |
| [Insert Number] | [Insert Site Address] | [Select One] |
| [Insert Number] | [Insert Site Address] | [Select One] |
| [Insert Number] | [Insert Site Address] | [Select One] |
| [Insert Number] | [Insert Site Address] | [Select One] |
| [Insert Number] | [Insert Site Address] | [Select One] |
| [Insert Number] | [Insert Site Address] | [Select One] |

The parties agree that Seller may unilaterally update this Exhibit A to document any revisions to the Branded Outlets and brand designation, made in accordance with the terms and conditions set forth in the Agreement.

Exhibit B
(Product Minimum Quantities in Gallons)

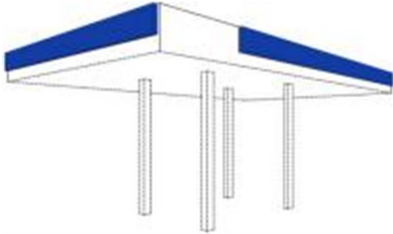


Contract Year: 1 Total Product Minimum Quantities

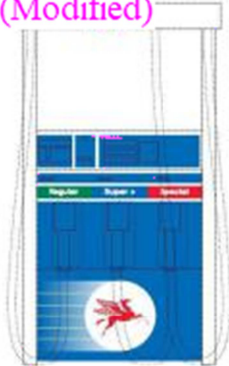


| | | | |
|---------------------|--|--|--|
| January - March | | | |
| April - June | | | |
| July - September | | | |
| September - October | | | |
| | | | |
| | | | |

EXHIBIT C-1

MOBIL PROPRIETARY MARKS

Retail Motor Fuels Business

| Mark | Classes | Appl. Number | Reg. Number | Authorized Use |
|---|----------------|---------------------|--------------------|--|
| <p align="center">Canopy Design</p>  | 4, 35 | 77/860266 | | <p>Motor fuels, namely gasoline and diesel fuels</p> <p>Retail of fuels for vehicles</p> |
| <p align="center">Canopy Design with MOBIL in color</p>  | 4, 35 | 77/860248 | | <p>Motor fuels, namely gasoline and diesel fuels</p> <p>Retail of fuels for vehicles</p> |
| <p align="center">Forecourt Design MOBIL in color and Pegasus Design In Circle</p>  | 4, 35 | 77/860286 | | <p>Motor fuels, namely gasoline and diesel fuels</p> <p>Retail of fuels for vehicles</p> |

| Mark | Classes | Appl. Number | Reg. Number | Authorized Use |
|--|---------|--------------|-------------|--|
| Fuel Dispenser Design – MOBIL in color and Pegasus Design In Circle (Modified)  | 4, 35 | 77/824668 | | Motor fuels, namely gasoline and diesel fuels Retail of fuels for vehicles |
| MOBIL | 4 | 71/408518 | 363312 | Motor fuels, namely, gasoline and diesel fuels |
| MOBIL | 25 | 73/436242 | 1302728 | Uniforms |
| MOBIL | 37 | 73/068179 | 1046513 | Automotive service station services |
|  | 25 | 73/391554 | 1263693 | Uniforms |
| MOBIL (in color) | 37 | 73/070138 | 1049824 | Automotive service station services |
| MOBIL (in color) | 4 | 77/862545 | 3787476 | Motor fuels, namely gasoline and diesel fuels |
| Pegasus Design (Modified)  | 4 | 77/685131 | 3654749 | Motor fuels, namely, gasoline and diesel fuels |




| Mark | Classes | Appl. Number | Reg. Number | Authorized Use |
|---|---------|--------------|-------------|---|
| | | | | |
| Pegasus Design (Mod)  | 25 | 73/737516 | 1530962 | Uniforms |
| Pegasus Design (Mod)  | 37 | 73/646301 | 1461344 | Automotive service station services |
| Pegasus Design (Mod)  | 4 | 77/685117 | | Motor fuels, namely, gasoline and diesel fuels |
| SPEEDPASS | 35 | 76/369844 | 2884731 | Business services, namely facilitation of transaction authorization |

EXHIBIT C-2

MOBIL PROPRIETARY MARKS

Related Businesses



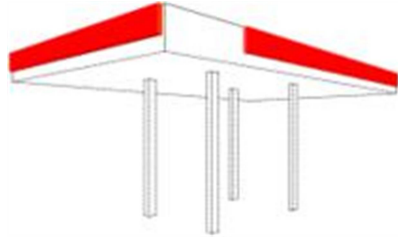






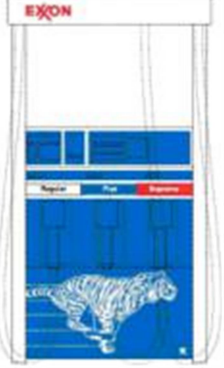
| Mark | Classes | Appl. Number | Reg. Number | Authorized Use |
|---|----------------|---------------------|--------------------|--|
| BENGAL TRADERS GOURMET COFFEE and | 30, 43 | 78/366759 | 2933079 | Coffee only at locations identified on Exhibit A that offer BENGAL TRADERS coffee on the Effective Date. Preparation and serving of coffee for consumption on or off the premises only at locations identified on Exhibit A that offer BENGAL TRADERS coffee on the Effective Date. |
|  | | | | |
| MOBIL | 42 | 73/000277 | 1028163 | Retail food store services |
| MOBIL (in color) | 37 | 73/070138 | 1049824 | Car wash services |
| MOBIL MART | 42 | 73/506253 | 1338384 | Retail food and convenience store services |
| Pegasus Design (Mod) | 21 | 75/103564 | 2078949 | Containers, namely, cups and mugs |
|  | | | | |
| WASH N' RUN | 37 | 78/103355 | 2792917 | Car wash services |
| WASH N' RUN (design) | 37 | 77/313540 | 3453272 | Car wash services |

EXHIBIT D-1

EXXON PROPRIETARY MARKS

Retail Motor Fuels Business

| Mark | Classes | Appl. Number | Reg. Number | Authorized Use |
|---|----------------|---------------------|--------------------|---|
| Canopy Design | 4, 35 | 77/859372 | | Motor fuels, namely gasoline and diesel fuels Retail of fuels for vehicles |
|  | | | | |
| Canopy Design with EXXON in color | 4, 35 | 77/859354 | | Motor fuels, namely gasoline and diesel fuels Retail of fuels for vehicles |
|  | | | | |
| ESSO | 4 | 71/181659 | 176408 | Motor fuels, namely diesel fuels. |
| EXXON | 4 | 72/296761 | 902044 | Motor fuels, namely, gasoline and diesel fuels |
| EXXON | 25 | 73/124656 | 1089259 | Uniforms |
| EXXON | 37 | 77/609708 | 3594892 | Automotive service station services |
| EXXON (stylized) | 4 | 77/748076 | 3736429 | Motor fuels, namely, gasoline and diesel fuels |
|  | | | | |

| Mark | Classes | Appl. Number | Reg. Number | Authorized Use |
|--|---------|--------------|-------------|---|
| EXXON (stylized)  | 37 | 73/391554 | 1263693 | Automotive service station services. |
| EXXON (stylized) and Design  | 4 | 72/407854 | 968512 | Motor fuels, namely gasoline and diesel fuels |
| EXXON (stylized) and Design  | 37 | 77/609704 | 3594891 | Automobile service station services |
| Forecourt Design EXXON in color and Running Live Tiger Design  | 4, 35 | 77/859402 | | Motor fuels, namely gasoline and diesel fuels Retail of fuels for vehicles |
| Fuel Dispenser Design – EXXON in color and Running Live Tiger Design  | 4, 35 | 77/823527 | | Motor fuels, namely gasoline and diesel fuels Retail of fuels for vehicles |





| Mark | Classes | Appl. Number | Reg. Number | Authorized Use |
|---|---------|--------------|-------------|---|
| Interlocking X Design | 4 | 75/474257 | 2305494 | Motor fuels, namely, gasoline and diesel fuels |
| Running Live Tiger Design (Mod)  | 4 | 77/560609 | 3594835 | Motor fuels, namely, gasoline and diesel fuels |
| Running Live Tiger Design (Mod)  | 37 | 77/560522 | 3594833 | Automotive service station services |
| Running Live Tiger Design with Striped Background  | 4 | 77/585076 | 3594868 | Motor fuels, namely, gasoline and diesel fuels |
| SPEEDPASS | 35 | 76/369844 | 2884731 | Business services, namely facilitation of transaction authorization |

EXHIBIT D-2

EXXON PROPRIETARY MARKS

Related Businesses

| Mark | Classes | Appl. Number | Reg. Number | Authorized Use |
|---|----------------|---------------------|--------------------|--|
| BENGAL TRADERS GOURMET COFFEE and  | 30, 43 | 78/366759 | 2933079 | Coffee only at locations identified on Exhibit A that offer BENGAL TRADERS coffee on the Effective Date. Preparation and serving of coffee for consumption on or off the premises only at locations identified on Exhibit A that offer BENGAL TRADERS coffee on the Effective Date. |
| EXXON | 37 | 77/609708 | 3594892 | Car wash services |
| EXXON | 42 | 73/659159 | 1471065 | Retail food and convenience store services |
| EXXON SHOP | 42 | 73/659160 | 1470218 | Retail food and convenience store services |
| TIGER MART & Whimsical Tiger Design  | 35 | | | Retail food and convenience store services |
| TIGER MART & Whimsical Tiger Design  | 35 | | | Retail food and convenience store services |
| TIGER WASH | 37 | 78/408223 | 3003997 | Car wash services |

| Mark | Classes | Appl. Number | Reg. Number | Authorized Use |
|---|---------|--------------|-------------|-------------------|
| TIGER WASH and Design | 37 | 78/188466 | 2893891 | Car wash services |
|  | | | | |
| WASH N' RUN | 37 | 78/103355 | 2792917 | Car wash services |
| WASH N' RUN (design) | 37 | 77/313540 | 3453272 | Car wash services |

Wholesale Marketer Agreement - General Terms and Conditions (2022)
(For Exxon or Mobil Brand)

These Wholesale Marketer Agreement - General Terms and Conditions (2022) (“**General Provisions**”) are incorporated into the Wholesale Marketer Agreement to which these General Provisions are attached (the “**Specific Provisions**”) between Marathon Petroleum Company LP, a Delaware limited partnership (“**Seller**”), and Wholesaler, as that party is identified in the Specific Provisions. The Specific Provisions and these General Provisions are together referred to as the “**Agreement**.” In the event of a conflict between these General Provisions and the Specific Provisions, the Specific Provisions shall control.

1. **DEFINITIONS**

The following definitions, whether in the singular or plural, shall apply to this Agreement, in addition to the definitions contained elsewhere in this Agreement:

(A) “**Manual**” means one or more manuals, brochures, or memoranda that Seller loans to Wholesaler that contain information and requirements pertaining to marketing programs, credit card, gift card, or other transaction card usage and processing, trademark usage and facility image standards, Seller’s information reporting requirements, forms, and Seller’s current procedures. The Manual may be provided to Wholesaler in hardcopy, or it may be accessible only through a password protected internet site, such as Seller’s current “TSolutions” website. Seller may unilaterally amend the Manual from time-to-time in Seller’s sole discretion.

(B) “**Marks**” means those specific trademarks, trade names, trade dress, advertising, signs, devices, symbols, slogans, designs and other trade indicia adopted, used, or authorized for use by Seller, or its successor or assignee, in connection with the sale of Products sold under the specific brand that Wholesaler is authorized to use at Branded Outlets as specified in Paragraph 2 of the Specific Provisions and Exhibit A.

(C) “**Operator**” means a dealer or reseller customer of Wholesaler which operates a Branded Outlet.

(D) “**Branded Outlet**” means a retail motor fuel facility from which the Products are resold to consumers and at which Seller has provided written authorization to use of the Marks. Exhibit A may be amended by Seller from time-to-time to reflect the approval of additional retail motor fuel facilities as Branded Outlets and the removal of any Branded Outlet in accordance with the terms and conditions set forth in the Agreement.

(E) “**PMPA**” means the Petroleum Marketing Practices Act (15 U.S.C. § 2801 et seq.).

(F) “**Products**” means only those branded motor gasoline and diesel fuel which are purchased by Wholesaler from Seller for resale or delivery to the Branded Outlets.

(G) “**Wholesaler’s Marketing Premises**” means Wholesaler’s premises, including Wholesaler’s office, storage and distribution facilities, which are employed by Wholesaler in connection with the sale, consignment or distribution of the Products.

2. **VOLUME - QUALITY.**

2.1. **Product Minimum Quantities.**

(A) Wholesaler shall purchase the Product Minimum Quantities from Seller and Seller shall sell the Product Minimum Quantities to Wholesaler. Wholesaler’s purchase of Products in excess of the Product Minimum Quantities during any quarter or Contract Year cannot be applied to offset Wholesaler’s failure to purchase the Product Minimum Quantities during any other quarter or Contract Year and the obligation to purchase the Product Minimum Quantities from Seller shall not be affected by Wholesaler’s loss or termination of any Branded Outlet, by the establishment or existence of an outlet or facility selling Products established or operated by Seller or by another Seller wholesaler or distributor.

(B) Notwithstanding the foregoing, in the event circumstances beyond the reasonable control of Seller, including but not limited to natural disasters, war, labor unrest, supply or transport disruption or unavailability (“**Supply Event**”), make it commercially unreasonable or impracticable for Seller to sell or supply Products to Wholesaler, Seller may restrict or allocate the Wholesaler’s purchases of Products and the sale to Seller’s other customers in such manner as Seller alone deems fair and reasonable and Seller shall not be liable to Wholesaler for any failure to sell the Product Minimum Quantities. Seller shall notify Wholesaler of any

Supply Event, the time such Supply Event is reasonably expected to extend, and the method of allocation or restriction in place.

(C) If Wholesaler fails to purchase the Product Minimum Quantities in any quarter during any Contract Year, then, any payments due Wholesaler relating to Product purchased from Seller during that quarter under this or any other agreement between the parties will be forfeited; provided that, in lieu of said forfeiture, Seller may, in its sole discretion, advance payments on the condition that Wholesaler fulfills its obligation to purchase the Product Minimum Quantities in the aggregate for that same Contract Year (“**Conditional Payment**”) If Wholesaler fails to purchase the Product Minimum Quantities in the aggregate during that same Contract Year, Seller may withhold, under this or any other agreement between the parties, an amount equal to any Conditional Payment previously advanced to Wholesaler, until such time as any Conditional Payment has been repaid to Seller in full. Notwithstanding anything to the contrary in this Article, Seller may, at any time, demand payment from Wholesaler of any Conditional Payment or any other amounts due under this or any other agreement between the parties, and Wholesaler shall promptly pay said amount within ten (10) days of written demand.

2.2. Failure to Supply or Maintain

If (a) Wholesaler fails to supply for any period of seven (7) consecutive days any of Branded Outlets not operated by Wholesaler each of the available grades of Products for resale to the public from dispensers bearing the Marks; or (b) Wholesaler fails to maintain and continuously offer for sale at any of Branded Outlets operated by Wholesaler a representative amount of each of the available grades of Products for resale to the public from dispensers bearing the Marks for any period of seven (7) consecutive days or such lesser period which under the facts and circumstances constitutes an unreasonable period of time; or (c) a Branded Outlet fails to properly utilize the Marks or engages in any activity likely to cause injury to the goodwill associated with the Marks, Seller shall have the right, in addition to any other rights or remedies it may have hereunder or by law, to terminate Wholesaler’s right to use or to grant such right of use of the Marks in connection with the operation of any of such Branded Outlet where the failure occurred. In such event, Wholesaler shall immediately remove the Marks and promptly de-identify the Branded Outlet, and remove any equipment or property belonging to Seller.

2.3. Excess Volume

From time to time, Seller may sell and Wholesaler may purchase Products in excess of the Product Minimum Quantities. Seller’s sale of Products during any period in excess of the Product Minimum Quantities shall not increase the Product Minimum Quantities as to any future period. Wholesaler has no right to purchase Products in excess of the Product Minimum Quantities irrespective of whether Seller has previously allowed Wholesaler or other wholesalers or distributors to purchase Products in excess of the Product Minimum Quantities.

2.4. Quality - WARRANTY DISCLAIMER

Each Product shall meet Seller’s specifications in effect at the time of delivery, and Seller warrants the title to all Products sold hereunder, but SELLER OTHERWISE MAKES NO WARRANTIES OF QUALITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE AS TO ANY PRODUCT SOLD HEREUNDER, AND NONE SHALL BE IMPLIED.

2.5. Change

Seller may at any time change the grade, specification, characteristics, delivery package, brand name, or other distinctive designation of any Product, and any Product as so changed shall remain fully subject to this Agreement.

2.6. Compliance with Other Agreements

Wholesaler’s breach of any other contract between the parties shall be deemed to constitute a default or breach under this Agreement.

3. PRICES.

3.1. General

The purchase price to be paid by Wholesaler for each Product sold by Seller to Wholesaler shall be Seller's branded wholesaler price, FOB the Supply Terminal or other Seller designated place of delivery, in effect at the time and place of delivery for Wholesaler's class of trade and applicable to the grade, brand, container (if any) and quantity delivered. The prices may be communicated through any reasonable method, including a password protected internet site, as Seller may from time-to-time designate. Seller reserves the right in its sole discretion to change prices at any time and without notice to Wholesaler. Seller makes no promises or representations that the price it charges for Products shall be equal to or lower than any existing or potential competitor's prices, or that Wholesaler (or any Branded Outlet) shall or should achieve any particular level or amount of profit on the resale of Products. Seller may, from time to time, recommend to Wholesaler resale prices or pricing strategies for Products resold by Wholesaler. Wholesaler is not obligated to follow these price recommendations and is solely responsible for establishing its own prices, except that Seller may from time-to-time set maximum resale prices to the extent permitted by law.

3.2. Method of Payment

Unless Seller extends credit to Wholesaler as provided below, Wholesaler shall pay for Products in U.S. dollars prior to taking possession of Products. Payment shall be made by electronic funds transfer ("EFT") initiated by Seller, or by such other method as Seller may require. Wholesaler shall establish an account with a financial institution, on terms acceptable to Seller, that provides EFT services and shall authorize Seller to initiate transfers of funds between Wholesaler's account and Seller's accounts for payment of all amounts due under this or any other agreements between Wholesaler and Seller. Wholesaler shall provide Seller with all information and authorizations necessary to debit and credit Wholesaler's account via EFT. All payments must be made in strict compliance with procedures which Seller may implement or change from time to time in its sole discretion. Payment shall be deemed made when, and only when, its receipt has been verified by Seller. Seller may assess a reasonable charge upon Wholesaler for any payment of items, which cannot be completed by EFT or are returned or rejected for lack of sufficient funds or any other reason within Wholesaler's control. Seller's receipt of payment due hereunder after the issuance of any notice of termination is not a waiver of Seller's termination rights.

3.3. Credit

Seller may in its sole discretion from time to time extend credit to Wholesaler in whatever amounts and on whatever terms Seller alone selects. If Seller extends Wholesaler credit, Seller may withdraw it at any time without notice and for any reason. If Seller extends credit to Wholesaler and Wholesaler fails to comply with any of the credit terms or, in Seller's sole judgment, Wholesaler is or becomes financially unsound, Seller may do any or all of the following: (i) require that Wholesaler pay for Products by cashier's check, money order, EFT or bank wire transfer prior to delivery, (ii) require that Wholesaler post an irrevocable letter of credit issued by a bank satisfactory to Seller, (iii) require Wholesaler present evidence of financial solvency, and (iv) declare Wholesaler in default of this Agreement if Wholesaler fails to pay any indebtedness when due, provide evidence of financial solvency upon request, or comply with any other term of this Agreement. Wholesaler agrees that regardless of whether and for how long Seller has extended it credit, Seller may cease extending credit at any time and instead require that payment be made in the manner set forth in Paragraph 3.2.

3.4. Record Keeping

Wholesaler shall at all times keep and maintain complete and accurate records of all Products purchased and all Products sold, consigned, or delivered to Branded Outlets. Seller may require Wholesaler to report information regarding the Wholesaler's purchase or sale of Products in a specified format and may further require Wholesaler to provide information, in a form acceptable to Seller, regarding sales of Products from the Branded Outlets. Wholesaler shall further (a) sell all Products through metered dispensers which shall indicate the grade and amount of Products sold, (b) allow Seller to inspect Wholesaler's Products dispensers, recorders and meters, and to inspect and audit Wholesaler's books and records relating to the

purchase, sale, consignment, delivery, and transportation of Products, (c) allow Seller to ascertain the volume of Products in any of Wholesaler's storage tanks and facilities, (d) require each Branded Outlet to keep and maintain complete records of all Products purchased and delivered and all Products sold or dispensed by the Branded Outlet, (e) secure from each Branded Outlet permission or the right by Wholesaler

or Seller to inspect or audit the records of the Branded Outlet; and (f) periodically inspect, sample, and test (and maintain

proper and complete records regarding such inspections, sampling, and testing) to verify that any Product sold to any of Branded Outlet has not been (or is not) contaminated, or commingled with any other Product or motor fuels, and that each Product sold to and sold by each of Branded Outlets is properly labeled, has not been commingled, is being properly stored, and otherwise complies with all requirements established by the Environmental Protection Agency, or other applicable authority.

4. **FACILITIES.**

4.1. **Storage and Dispensers**

Wholesaler shall maintain on Wholesaler's Marketing Premises storage tanks or other appropriate facilities adequate for it to meet its obligations under this Agreement. Wholesaler shall ensure that Wholesaler's storage facilities, as well as all storage facilities maintained by the Operators, are compatible with Seller's Product formulations. Further, Wholesaler shall ensure that all dispensing devices and storage facilities maintained on Wholesaler's Marketing Premises or maintained by its Branded Outlets, are at all times properly permitted and completely comply with all applicable governmental requirements, and any specifications which Seller may issue from time to time. Without restricting any right or remedy of Seller, or imposing any duty or liability upon Seller, upon Seller's request, Wholesaler shall promptly furnish Seller with written evidence that Wholesaler's, and each Branded Outlet's, dispensing devices and storage facilities comply with all governmental requirements and provide copies of underground storage tank permits and specifications, and allow Seller representatives to inspect the dispensing devices and storage facilities to confirm such compliance.

4.2. **Leak Prevention and Detection**

Wholesaler is solely responsible for any Product storage facilities maintained at the Branded Outlets or at Wholesaler's Marketing Premises, including, without limitation, underground storage tanks and related equipment. Wholesaler and the Operators are solely responsible for taking, and shall take the following leak and water contamination prevention and detection measures:

(A) **Monitoring**

Wholesaler shall perform, or cause the Operators to perform, any and all monitoring procedures required by applicable laws, regulations or governmental authorities at Wholesaler's Marketing Premises and at the Branded Outlets.

(B) **Secondary Containment**

Wholesaler shall perform, or cause the Operators to perform, any and all construction or retrofitting necessary to satisfy or comply with the secondary containment standards for underground storage tanks required by applicable laws, regulations or governmental authorities.

(C) **Notification**

Wholesaler shall immediately investigate in accordance with regulatory leak detection requirements and report to all appropriate governmental authorities (i) any detectable loss or suspected loss of Products that exceeds regulatory variation limits of any Product, (ii) the activation or alarm of any leak detector or other continuous monitoring system, (iii) the discovery of any broken weights and measures seals or other seals in any Product dispenser, (iv) the discovery of any visible leak in any Product dispenser, Product piping or submerged pumps, (v) any change in the condition of the land or surface adjacent to fill boxes or dispensers, (vi) water in excess of one inch (1") in any storage container, or (vii) any spills or overfills that are not immediately and properly contained and cleaned up. If a leak is confirmed all Product must be removed from any affected storage tank immediately, and the tank secured.

4.3. **Knowledge of Risks**

Wholesaler acknowledges that it has been fully informed concerning the nature and existence of risks posed by transporting, storing, using, handling and being exposed to the Products. Wholesaler shall inform the Operators and Wholesaler's employees, agents, contractors and customers of such risks. Wholesaler shall display, publish and distribute any safety warnings or disclosures as may be requested or required by Seller or any governmental authority from time to time, and Wholesaler shall ensure that the

Operators and Wholesaler's employees, contractors, and carriers use safe and proper methods of handling the Products.

5. DELIVERIES.

5.1. Places

Each Product shall be delivered to Wholesaler only at the Supply Terminals. However, Seller may at any time change the place of delivery of any Product by giving Wholesaler at least fifteen (15) days prior written notice. Such notice shall specify the new place of delivery and Seller's then-current price for each affected Product, FOB the new place of delivery. If the Supply Terminal at which the sale of the Product was discontinued was the only Supply Terminal for such Product and Seller does not designate a different Supply Terminal for that Product, then both Seller and Wholesaler shall be relieved of any further obligation hereunder with respect to that Product.

5.2. Exchange Terminals.

(A) Petroleum products may be made available to Seller at exchange terminals pursuant to a product exchange agreement between Seller and a third party. Each such exchange agreement is terminable at any time by either party thereto without cause upon short notice. If any such exchange agreement is terminated, Seller may terminate or cancel its obligations hereunder to deliver Products to Wholesaler at the affected exchange terminal delivery point by giving Wholesaler ninety (90) days prior written notice of such termination or, if it would not be reasonable for Seller to give ninety (90) days prior written notice, at Seller's election upon giving Wholesaler prior notice of such lesser period as is reasonable in the circumstances.

(B) If any such exchange agreement is terminated for any reason and Seller is able to make alternative arrangements on terms and conditions satisfactory to Seller in its sole discretion, for the supply of Products to Wholesaler at a new or substitute delivery point, Seller's obligations hereunder shall be subject to all of the terms and conditions of such new or substitute exchange agreement or other supply agreement. If only limited quantities of petroleum products are available to Seller at such new or substitute delivery point under such alternative supply arrangements, Seller may allocate deliveries of available Products on any basis, which in Seller's sole judgment is fair and reasonable.

(C) If Seller can no longer deliver Products to Wholesaler at an exchange terminal, and Seller is unable to make alternative arrangements to supply Products to Wholesaler on terms and conditions satisfactory to Seller, the parties acknowledge that such event shall render Seller's performance under this Agreement impracticable or impossible and that Seller shall thereafter be excused from any further obligation to sell or supply Products to Wholesaler at such exchange terminal.

(D) Wholesaler shall comply with all applicable rules and regulations of any exchange terminal in effect at the time of delivery, including but not limited to any requirement that Wholesaler provide specified insurance coverage.

5.3. Deliveries

All deliveries shall be made to Wholesaler's owned truck or trailer or designated contract carrier. Seller shall not be obligated to deliver any Products outside of the usual business hours of the Supply Terminal or in any quantity less than the maximum full load permitted by applicable law or applicable Seller standard or procedure for the type of delivery equipment utilized. All delivery and transportation equipment shall comply with applicable laws and tariffs and with such procedures or standards as Seller may adopt from time to time. Wholesaler and Wholesaler's designated contract carrier must agree to comply with all rules or procedures established by the Supply Terminal. Wholesaler and Wholesaler's designated contract carrier shall exercise the highest degree of care to avoid any spillage of Products or any injury or harm to any third person or to property.

5.4. Title

Title to any Products delivered shall pass to Wholesaler at the outlet flange of the truck loading rack hose at the applicable Supply Terminal. Any Product that may be redelivered to a Supply Terminal as a result of the operation of Wholesaler's vapor recovery equipment or system shall become the property of Seller without any accounting therefore by Seller to Wholesaler.

5.5. Product Handling/Ultra Low Sulfur Diesel

Wholesaler shall take all reasonable precautions to ensure that Wholesaler, any carrier hired by Wholesaler, and the Operators do not commingle any Product with any other motor fuel, or otherwise contaminate any Product with any additives that have not been approved by Seller. With respect to any ultra low sulfur diesel sold under this Agreement, Wholesaler shall take care to ensure that such Product is not commingled or contaminated in any truck, pipeline, railcar, tank or vessel with any other diesel or other Product, and Wholesaler shall take steps to ensure that the Product is not handled in any fashion such as to cause the sulfur concentration of the Product to exceed any governmental requirements. Wholesaler shall be solely responsible for ensuring that all carriers, transporters and storage facilities loading and handling the Products after the delivery to Wholesaler take adequate measures to prevent any contamination of any Product being sold hereunder. Seller shall have no liability to Wholesaler, or to any Operator, carrier, agent, affiliate, contractor, or any consumer, for any claims, damages, losses, injury or harm of any kind should the loading, handling, storage, or transportation of any ultra low sulfur diesel by Wholesaler or its carriers, agents, affiliates, contractors or customers cause or result in any Product's sulfur concentration to exceed the EPA's, or other governmental authority's, requirements, and Wholesaler hereby waives and releases all such claims, damages, losses, injury or harm.

6. **NONEXCLUSIVE DISTRIBUTOR.**

6.1. Nonexclusive Distributor.

Seller hereby appoints Wholesaler as its nonexclusive distributor of the Products specified in this Agreement, with the responsibility to serve and develop trade and to diligently promote the sale of the Products.

6.2. Nonexclusive Use of Marks

Wholesaler's right to sell any Product and Wholesaler's right under this Agreement to use or further license the use of the Marks is not exclusive. Seller specifically reserves, without limitation, the unqualified right to engage and to engage others in the sale and distribution of the Products and to directly compete with Wholesaler and Branded Outlets and to establish, either directly or through wholesalers or distributors, gasoline outlets and facilities using the Marks or otherwise.

6.3. Branded Outlets

Wholesaler agrees that it shall sell Products only to the Branded Outlets.

7. **TRADEMARKS AND OTHER INTELLECTUAL PROPERTY.**

7.1. Grant of Right to Use Trademark.

(A) During the Term, Wholesaler shall display the Marks in the manner specified by Seller. All trademark rights resulting from such display or usage shall inure to Seller's benefit. Seller reserves the right to withdraw or modify any of the Marks or their manner of display without prior notice to Wholesaler. Upon receiving notice of any withdrawal or modification of the Marks, Wholesaler shall fully implement any modification or termination within the time specified in the notice. If Wholesaler fails to comply fully with any notice of withdrawal or modification, in addition to any other remedies available to Seller for breach of this Agreement, Seller may demand that Wholesaler immediately remove all Marks from Wholesaler's Marketing Premises, or any Branded Outlet.

(B) Wholesaler's license to use the Marks and to license the use of the Marks to any Branded Outlet is limited to the following:

- (a) Wholesaler is authorized to use the Marks at Wholesaler's Marketing Premises and in connection with Wholesaler's sale of Products;
- (b) Wholesaler is authorized to license the use of the Marks at the Branded Outlets; provided, that the Operator has agreed in writing to fully comply with all trademark and trade dress requirements which Seller may specify, and Wholesaler has entered into a written contract with the Operator and the contract contains a provision substantially similar to the provision set forth in part (c) of this Paragraph below.

(c) Wholesaler may license the use of the Marks to additional motor fuel facilities with Seller's prior written consent, which may be withheld by Seller in its sole discretion. Upon Seller's written consent, Wholesaler shall provide Seller with a copy of the executed contract between Wholesaler and the Operator of that facility at which time such motor fuel facility shall be a Branded Outlet and deemed added to Exhibit A. The written contracts governing the relationship between the Wholesaler and the Operator must provide that the Operator's contract is subject to the terms and conditions of this Agreement. All contracts between Wholesaler and any Operator must include a provision, set out separately and conspicuously from all other contract provisions, substantially identical to the following:

[Operator] acknowledges that this Agreement is exclusively between [Wholesaler] and [Operator], that Marathon Petroleum Company LP, a Delaware limited partnership or any of its affiliates ("Seller"), is not a party to this Agreement, and that Seller shall have no obligations to [Operator] under this Agreement. [Operator] further acknowledges and represents that that this Agreement has not been entered into based on any promises, representations, or statements by Seller, or any of its representatives, and further understands that any statement or promise that may have been made (or that may be made in the future) by any Seller representative, or on Seller's behalf, shall not be binding against Seller and shall have no legal effect unless contained in a written document signed by an authorized representative of Seller. [Operator] hereby waives and forever discharges any claim it may have against Seller based on any fact or event occurring before the execution of this Agreement. Further, [Operator] hereby grants to Seller the right to enter onto its premises and to allow Seller the right, but not the obligation, to inspect the Branded Outlet and to sample and test all motor fuels sold by [the Branded Outlet] to determine whether [the Branded Outlet] is in compliance with the standards provided by Seller, or whether any motor fuel sold by [the Branded Outlet] is properly labeled, has not been commingled, is being properly stored, or complies with all requirements established by any governmental agency.

7.2. Compliance with Trademark Requirements

Wholesaler shall at all times fully comply, and Wholesaler shall cause the Operators to comply, with all trademark and trade dress requirements set forth in the Manual, or otherwise provided or made available to Wholesaler by Seller. During the Term, Seller may from time to time change such trademark and trade dress requirements. Wholesaler hereby agrees that Seller may and acknowledges that in all likelihood Seller shall change such requirements from time to time. Wholesaler shall ensure that all Branded Outlets conform their trade dress to all such changed requirements within ninety (90) days after Wholesaler has received written notice from Seller of any change. Wholesaler agrees to diligently monitor and enforce Seller's trademark and trade dress requirements at all Branded Outlets.

7.3. Restrictions

Wholesaler shall not, and shall cause the Operators not to, adulterate, mislabel, misbrand or contaminate any Product; add any ingredients to any Product without Seller's prior written consent; use any

Mark except in connection with genuine Products; claim any right, title or interest in or to the Marks; directly or indirectly deny or assail or assist others in denying or assailing Seller's ownership or license to use the Marks; register, adopt as its own property, or use or assist others in registering, adopting, or using any trademarks, trade names, advertising, signs, devices, symbols, slogans, designs, or other trade indicia confusingly similar to the Marks; or commit other trademark violations or acts that could disparage or dilute the Marks or adversely affect the value of the Marks or their goodwill and rights. All trademark rights resulting from display or usage shall inure to the benefit of Seller or Seller's licensor.

7.4. Termination of Right of Use of Marks – Branded Outlets

If Wholesaler or any Operator shall violate any provision or condition of this Agreement with respect to the operation of any Branded Outlet, Seller shall have the right, in addition to any other rights or remedies it may have hereunder or by law, to terminate Wholesaler's right to use or to license the use of the Marks to such Branded Outlet. Wholesaler acknowledges that all of Wholesaler's rights to use the Marks are derived from and through this Agreement, and that neither Wholesaler nor any Operator shall have any right to use or display any of the Marks following the termination of this Agreement. Upon termination of this Agreement, or upon the termination of Wholesaler's agreement with an Operator, Wholesaler shall immediately cause the removal or obliteration of the Marks at the Branded Outlet and cause such Branded Outlet to cease operation as a Branded Outlet, and if Wholesaler fails to do so, Seller may do so at Wholesaler's expense.

7.5. Equipment and other personal or intellectual property

In its sole discretion, Seller may loan or lease to Wholesaler various items of equipment or personal property (for example, signs, sign poles, or credit card processing equipment) or it may license or authorize the use of computer software or other proprietary systems or intellectual property. Wholesaler hereby agrees that any such equipment, personal property, software, or other intellectual property, which Seller provides to Wholesaler or authorizes Wholesaler to use hereunder shall remain the property of Seller regardless of whether it is affixed to any premises. Wholesaler shall ensure that no such equipment, personal property, software, or other intellectual property is removed from Wholesaler's Marketing Premises or from any Branded Outlet without Seller's prior written consent. Wholesaler shall bear the cost of maintaining, repairing and replacing any equipment or personal property loaned or leased to Wholesaler by Seller. All loaned or leased equipment or personal property, as well as any software, or other intellectual property, heretofore or hereafter provided by Seller to Wholesaler shall be returned in good condition by Wholesaler to Seller immediately upon Seller's demand.

7.6. Use of Confidential Information

Seller shall make available to Wholesaler certain Confidential Information. Wholesaler shall not use the Confidential Information for any purpose other than the performance of Wholesaler's obligations under this Agreement. Wholesaler agrees that it shall return all Confidential Information to Seller after termination of this Agreement, and agrees further that during the Term, Wholesaler 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 Wholesaler's officers, directors, employees, agents, and representatives. For purposes of this Agreement, the term "**Confidential Information**" shall include all software provided or made available to Wholesaler by Seller, any information or materials designated by Seller as Confidential Information when provided or disclosed to Wholesaler, all information about or describing the contents, qualities, or characteristics of Seller's Products or Seller's pricing to Wholesaler for the Products, and all information contained in the Manual or other materials describing Seller's marketing programs, including, but not limited to Seller's credit card processing procedures, operational elements and forms, Seller's fleet card marketing information, operational elements and forms, Seller's loyalty program materials and operational manuals, and its mystery shop program elements and scores.

8. **CREDIT CARDS.**

8.1. Credit and Debit Card Acceptance

If and so long as Seller elects to issue its own or accept specified third party credit cards, debit cards, credit identifications, or other transaction authorization cards (“**Transaction Cards**”) in the State in which Branded Outlets are located, Wholesaler shall honor, and shall cause the Operators to honor, all such Transaction Cards for all authorized products and services sold at or from Branded Outlets, and account for all such transactions, in strict compliance with the terms and conditions appearing thereon and with the provisions of this Agreement and any credit card sales procedures and requirements furnished to Wholesaler included in the then current Manual provided to Wholesaler for use of Wholesaler and the Operators. Seller shall accept from Wholesaler all authorized invoices or transactions based on Transaction Cards, and, at Seller’s option, shall pay the amount of the invoice or transaction to Wholesaler by check, credit the amount to Wholesaler’s bank account by EFT or set off the amount against Wholesaler’s account with Seller, in each case after deducting any service charge to Wholesaler by Seller in effect under the then current Manual. 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 under the Manual, Seller may either charge the invoice or amount to Wholesaler’s account with Seller or require Wholesaler to make immediate refund to Seller of the invoice amount, including refund by draft or EFT 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 Wholesaler or any Operator to participate in Seller’s program for Transaction Cards. Wholesaler (i) acknowledges that the Manual and any revision thereof have been made available to Wholesaler, and (ii) shall comply with Seller’s procedures as set forth in the Manual and in any revision thereof made by Seller, if any. Seller may also, without limitation of any other rights or remedies available to it under this Agreement or otherwise, charge and collect from Wholesaler any and all fines or fees referenced in the Manual. Wholesaler shall be responsible for and shall not be paid for any chargebacks, regardless of fault. Wholesaler 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.

8.2. Point of Sale Equipment and Software

Seller may, during the Term, issue, amend, or otherwise modify certain policies or requirements pertaining to Wholesaler’s and the Operators’ acceptance of credit cards, debit cards (either on-line or off line), check verification systems, wire transfers, or such other types of electronic fund transfers. Wholesaler agrees to comply with such policies or requirements as may be issued or modified by Seller. Without limitation, such policies or requirements may require Wholesaler to purchase, lease and install at all Branded Outlets approved electronic point-of sale (“**EPOS**”) equipment, hardware, and software, and to comply with all rules or requirements that may be issued by an approved third-party processor. Seller may further provide, loan, or license to Wholesaler and the Operators certain EPOS software or hardware, and, in such event, Wholesaler acknowledges, and shall cause the Operators to acknowledge, that Wholesaler and the Operators shall have no right, title or ownership interest in any such EPOS software or hardware, that such software and hardware is proprietary, and that Wholesaler and the Operators shall not reverse engineer, decompile, disassemble or otherwise attempt to derive the source code for such EPOS software or hardware, or in any way alter its intended functionality. Wholesaler agrees to pay any and all additional or new costs or fees associated with the operation of the EPOS equipment or software, including but not limited to, costs associated with satellite connections, telecommunications charges, and installation and upgrading of EPOS equipment or software.

9. ASSIGNMENT.

9.1. General

Seller may assign, sell, or transfer its rights or it may delegate its obligations under this Agreement at any time without obtaining the authorization or consent from Wholesaler. In the event of Seller’s assignment or delegation of its rights and obligations under this Agreement, Wholesaler agrees that Seller shall have no further liability to Wholesaler 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. This Agreement is personal to Wholesaler and shall not be transferred or assigned by Wholesaler without the prior written consent of Seller, which consent, subject to any contrary requirements of any applicable statute, Seller may withhold in its sole discretion. Any assignment made

without Seller's prior written consent, or otherwise in violation of this Agreement, shall be null and void. To ensure that Seller has adequate time to evaluate any assignment request, Wholesaler shall allow Seller at least sixty (60) calendar days to evaluate any assignment or transfer request and shall not request any transfer or assignment consent less than forty-five (45) calendar days before the expiration or termination of this Agreement.

9.2. Particular Acts

Without limitation, each of the following acts shall be considered an assignment:

(A) If Wholesaler is an individual, the transfer of this Agreement, whether by sale or operation of law, upon the death of Wholesaler; and

- (B) If Wholesaler is a partnership or limited liability company (LLC), any change (voluntary, involuntary or by operation of law) in the ownership and/or control of the partnership or the LLC, or the dissolution of the partnership or LLC; and
- (C) If Wholesaler is a corporation, any dissolution, merger, consolidation, or other reorganization, or the sale or transfer by Wholesaler or any shareholder of 10% or more of the voting shares of the capital stock of Wholesaler or of a lesser interest which cumulatively vests 10% or more of the voting shares in the transferee.

9.3. Successors in Interest

Notwithstanding any other provision of this Agreement, upon the death or incapacitation of Wholesaler for more than ninety (90) consecutive calendar days (if Wholesaler is a natural person), a general partner or member of Wholesaler (if Wholesaler is a partnership or limited liability company) or a majority shareholder of Wholesaler (if Wholesaler 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, in writing in a form prescribed by and filed with Seller, and who notifies Seller within twenty-one (21) calendar 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 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 or adult child (natural or adopted) or parent of the deceased or incapacitated; (b) a general partner or member of the deceased or incapacitated; or (c) a fellow shareholder of the deceased or incapacitated. Only the most recently properly designated successor in interest shall be recognized as such.

10. TAXES AND CHARGES.

Wholesaler shall promptly pay when due all taxes, or other governmental assessments, levied or assessed by reason of Wholesaler's operations and its performance under this Agreement. Wholesaler further agrees to pay any State unemployment tax. Wholesaler 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. Wholesaler 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 Wholesaler, Wholesaler shall be responsible for reporting and paying all personal property taxes associated with such equipment or personal property. Upon Seller's request, Wholesaler shall provide Seller proof of proper reporting and payment of all taxes for which the Wholesaler is responsible under this Agreement. Wholesaler 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 Wholesaler's Marketing Premises, or any of the inventory, supplies, or equipment located thereon.

11. COMPLIANCE - INDEMNITY - CLAIMS.

11.1. Compliance with Laws and Regulations

In receiving, storing, handling, selling and delivering Products, Wholesaler shall comply, and shall cause any Operator to comply, with any and all applicable federal, state and local laws, regulations, rules, decrees and/or permits including those pertaining to human health, safety or the environment, and shall further comply, and shall cause any Operator to comply, with any and all permits or licenses pertaining to the Wholesaler's Marketing Premises or to any Branded Outlet (collectively, the "**Laws**"). Any references in this Paragraph and in this Agreement to laws or regulations shall include all such laws and regulations pertaining to the Products, or the air, or surface, or subsurface water, surface or subsurface soil, and the handling, storage and disposal of hazardous substances, materials or wastes, or solid wastes (whether or not defined as hazardous by such laws or regulations), and vapor recovery and vapor recovery equipment. Wholesaler shall comply, and shall cause any Operator to comply, with all operating, reporting and record

keeping laws and regulations, as well as all operating, reporting and record keeping procedures designed to ensure that no unauthorized release of any Product occurs, and that in the event any Product is released, all applicable reporting, record keeping and cleanup requirements are fully complied with.

(A) Labor & Human Trafficking. Wholesaler shall comply, and shall cause any Operator to comply, with any and all federal, state and local labor laws, including laws against slave labor and human trafficking. Upon request, Seller may conduct audits at reasonable times to ensure such compliance, and Wholesaler shall provide Seller with written verification of such compliance.

(B) Foreign Corrupt Practices Act Compliance. Wholesaler will comply with all laws prohibiting bribery and corruption in performing this Agreement and any other agreement or understanding between the parties. Wholesaler, its officers, directors, stockholders, employees and agents, have not and will not pay, offer, or promise to pay, or authorize the payment, directly or indirectly, of money or anything of value to (1) any government, official, agent, employee of any government department or agency, or state-owned enterprise, whether or not acting in an official capacity; (2) any political party or official thereof or any candidate for political office; or (3) any person knowing that all or any portion of such money or thing of value will be given or promised, directly or indirectly, to persons described in (1) or (2) for purposes of:

(a) influencing any act or decision of such entities or persons in their official capacity, including a decision to do or omit to do any act; or

(b) inducing such entities or persons to use their influence with any government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality in order to obtain or retain business with, or directing business to, the Wholesaler or to any person or entity.

11.2. New or Changed Laws or Regulations

If during the Term new Laws become effective, or any existing Laws are or their interpretations are materially changed, which change is not addressed by another provisions of the Agreement, and has a material adverse economic impact upon Seller or any third party transporting, receiving or delivering Products on behalf of Seller sold under this Agreement, Seller, acting in good faith, shall have the option to request renegotiation of the relevant provisions of the Agreement with respect to deliveries not yet made. In the event that Seller, acting in good faith, is dissatisfied with the results of such renegotiations, Seller shall have the right to terminate this Agreement, by notice of termination at any time if the change in Laws effectively precludes Seller from selling, purchasing, delivering or receiving Products.

11.3. 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, Wholesaler 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 Wholesaler's purchase of Products under this Agreement or its 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 Wholesaler of any provision of this Agreement or of any duty owed by Wholesaler to Seller or to the public, (ii) Wholesaler's purchase,

storage, use, sale, transportation, loading or unloading, delivery, or disposal of Products, including any claims in any way arising out of Wholesaler's or Wholesaler's agents, servants, employees, Operators, contractors, or carriers entering, leaving or being upon Seller's premises (premises as used herein shall mean any delivery point or any location where Products are made available by Seller to Wholesaler), (iii) any violation of any federal, state or local regulations, by Wholesaler 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 Wholesaler, or Wholesaler's agents, servants, employees, Operators, carriers, or contractors, (v) the use or occupancy of the Wholesaler's Marketing Premises or a Branded Outlet, (vi) Wholesaler's or an Operator's operation of its business or the use, custody or operation of Seller-owned equipment or any other equipment, or its failure to perform its obligations hereunder, (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) Wholesaler's breach of or failure to perform any contractual or other duty owed to an Operator or to any third

person, or (ix) any intentional or unintentional violation by Wholesaler of any legal duty, obligation, or requirement applicable to Wholesaler's business, Wholesaler's Marketing Premises, Wholesaler's storage, transportation, or sale of Products, or the disclosure or warning of risks associated with Products at Wholesaler's Marketing Premises or any Branded Outlet, (ix) for any or otherwise 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 Transaction Cards and credit card security by Wholesaler or any Operator. To the extent that Wholesaler may be immune from any liability under or by virtue of any applicable industrial insurance or workers' compensation statute, Wholesaler 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.

11.4. Notice of Claim and Limitations on Wholesaler's Claims Against Seller

Wholesaler 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 Wholesaler under this Agreement within thirty (30) calendar days after taking possession of the Products. Wholesaler hereby waives any claim against Seller based on any such nonconformity, including any product defect, of which Wholesaler does not so notify Seller. Should Wholesaler claim that any Product sold was in any way defective, Wholesaler shall promptly furnish samples of the Product claimed to be defective but Seller shall have the right to take its own samples, and Wholesaler 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.

12. INSURANCE.

12.1. Coverage

Without in any way limiting any of Wholesaler's obligations, under applicable Law and additional requirements set forth in the Specific Provisions, if any, Wholesaler shall maintain at all times, at Wholesaler's expense and in compliance with any applicable requirements of law, insurance satisfactory to Seller of the following minimum types and limits:

(A) Workers Compensation Insurance with statutory limits, and Employers' Liability insurance with a limit of \$1,000,000 each occurrence. Such insurance shall include a waiver of the insurer's rights of subrogation against Seller.

(B) Comprehensive General Liability Insurance (including, without limitation, coverage for premises/operations, products/completed operations, and contractual obligations assumed in this Agreement) with a combined limit for bodily/personal injury and property damage of at least \$3,000,000 each occurrence. This policy shall include Broad Form Contractual Liability insurance coverage which shall specifically apply to the obligations assumed in this Agreement by Wholesaler.

(i) Liquor Liability Insurance if alcoholic beverages are sold at Branded Outlets utilizing endorsement CG 00 33, CG 24 08 or an equivalent

(ii) Garagekeepers Legal Liability if Branded Outlets have service bay(s) or car washes with limits of not less than \$60,000 per occurrence

(C) Business Automobile Liability Insurance (including, without limitation, coverage for the operation of vehicles owned, non-owned or hired, and contractual obligations of this Agreement) with a combined limit for bodily/personal injury and property damage of \$3,000,000 each occurrence.

(D) With respect to the insurance specified in Subparagraphs (B) and (C) of this Paragraph, Wholesaler may comply with these requirements by combining coverage between a primary insurer and an excess insurer or insurers. Each policy of insurance described in Subparagraphs (B) and (C) shall name Seller as additional insured and each policy of insurance described in this Paragraph 12 shall include a waiver of any rights of subrogation against Seller.

(E) From time-to-time, Seller may require Wholesaler to obtain additional or different types of insurance.

12.2. Certificate of Insurance

Prior to the Effective Date and thereafter prior to the expiration of any required insurance, Wholesaler shall provide Seller with a certificate of insurance certifying the existence of the above coverage and stating specifically that such coverage shall not be canceled or materially changed without at least thirty (30) days prior written notice to Seller. Wholesaler shall further provide Seller with at least thirty (30) days prior written notice if any such insurance shall expire for any reason without being replaced with equivalent coverage. If Wholesaler fails to provide the required insurance coverage, then Seller, in addition to such other remedies as it may have, shall have the right to purchase such insurance coverage at Wholesaler's expense. Wholesaler shall upon demand promptly reimburse Seller for the cost of any insurance purchased by Seller for Wholesaler's account.

12.3. **Branded Outlets.** Wholesaler shall further ensure that each Branded Outlet maintains and obtains the same types of insurance and with the same limits as provided for in this Agreement. Wholesaler shall further ensure that Seller is named as an additional insured on all such policies of insurance.

13. **EXCUSES FOR NONPERFORMANCE.**

Seller and/or Wholesaler, as applicable, shall be excused from their respective obligations under this Agreement to the extent that performance of any obligation is delayed or prevented by any 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 or other labor trouble, plant slow down or shutdown, riots or other civil disturbances, unavailability of or interference with Seller's usual sources of the Products or crude oils or other constituent materials, or the usual means of transporting any of the same. 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 its usual sources or to divert supplies in order to perform this Agreement and may apportion its available supplies among its contract and non-contract customers and its own internal uses in any manner as it finds fair and reasonable. Quantities of Product consequentially undelivered by Seller for the reasons set forth above shall be deducted from the applicable Product Minimum Quantities.

14. **BRANDED OUTLETS.**

Operation of Branded Outlets

Wholesaler 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 in the Manual to protect Seller's goodwill and the value of the Marks. In the absence of any other written specification or standard which may be issued by Seller, Wholesaler shall at all times operate, or cause the Operators to operate, each Branded Outlet in accordance with the following standards of operation and appearance but the means and manner of performance shall be within the sole discretion of Wholesaler:

(A) *Merchandising*

Wholesaler and the Operator shall diligently and efficiently merchandise and promote the Products which may be offered for resale under the Marks so as to maintain the good reputation and public acceptance thereof. Neither Wholesaler nor the Operator shall 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 mechanical and service work performed by Wholesaler or the Operator and their employees shall be done in a workmanlike manner, utilizing only first-class new materials and parts except when the customer specifically authorizes rebuilt or used materials or parts.

(C) *Staffing*

Wholesaler and the Operator shall maintain an adequate and competent staff of employees, considering both the volume and nature of the business activity, to meet the standards specified in this Paragraph.

(D) *Customer Complaints*

Wholesaler and the Operator shall conduct the operations of the Branded Outlet in a professional and business-like manner in order to avoid customer complaints. Wholesaler and the Operator shall, within

ten (10) days, courteously respond to any customer complaints received and take immediate action to correct or satisfactorily resolve each legitimate customer complaint.

(E) *Maintenance - Housekeeping*

Wholesaler and the Operator shall at all times maintain the Branded Outlet (including adjacent sidewalks and driveways, easements and all landscaped areas) and the Wholesaler's and the Operator's personal property and equipment at the Branded Outlet in good condition and repair, and shall keep the same (including the restrooms) neat, clean and orderly.

(F) *Vehicles - Other Mobile Equipment*

The Branded Outlet shall be kept clear of vehicles, other mobile equipment and obstructions, which may restrict traffic flow, endanger customer safety or detract from appearance.

(G) *Uniforms*

Wholesaler and the Operator and their employees shall neatly wear clean uniforms of a consistent type and style at each of Branded Outlets.

(H) *Lighting*

Wholesaler and the Operator shall use sufficient lighting and illuminated signs to provide full visibility of the Branded Outlet, including enclosed areas, at all times while open for operation.

(I) *Signs*

Except as may otherwise be required by law, or in compliance with Seller's trademark or trade dress requirements, neither Wholesaler nor the Operator shall display or use at the Branded Outlet any signs, posters, flags, pennants or other advertising devices without Seller's prior written consent.

(J) *Image*

The Branded Outlet shall be maintained in compliance with the trademark and trade dress requirements provided by Seller, which Seller may specify, and which Seller may change from time to time. Within one hundred eighty (180) days after execution of this Agreement, Wholesaler agrees that all Branded Outlets shall have 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. Such cost shall be for the sole account of the Wholesaler.

15. TERMINATION AND NON-RENEWAL

15.1 Termination Grounds. In addition to any other grounds Seller may have under the PMPA, Seller may terminate or refuse to renew this Agreement upon the occurrence of any of the following:

(A) failure by Wholesaler to exert good faith efforts to carry out the provisions of this Agreement (including compliance with any mandatory programs or procedures outlined in the Manual) following written notice to Wholesaler from Seller of such failure and fifteen (15) calendar days to cure such failure, unless any specific provision of this Agreement provides for a longer period in which to cure; or

(B) unlawful, fraudulent, or deceptive acts or practices or criminal misconduct relevant to the operation of Wholesaler's Marketing Premises or of the Branded Outlets; or

(C) declaration of bankruptcy or judicial determination of insolvency of Wholesaler; or

(D) subject to Paragraph 9.3 of this Agreement, the death or the prolonged severe physical or mental disability or disablement of Wholesaler (if Wholesaler is an individual), Wholesaler's majority shareholder (if Wholesaler is a corporation) or any of Wholesaler's general partners or members (if Wholesaler is a

partnership or a limited liability company) for at least three (3) months which renders Wholesaler unable to provide for the continued proper operation of Wholesaler's business; or

(E) loss of the right to use, or the right to grant the use of, the Marks; or

(F) failure by Wholesaler to pay to Seller in a timely manner when due all sums to which Seller is legally entitled; or

(G) willful adulteration or mislabeling of motor fuels, or other trademark violations by Wholesaler; or

(H) abandonment of the franchise or its failure to operate the business for seven (7) consecutive days, or a lesser period which constitutes an unreasonable period of time; or

(I) failure of Wholesaler to comply with federal, state or local laws or regulations relevant to the operation of Wholesaler's Marketing Premises or Branded Outlets or both; or

(J) conviction of Wholesaler (if an individual), or of Wholesaler's managing partner or member, or principal executive officer (if Wholesaler is a partnership, corporation, or limited liability company, as the case may be) of any felony involving moral turpitude; or

(K) the breach by Wholesaler of any material provision of this Agreement (or of any mandatory program described in the Manual); or

- (L) the occurrence of any event relevant to the Franchise Relationship between the parties which makes termination or nonrenewal reasonable; or
- (M) a determination made by Seller in good faith and in the normal course of business to withdraw from marketing of motor fuel through retail outlets; or
- (N) any other ground for which termination or nonrenewal is provided for in this Agreement or in any related agreements between Seller and Wholesaler, or as otherwise allowed by the PMPA or other applicable law.

15.2. Termination Prior to Effective Date

If, after execution but prior to the Effective Date, Seller has grounds to terminate any then existing Wholesale Marketer Agreement between Seller and Wholesaler, or to terminate this Agreement as if it were then in effect, Seller may terminate this Agreement, as well as any such then existing Wholesale Marketer Agreement, based on those grounds.

15.3. Acts Attributable to Wholesaler

In determining whether grounds for termination exist, the acts or omissions of Wholesaler's employees, agents and contractors shall be deemed to be the acts or omissions of Wholesaler, and (a) if Wholesaler consists of more than one person, the acts or omissions of each person shall be deemed to be the acts or omissions of Wholesaler, or (b) if Wholesaler is a partnership, corporation or limited liability company, the acts or omissions of each partner, member, or shareholder or any officer or director, as the case may be, shall be deemed to be the acts or omissions of Wholesaler.

15.4. Effect of Termination

After receiving notice of termination and until the effective date of the termination, Wholesaler shall continue to operate its business, and Wholesaler shall cause the Operators to operate their businesses, in accordance with this Agreement. From and after the effective date of termination, Wholesaler and all Operators shall immediately de-identify the Branded Outlets in compliance with such procedures or requirements as Seller may specify from time-to-time. In the absence of any other more particular procedures or requirements which Seller may adopt, Wholesaler and all Branded Outlets shall immediately (i) discontinue all use of the Marks and all trade dress associated with Seller, including the use of any distinctive color scheme or striping on any building or gasoline island canopy; (ii) remove from all trade directories, telephone book listings, or other publications all references to the Marks; (iii) remove or cover all advertising displays or signs utilizing the Marks or the Seller name; (iv) destroy all stationery, business forms, or business cards containing the Marks or utilizing the Seller name; and (v) return to Seller all Confidential Information.

15.5. De-Identification of an Individual Branded Outlet.

(A) If any action is taken at an individual Branded Outlet that is prohibited by this Agreement, any action is not taken at a Branded Outlet that is required or contemplated by this Agreement, or the operations at a Branded Outlet are otherwise not conducted in accordance with this Agreement, Seller may revoke the permission granted to Wholesaler to use the Marks at such Branded Outlet by giving written notice to Wholesaler. Without limiting the generality of the foregoing, if a Branded Outlet is abandoned, not operated, is no longer supplied by Wholesaler, or if a sufficient amount of all applicable grades of Products are not continuously offered for sale at a Branded Outlet for 7 consecutive days, or such lesser period which under the facts and circumstances constitutes an unreasonable period of time, Wholesaler must notify Seller, immediately de-identify the Branded Outlet, and then notify Seller of the de-identification.

(B) Promptly after receiving notice from Seller as specified in (A) above, Wholesaler shall take, or shall cause the Operator to take, all steps necessary and appropriate to cease the marketing and selling of Products, and otherwise using the Marks at the Branded Outlet. Without limiting the generality of the foregoing, at Wholesaler's expense, Wholesaler shall, or shall cause the Operator to: (i) remove, and if requested by Seller, return all signs or materials bearing any of the Marks unless Wholesaler has received prior approval from Seller to relocate the same to another Branded Outlet; (ii) remove and destroy, or permanently paint over, all advertising displays, color schemes and other materials and items bearing any of the Marks (whether used on buildings, equipment, tanks, trucks, automobiles or stationery); (iii) return any equipment loaned or leased to Wholesaler for use at the Branded Outlet to a place designated by Seller; and (iv) if requested by Seller,

return any signage bearing the Marks, including but not limited to the primary identification sign along with the poles and any modules to a place designated by Seller.

(C) If a Branded Outlet is temporarily closed with Seller's prior consent, Wholesaler shall cover or remove the Marks at the Branded Outlet including, but not limited to, the canopy, street, and high rise signs, and shall keep, or cause the Operator to keep the Branded Outlet cleaned and maintained.

15.6. Other Remedies; Set-Off

Any termination under this Paragraph shall be without limitation of any other rights or remedies available to Seller under this Agreement or otherwise. All sums due by Wholesaler to Seller under this Agreement shall be payable by Wholesaler to Seller as provided herein, and shall bear interest at the rate of 18% per annum (or lesser maximum rate permitted by law) from the date due until paid. If Wholesaler defaults in payment of any indebtedness to Seller, in addition to the rights provided above, Seller shall have the right immediately to suspend deliveries hereunder and to apply any sums which Seller may hold for Wholesaler's account under this Agreement to the payment of the indebtedness, without relieving Wholesaler of any obligations otherwise existing to replace the sums so applied.

16. **WHOLESALER'S INDEPENDENCE.**

Wholesaler 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, state franchise, or employment relationship with Seller, and Seller shall not be obligated in any manner by any agreements, warranties, or representations made by Wholesaler 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 Wholesaler's business or operations related to this Agreement.

17. **INSPECTION BY SELLER.**

To the extent reasonably necessary to observe and verify compliance by Wholesaler and any Operator with the provisions of this Agreement, Seller shall have the right, at all reasonable times, to enter Wholesaler's Marketing Premises, the Branded Outlets and any other applicable place and to inspect the same, as well as such part of the books and records of Wholesaler and Branded Outlets as may be material to a proper inquiry hereunder. Seller may determine the compliance of Wholesaler's and the Operators by any means Seller selects, including without limitation, the sampling and laboratory testing of Products. Wholesaler shall be responsible for obtaining authority for Seller (a) to enter and inspect the facilities at any of Branded Outlets which are not operated by Wholesaler, and (b) to inspect the books and records of any of the Branded Outlets wherever the books and records are located. Wholesaler further agrees and acknowledges that Seller may implement a Quality Assurance program providing for regular or periodic announced or unannounced inspections, including inspections by "mystery shoppers" or "secret shoppers," of Wholesaler's Marketing Premises and all Branded Outlets. Wholesaler agrees that it shall diligently act to remedy any deficiency that may be discovered during such inspections, and that Seller may refuse to allow

Wholesaler to participate in any marketing or other programs offered by Seller and that may otherwise be available to Wholesaler, including any Wholesaler loan or assistance programs, temporary price reductions, advertising assistance or programs, until such time as all deficiencies have been remedied. Wholesaler further acknowledges that any failure of any such quality assurance inspection, or Wholesaler's failure to remedy any failure, may be grounds for termination of this Agreement.

18. **RELATION TO EXISTING LAW.**

To the extent that any provision of this Agreement conflicts with any valid and enforceable law existing on the effective date thereof, such provision shall be deemed amended to conform with such law.

19. **NOTICES AND COMMUNICATIONS.**

19.1. General

Except as otherwise specified herein, every notice hereunder shall be in writing and, subject to any requirements of law, may be given to Wholesaler by personal service or to either Wholesaler or Seller by certified letter, facsimile or electronic mail (with confirmation of receipt), or overnight or local courier.

Notice shall be deemed given when the letter is deposited in the U.S. mail, when confirmation of receipt of the facsimile or electronic mail is received, or upon delivery by the courier. Any notice to Seller or Wholesaler hereunder shall be directed to such party's address as set forth in the Specific Provisions. Either party may change its address for notice hereunder by notice given to the other party's address as set forth in the Specific Provisions.

19.2. Communication with Seller via the Internet

Wholesaler must be equipped with email capability and access to the Internet so that Seller may communicate and exchange information with Wholesaler via the Internet or through Seller's Intranet, extranet and/or web pages.

20. **APPLICABLE LAW.**

Except as otherwise provided by applicable law, this Agreement shall be governed and construed in accordance with the substantive laws of the State of Texas without reference to Texas' choice of law rules. In the event of a dispute under this Agreement, exclusive jurisdiction and venue shall lie in a court of competent jurisdiction in San Antonio, Texas.

21. **MISCELLANEOUS.**

21.1. Seller Mandatory Programs and Other Charges

During the Term, Seller may offer or introduce in the Manual various marketing or other programs or services. Wholesaler further understands that Seller may designate that Wholesaler's participation, and the participation of the Operators, in these programs is mandatory. In such event, Wholesaler shall fully comply, and shall cause of the Operators to fully comply, with all requirements and terms of such programs. Wholesaler also understands and acknowledges that Wholesaler's participation in such mandatory programs may require Wholesaler to purchase equipment, goods, or services from Seller or from third parties.

21.2. Authority

Wholesaler hereby represents that as of the date hereof, Wholesaler 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 Wholesaler to perform its obligations hereunder. Wholesaler represents that as of the date of this Agreement, Wholesaler is in compliance with all leases, contracts, and agreements affecting the Wholesaler's Marketing Premises and Wholesaler's use and possession of the Wholesaler's Marketing Premises.

21.3. Waiver

No purported waiver by either party hereto of any provision of this Agreement or of any breach thereof shall be deemed to be a waiver of such provision or breach unless such waiver is in writing signed by the party making such waiver. No such waiver shall be deemed to be a subsequent waiver of such provision or a waiver of any subsequent breach of the same or any other provision hereof.

21.4. Prior Course of Dealing

Seller and Wholesaler acknowledge and agree that this Agreement shall not be reformed, altered, or modified in any way by any practice or course of dealing during or prior to the Term of the Agreement or by any representations, stipulations, warranties, agreement or understandings, express or implied, except as fully and expressly set forth herein or except as may subsequently be set forth in a signed written amendment or agreement by the authorized representatives of the Parties.

21.5. Further Assurances

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

21.6. Attorneys' Fees

In the event either party to this Agreement retains counsel and/or institutes a lawsuit for violation of or to enforce any provision of this Agreement, the prevailing party shall be entitled to all of its costs, expenses, and reasonable attorneys' fees incurred in connection therewith.

21.7. Absence of Representations

WHOLESALER ACKNOWLEDGES THAT WHOLESALER 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 WHOLESALER 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 WHOLESALER TO ACCEPT THIS FRANCHISE OR TO EXECUTE THIS AGREEMENT.

21.8. Experience of Wholesaler

Wholesaler represents and warrants to Seller that Wholesaler (if Wholesaler is a natural person), or one or more owners of Wholesaler (if Wholesaler is a partnership, limited liability company or corporation) owning at least a fifty percent interest in Wholesaler, have within seven (7) years of the date of this Agreement have had at least twenty-four (24) months' experience being responsible for the financial and operational aspects of a business offering the sale of motor fuels.

22. **ENTIRETY - EXECUTION.**

22.1. **Entire Agreement**

This Agreement, which includes these General Provisions, and the Specific Provisions along with all Exhibits attached thereto, comprises the entire agreement and merges and supersedes all prior agreements, understandings, representations and warranties (whether oral or written, expressed or implied) between Seller and Wholesaler concerning the subject matter of this Agreement. By executing this Agreement, the parties hereto specifically acknowledge and agree that any prior Wholesale Marketer Agreement for the Exxon and/or Mobil Brand between Seller and Wholesaler and the franchise or other relationships arising thereunder are terminated as of the Effective Date. Notwithstanding the foregoing, any other written agreements in effect between the parties (*i.e.*, any agreement other than a prior Wholesale Marketer Agreement) shall remain in effect in accordance their terms. In the event of a conflict between the Specific Provisions and these General Provisions, the Specific Provisions shall control.

End of General Terms and Conditions

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 THE MARATHON PETROLEUM COMPANY LP
EXXON/MOBIL WHOLESALE MARKETER AGREEMENT
FOR USE IN MINNESOTA**

THIS 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”, “we,” “us,” or “our”), and _____, whose principal business address is _____ (“Wholesaler”, “you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Wholesale Marketer 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 you 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. **RENEWAL AND TERMINATION.** The following is added to the end of Sections 7.(C) and 15 of the Specific Provisions of the Agreement and Section 15.1 of the General Provisions of the Agreement:

However, with respect to franchises subject to the 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 Wholesaler be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

3. **INJUNCTIVE RELIEF.** The following is added to the end of Sections 9.(N) and 15 of the Specific Provisions of the Agreement:

Nothing in this Agreement bars Seller’s right to obtain specific performance of the provisions of this Agreement and seek injunctive relief against conduct that threatens to injure or harm Seller or the Proprietary Marks, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Wholesaler agrees that Seller may seek such injunctive relief. Wholesaler agrees that its only remedy if an injunction is entered against it will be the dissolution of that injunction, if warranted, upon due hearing, and Wholesaler hereby expressly waives any claim for damages caused by such injunction. A court will determine if a bond is required.

4. **RELEASES.** The following is added to the end of Section 9.1 of the General Provisions of the Agreement and as a new Section 21.9 of the General Provisions of the Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Act.

5. **LIMITATIONS ON WHOLESALER’S CLAIMS AGAINST SELLER.** The following is added to the end of Section 11.4 of the General Terms and Conditions of the Agreement:

However, Minnesota law provides that no action may be commenced under Minn. Stat. § 80C.17 more than 3 years after the cause of action accrues.

6. **APPLICABLE LAW.** Section 20 of the General Provisions of the Agreement is deleted and replaced in its entirety with the following:

This Agreement, the franchise, and all claims arising from the relationship between Wholesaler and Seller will be governed by the laws of the State of Texas without regard to its conflict of laws rules, except that (1) any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchise owner will not apply unless its jurisdictional requirements are met independently without reference to this paragraph, and (2) nothing in this agreement will abrogate or reduce any of Wholesaler’s rights under Minnesota Statutes Chapter 80C and 80F or Wholesaler’s right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Wholesaler and its owners agree that all actions arising out of or relating to this Agreement or otherwise as a result of the relationship between Wholesaler and Seller must be commenced exclusively in the state or federal court in San Antonio, Texas, and Seller and Wholesaler (and each owner) irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 prohibits Seller, except in certain specified cases, from requiring litigation to be conducted outside Minnesota. Nothing in this agreement shall abrogate or reduce any of Wholesaler’s rights under Minnesota Statutes Chapter 80C or Wholesaler’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

WHOLESALER

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

MPC LP (Exxon/Mobil)
~~2025~~[2026](#) MN Public Offering

EXHIBIT C

LIST OF BRANDED WHOLESALERS

List of Branded Wholesalers
As of December 31, ~~2024~~2025

| Branded Wholesaler Name | Business Address | Phone | Fuel Brand |
|---|---|-------------------------|------------------|
| Community Co-Operative Oil Association | 9 Central Avenue, Faribault, Minnesota 55021 | 507-334-2056 | Mobil |
| GPM Petroleum LLC ¹ | 8565 Magellan Pkwy, Suite 400, Richmond, Virginia | 804-730-1568 | Mobil |
| Molo Oil Company ¹ | 123 Southern Avenue, Dubuque, Iowa 52001 | 563-557-7540 | Exxon, Mobil |
| Parkland USA Corporation dba Farstad Oil ¹ | 100 NE 27th St, Minot, North Dakota 58703 | 701-852-1194 | |
| WKL SB, Inc. | 5114 Highway 61, Silver Bay, Minnesota 55614 | 952-941-9090 | Mobil |
| World Fuel Services, Inc. dba Lakeside Oil ¹ | 9800 NW 41 Street, Miami, Florida 33178 | 305-428-8000 | |

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

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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.

~~75~~73



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, 2025 and 2024 ~~and 2023~~, and the related consolidated statements of income, of comprehensive income, of equity and redeemable noncontrolling interest and of cash flows for each of the three years in the period ended December 31, ~~2024~~2025, 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, 2025 and 2024 ~~and 2023~~, and the results of its operations and its cash flows for each of the three years in the period ended December 31, ~~2024~~2025 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.

Acquisition of Northwind Midstream - Valuation of Intangibles

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



Goodwill Impairment Test—Crude-Gathering Reporting Unit

As described in Note 16⁵ to the consolidated financial statements ~~and as disclosed by management, the Company's consolidated goodwill balance was \$8.2 billion as of December 31, 2024, which includes, within the Midstream segment, the goodwill associated with MPLX's Crude-Gathering reporting unit of \$1.1 billion. Management annually evaluates goodwill for impairment as of November 30, as well as whenever events or changes in circumstances indicate it is more likely than not that the fair value of a reporting unit with goodwill is less than its carrying amount. The fair value of the MPLX Crude-Gathering reporting unit was determined based on applying both a discounted cash flow method (i.e. income approach) as well as a market approach. Significant assumptions that were used to estimate the reporting unit's fair value under the discounted cash flow method included management's best estimates of the discount rate, as well as estimates of future cash flows, which are impacted primarily by producer development plans, which impact the reporting unit's future volumes and capital requirements.~~, on August 29, 2025, the Company completed the acquisition of 100 percent of Northwind Midstream for \$2.4 billion in cash. Of the total assets acquired, \$951 million relates to intangibles. The fair value of the identifiable intangible assets was primarily based on the multi-period excess earnings method, which is an income approach. As disclosed by management, a significant amount of judgment is involved in estimating the fair value of intangible assets. The income approach requires management to project future volumes and associated cash flows, and apply a discount rate.

The principal considerations for our determination that performing procedures relating to the ~~goodwill impairment test of the Crude-Gathering reporting unit of the~~ valuation of intangibles acquired in the acquisition of Northwind Midstream segment is a critical audit matter are (i) the significant judgment by management when ~~determining~~ developing the fair value estimate of the ~~reporting unit~~ intangibles acquired; ~~and~~ (ii) ~~the~~ a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating ~~audit evidence relating to~~ management's significant ~~assumption~~ assumptions related to future volumes and the discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

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~~ acquisition accounting, including controls over ~~the determination of the fair value of the Crude-Gathering reporting unit~~ management's valuation of the intangibles acquired. These procedures also included, among others (i) reading the purchase agreement; (ii) testing management's process for ~~determining~~ developing the fair value estimate of the ~~reporting unit~~ intangibles acquired; (iii) ~~evaluating the appropriateness of the income and market approaches~~ multi-period excess earnings method used by management; (iv) testing the completeness and accuracy of the underlying data used by management in the approaches in the multi-period excess earnings method; and (v) evaluating the reasonableness of the significant assumptions used by management related to future volumes and the discount rate. Evaluating

management's assumption related to future volumes. ~~Evaluating the assumption related to future volumes involved (i) considering whether the assumption used was reasonable considering past performance of the reporting unit, producers' historical and future production volumes;~~ involved considering (i) the consistency with external market and industry outlook reports; data and (ii) ~~considering~~ whether the assumption was consistent with ~~evidence obtained in other areas of the audit.~~ executed customer contracts. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the multi-period excess earnings method and (ii) the reasonableness of the discount rate assumption.

(Mod)
~~The water model per 6/14~~

Toledo, Ohio

February ~~27~~26, ~~2025~~2026

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

Marathon Petroleum Corporation
Consolidated Statements of Income

| (In millions, except per share data) | 2024 | 2025 | 2023 | 2024 | 2022 | 2023 |
|---|------|---------|---------|------|---------|---------|
| Revenues and other income: | | | | | | |
| Sales and other operating revenues | \$ | 138,864 | 132,699 | \$ | 148,379 | 138,864 |
| Income from equity method investments | | 1,048 | 1,622 | | 742 | 1,048 |
| Net gain on disposal of assets | | 28 | 173 | | 24 | 728 |
| Other income | | 472 | 728 | | 969 | 472 |
| Total revenues and other income | | 140,412 | 135,222 | | 150,307 | 140,412 |
| Costs and expenses: | | | | | | |
| Cost of revenues (excludes items below) | | 126,240 | 119,446 | | 128,566 | 126,240 |
| Depreciation and amortization | | 3,337 | 3,251 | | 3,307 | 3,337 |
| Selling, general and administrative expenses | | 3,221 | 3,349 | | 3,030 | 3,221 |
| Other taxes | | 818 | 885 | | 884 | 818 |
| Total costs and expenses | | 133,616 | 126,931 | | 135,793 | 133,616 |
| Income from continuing operations | | 6,796 | 8,291 | | 14,514 | 6,796 |
| Net interest and other financial costs | | 839 | 1,276 | | 525 | 839 |
| Income from continuing operations before income taxes | | 5,957 | 7,015 | | 13,989 | 5,957 |
| Provision for income taxes on continuing operations | | 890 | 1,137 | | 2,817 | 890 |
| Income from continuing operations, net of tax | | 5,067 | 5,878 | | 11,172 | 5,067 |
| Income from discontinued operations, net of tax | | — | — | | — | 72 |
| Net income | | 5,067 | 5,878 | | 11,172 | 5,878 |
| Less net income attributable to: | | | | | | |
| Redeemable noncontrolling interest | | 27 | — | | 94 | 27 |
| Noncontrolling interests | | 1,595 | 1,831 | | 1,397 | 1,595 |
| Net income attributable to MPC | \$ | 3,445 | 4,047 | \$ | 9,681 | 3,445 |
| Per share data (See Note 8) | | | | | | |
| Basic: | | | | | | |
| Continuing operations | \$ | — | — | \$ | — | 28.1 |
| Discontinued operations | | — | — | | — | 0.14 |
| Net income attributable to MPC per share | \$ | 10.11 | 13.24 | \$ | 23.73 | 10.11 |
| Weighted average shares outstanding | | 340 | 305 | | 407 | 340 |
| Diluted: | | | | | | |
| Continuing operations | \$ | 10.08 | 13.22 | \$ | 23.63 | 10.08 |
| Discontinued operations | | — | — | | — | 0.14 |
| Net income per share | \$ | 10.08 | 13.22 | \$ | 23.63 | 10.08 |
| Weighted average shares outstanding | | 341 | 306 | | 409 | 341 |

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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> | 2025 | 2024 | 2023 | 2022 |
|---|-----------------|----------|---------|--------------------|
| Net income | \$ <u>5,878</u> | \$ 5,067 | \$ 11,1 | \$ 16,0 |
| Defined benefit plans: | | | | |
| Actuarial changes, net of tax of \$ 20 <u>10</u> , \$ <u>20</u> and \$ (24) -and- \$36 <u>1</u> , respectively | <u>32</u> | 60 | (85) | 122 |
| Prior service, net of tax of \$ (448) , \$ (4814) and \$ (15) <u>18</u> , respectively | <u>(23)</u> | (41) | (49) | (52) |
| Other, net of tax of \$ 1 <u>1</u> , \$ -1 and \$—, respectively | | (2) | 1 | (1) |
| Other comprehensive income (loss) | <u>9</u> | 17 | (133) | 69 |
| Comprehensive income | <u>5,887</u> | 5,084 | 11,039 | 16,119 |
| Less comprehensive income attributable to: | | | | |
| Redeemable noncontrolling interest | <u>—</u> | 27 | 94 | 88 |
| Noncontrolling interests | <u>1,831</u> | 1,595 | 1,397 | 1,446 |
| Comprehensive income attributable to MPC | \$ <u>4,056</u> | \$ 3,462 | \$ 9,5 | \$ 14,5 |

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

Marathon Petroleum Corporation
Consolidated Balance Sheets

| (Millions of dollars, except share data) | December 31, | |
|--|---------------|---------------|
| | 2024 | 2023 |
| Assets | | |
| Cash and cash equivalents | \$ 3,240,367 | \$ 5,443,210 |
| Short-term investments | — | 4,784 |
| Receivables, less allowance for doubtful accounts expected credit loss of \$7320 and \$44,73, respectively | 11,145,103 | 12,187,115 |
| Inventories | 9,568,102 | 9,317,568 |
| Other current assets | 524,662 | 403,524 |
| Total current assets | 24,447,248 | 32,131,244 |
| Equity method investments | 6,857,679 | 6,260,857 |
| Property, plant and equipment, net | 35,028,373 | 35,112,350 |
| Goodwill | 8,244,935 | 8,244 |
| Intangibles, net | 2,714 | 1,774 |
| Right of use assets, net | 1,300,149 | 1,233,130 |
| Other noncurrent assets | 2,982,142 | 3,007,128 |
| Total assets | \$ 78,858,839 | \$ 85,987,785 |
| Liabilities | | |
| Accounts payable | \$ 13,906,129 | \$ 13,761,139 |
| Payroll and benefits payable | 1,096,110 | 1,115,096 |
| Accrued taxes | 1,204,184 | 1,221,204 |
| Debt due within one year | 3,049,237 | 1,954,049 |
| Operating lease liabilities | 417,489 | 454,417 |
| Other current liabilities | 1,155,125 | 1,645,155 |
| Total current liabilities | 20,827,197 | 20,150,827 |
| Long-term debt | 24,432,305 | 25,329,432 |
| Deferred income taxes | 5,774,598 | 5,834,571 |
| Defined benefit postretirement plan obligations | 1,157,173 | 1,102,157 |
| Long-term operating lease liabilities | 860,993 | 764,860 |
| Deferred credits and other liabilities | 1,305,153 | 1,409,130 |
| Total liabilities | 54,352,599 | 54,588,543 |
| Commitments and contingencies (see Note 27) | | |
| Redeemable noncontrolling interest | 203 | 895,203 |
| Equity | | |
| Preferred stock, no shares issued and outstanding (par value \$0.01 per share, 30 million shares authorized) | — | — |
| Common stock: | | |
| Issued – 994 million and 993,994 million shares (par value \$0.01 per share, 2 billion shares authorized) | 10 | 10 |
| Held in treasury, at cost – 699 million and 678 million and 625 million shares | (52,623,560) | (43,502,623) |
| Additional paid-in capital | 33,624,337 | 33,465,337 |
| Retained earnings | 36,848,375 | 34,562,368 |
| Accumulated other comprehensive loss | (114,105) | (131,114) |
| Total MPC stockholders' equity | 17,745,173 | 24,404,174 |
| Noncontrolling interests | 6,558,672 | 6,100,658 |
| Total equity | 24,303,845 | 30,504,832 |
| Total liabilities, redeemable noncontrolling interest and equity | \$ 78,858,839 | \$ 85,987,785 |

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> | <u>2024</u> <u>202</u> <u>5</u> | <u>2023</u> <u>202</u> <u>4</u> | <u>2022</u> <u>2023</u> |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Operating activities: | | | |
| Net income | \$ <u>5,067</u> <u>5,878</u> | \$ <u>11,172</u> <u>5,067</u> | \$ <u>16,050</u> <u>11,172</u> |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Amortization of deferred financing costs and debt discount | <u>(31)</u> <u>39</u> | <u>(78)</u> <u>31</u> | <u>50</u> <u>(78)</u> |
| Depreciation and amortization | <u>3,337</u> <u>3,251</u> | <u>3,307</u> <u>3,337</u> | <u>3,215</u> <u>3,307</u> |
| Pension and other postretirement benefits, net | <u>59</u> <u>16</u> | <u>(191)</u> <u>59</u> | <u>172</u> <u>(191)</u> |
| Deferred income taxes | <u>(124)</u> <u>282</u> | <u>(28)</u> <u>124</u> | <u>290</u> <u>(28)</u> |
| Net gain on disposal of assets | <u>(28)</u> <u>173</u> | <u>(21)</u> <u>72</u> | <u>(1,06)</u> <u>121</u> |
| Income from equity method investments | <u>(1,048)</u> <u>1,622</u> | <u>(742)</u> <u>1,048</u> | <u>(655)</u> <u>742</u> |
| Distributions from equity method investments | <u>1,215</u> <u>1,255</u> | <u>941</u> <u>1,215</u> | <u>772</u> <u>941</u> |
| Income from discontinued operations | | | <u>(72)</u> |
| Changes in the fair value of derivative instruments | <u>74</u> <u>(16)</u> | <u>70</u> <u>71</u> | <u>(147)</u> <u>70</u> |
| Changes in: | | | |
| Current receivables | <u>1,117</u> <u>890</u> | <u>2,109</u> <u>1,117</u> | <u>(2,858)</u> <u>2,109</u> |
| Inventories | <u>(270)</u> <u>596</u> | <u>(489)</u> <u>270</u> | <u>(787)</u> <u>489</u> |
| Current liabilities and other current assets | <u>(438)</u> <u>776</u> | <u>(1,318)</u> <u>438</u> | <u>1,972</u> <u>(1,318)</u> |
| Right of use assets and operating lease liabilities, net | <u>(40)</u> <u>13</u> | <u>(7)</u> <u>10</u> | <u>—</u> <u>(7)</u> |
| All other, net | <u>(252)</u> <u>188</u> | <u>(412)</u> <u>252</u> | <u>(622)</u> <u>188</u> |
| Cash provided by operating activities – continuing operations | <u>8,665</u> | <u>14,117</u> | <u>16,319</u> |
| Cash provided by operating activities – discontinued operations | <u>—</u> | <u>—</u> | <u>42</u> |
| Net cash provided by operating activities | <u>8,665</u> <u>8,253</u> | <u>14,117</u> <u>8,665</u> | <u>16,361</u> <u>14,117</u> |
| Investing activities: | | | |
| Additions to property, plant and equipment | <u>(2,533)</u> <u>3,486</u> | <u>(1,890)</u> <u>2,533</u> | <u>(2,420)</u> <u>1,890</u> |
| Acquisitions, net of cash acquired | <u>(688)</u> <u>3,316</u> | <u>(246)</u> <u>688</u> | <u>(413)</u> <u>246</u> |
| Disposal of assets | <u>351,</u> <u>005</u> | <u>3635</u> | <u>9036</u> |
| Investments – acquisitions and contributions | <u>(509)</u> <u>1,064</u> | <u>(480)</u> <u>509</u> | <u>(405)</u> <u>480</u> |
| <u>Investments</u> – redemptions, repayments, return of capital and sales proceeds | <u>164</u> <u>721</u> | <u>275</u> <u>161</u> | <u>515</u> <u>275</u> |
| Purchases of short-term investments | <u>(2,949)</u> <u>—</u> | <u>(8,622)</u> <u>2,949</u> | <u>(6,023)</u> <u>8,622</u> |
| Sales of short-term investments | <u>3,295</u> <u>—</u> | <u>2,082</u> <u>3,295</u> | <u>1,296</u> <u>2,082</u> |
| Maturities of short-term investments | <u>4,526</u> <u>—</u> | <u>5,048</u> <u>4,526</u> | <u>7,159</u> <u>5,048</u> |
| All other, net | <u>196</u> <u>273</u> | <u>702</u> <u>196</u> | <u>824</u> <u>702</u> |
| Net cash provided by (used in) investing activities | <u>1,534</u> <u>(5,867)</u> | <u>(3,095)</u> <u>1,534</u> | <u>623</u> <u>(3,095)</u> |
| Financing activities: | | | |
| <u>Commercial paper – issued</u> | <u>5,055</u> | | |
| <u>Commercial paper – repayments</u> | <u>(5,055)</u> | | |
| Long-term debt – borrowings | <u>1,631</u> <u>11,166</u> | <u>1,589</u> <u>1,631</u> | <u>3,379</u> <u>1,589</u> |
| Long-term debt – repayments | <u>(1,984)</u><u>6,463</u> | <u>(1,079)</u><u>1,984</u> | <u>(2,280)</u><u>1,079</u> |
| Debt issuance costs | <u>(158)</u> <u>0</u> | <u>(15)</u> | <u>(39)</u> <u>15</u> |
| Issuance of common stock | <u>2524</u> | <u>6225</u> | <u>24362</u> |
| Common stock repurchased | <u>(9,189)</u> <u>3,488</u> | <u>(11,572)</u> <u>9,189</u> | <u>(11,922)</u> <u>11,572</u> |
| Dividends paid | <u>(1,154)</u> <u>1,140</u> | <u>(1,264)</u> <u>1,154</u> | <u>(1,279)</u> <u>1,264</u> |
| Distributions to noncontrolling interests | <u>(1,377)</u> <u>1,513</u> | <u>(1,281)</u> <u>1,377</u> | <u>(1,214)</u> <u>1,281</u> |
| Repurchases of noncontrolling interests | <u>(326)</u> <u>400</u> | <u>—</u> <u>(326)</u> | <u>(491)</u> |

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| | | | | | | | | | | |
|--|-----------|-------|------------------|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| | <u>94</u> | | <u>78</u> | <u>(43,502)</u> | <u>33,465</u> | <u>34,562</u> | | <u>6,100</u> | <u>30,504</u> | |
| | | | | <u>2,623</u> | <u>3,624</u> | <u>36,848</u> | | <u>558</u> | <u>4,303</u> | |
| Net income | — | — | — | — | — | <u>3,445</u> | — | <u>1,595</u> | <u>5,040</u> | <u>27</u> |
| Dividends declared on common stock (\$ <u>3.385</u> per share) | — | — | — | — | — | <u>.047</u> | — | <u>.831</u> | <u>.878</u> | — |
| Distributions to noncontrolling interests | — | — | — | — | — | <u>(1,154)</u> | — | — | <u>(1,154)</u> | — |
| Other comprehensive income | — | — | — | — | — | — | <u>179</u> | <u>(1,333)</u> | <u>(1,333)</u> | <u>(446)</u> |
| Shares repurchased | — | — | <u>(532)</u> | <u>(9,121)</u> | — | — | — | <u>1,507</u> | <u>(9,121)</u> | — |
| Share-based compensation | <u>4</u> | — | — | — | <u>557</u> | <u>(5)</u> | — | <u>74</u> | <u>577</u> | — |
| Equity transactions of MPLX | — | — | — | — | <u>104</u> | — | — | <u>(11)</u> | <u>(128)</u> | <u>(675)</u> |
| Balance as of December 31, 2024 2025 | 994 | \$ 10 | (678) | (623) | (56,027) | 33,624 | 33,685 | 36,848 | 39,751 | \$ |
| | | | | | | | | | | \$ |
| | | | | | | | | | | 203 |

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

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

Refer to Notes [54](#) and 10 for additional information about our operations.

Basis of Presentation

All significant intercompany transactions and accounts have been eliminated.

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

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

2. Summary of Principal Accounting Policies

Principles Applied in Consolidation

These consolidated financial statements include the accounts of our majority-owned, controlled subsidiaries and MPLX. As of December 31, ~~2024~~[2025](#), we owned the general partner [of MPLX](#) and approximately 64 percent of the outstanding MPLX common units. Due to our ownership of the general partner interest, we have determined that we control MPLX and therefore we consolidate MPLX and record a noncontrolling interest for the interest owned by the public. Changes in ownership interest in consolidated subsidiaries that do not result in a change in control are recorded as equity transactions.

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

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

Use of Estimates

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

Revenue Recognition

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

Our revenue recognition patterns are described below by reportable segment:

- Refining & Marketing and Renewable Diesel - The vast majority of our Refining & Marketing and Renewable Diesel contracts contain pricing that is based on the market price for the product at the time of delivery. Our obligations to deliver product volumes are typically satisfied and revenue is recognized when control of the product transfers to our customers. Concurrent with the transfer of control, we typically receive the right to payment for the delivered product, the customer accepts the product and the customer has significant risks and rewards of ownership of the product. Payment terms require customers to pay shortly after delivery and do not contain significant financing components.
- Midstream - Midstream revenue transactions typically are defined by contracts under which we sell a product or provide a service. Revenues from sales of product are recognized when control of the product transfers to the customer.

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Revenues from services are recognized over time when the performance obligation is satisfied as services are provided in a series. We have elected to use the output measure of progress to recognize revenue based on the units delivered, processed or transported. The transaction prices in our Midstream contracts often have both fixed components, related to minimum volume commitments, and variable components, which are primarily dependent on volumes. Variable consideration will generally not be estimated at contract inception as the transaction price is specifically allocable to the services provided at each period end.

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

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

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

Cash and Cash Equivalents

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

Short-Term Investments

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

Accounts Receivable and Allowance for ~~Doubtful Accounts~~ Expected Credit Loss

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~~ expected credit loss 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~~ expected credit loss is the best estimate of the amount of probable credit losses in customer accounts receivable. We review the allowance quarterly and past-due balances over 150 days are reviewed individually for collectability.

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

Leases

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

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

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

Inventories

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

Fair Value

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

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- 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.

Variable Interest Entities

We evaluate all legal entities in which we hold an ownership or other pecuniary interest to determine if the entity is a VIE. Our interests in a VIE are referred to as variable interests. Variable interests can be contractual, ownership or other pecuniary interests in an entity that change with changes in the fair value of the VIE’s assets. When we conclude that we hold an interest in a VIE, we must determine if we are the entity’s primary beneficiary. A primary beneficiary is deemed to have a controlling financial interest in a VIE. This controlling financial interest is evidenced by both (i) the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance and (ii) the obligation to absorb losses that could potentially be significant to the VIE or the right to receive benefits that could potentially be significant to the VIE. We consolidate any VIE when we determine that we are the primary beneficiary. We must disclose the nature of any interests in a VIE that is not consolidated.

Significant judgment is exercised in determining that a legal entity is a VIE and in evaluating our interest in a VIE. We use primarily a qualitative analysis to determine if an entity is a VIE. We evaluate the entity’s need for continuing financial support; the equity holder’s lack of a controlling financial interest; and/or if an equity holder’s voting interests are disproportionate to its obligation to absorb expected losses or receive residual returns. We evaluate our interests in a VIE to determine whether we are the primary beneficiary. We use a primarily qualitative analysis to determine if we are deemed to have a controlling financial interest in the VIE, either on a standalone basis or as part of a related party group. We continually monitor our interests in legal entities for changes in the design or activities of an entity and changes in our interests, including our status as the primary beneficiary to determine if the changes require us to revise our previous conclusions.

Changes in the design or nature of the activities of a VIE, or our involvement with a VIE, may require us to reconsider our conclusions on the entity’s status as a VIE and/or our status as the primary beneficiary. Such reconsideration requires significant

[judgment and understanding of the organization. This could result in the deconsolidation or consolidation of the affected subsidiary, which would have a significant impact on our financial statements.](#)

[Variable Interest Entities are discussed in Note 6.](#)

Property, Plant and Equipment

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

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

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

Goodwill and Intangible Assets

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

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

Major Maintenance Activities

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

Environmental Costs

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

Asset Retirement Obligations

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

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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.

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 [RFS2RFS](#) 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 either the fixed contract price or the market price of the allowances or credits at the balance sheet date. The cost of allowances or credits used for compliance is reflected in cost of revenues on the consolidated statements of income. Any gains or losses on the sale or expiration of allowances or credits are classified as other income on the consolidated statements of income. Proceeds from the sale of allowances or credits are reported in investing activities - all other, net on the consolidated statements of cash flows.

3. Accounting Standards and Disclosure Rules

Recently Adopted

~~ASU 2023-07, Segment Reporting (Topic 280)~~2023-09, Income Taxes (Topic 740): Improvements to Reportable Segment Income Tax Disclosures

~~The~~In December 2023, the FASB issued this ASU to update ~~reportable segment income tax~~ income tax disclosure requirements primarily by requiring enhanced disclosures about significant segment expenses. During the fourth quarter of 2024, ~~we~~ 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. We adopted this ASU in 2025 and applied the amendments ~~in this ASU retrospectively to all periods presented in the financial statements on a retrospective basis~~. The enhanced income tax disclosures ~~for significant segment expenses~~ are presented in Note ~~40— Segment~~ 12 - Income Taxes and Note 21 - Supplemental Cash Flow Information.

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

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

Not Yet Adopted

ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40)

In September 2025, the FASB issued ASU 2025-06 to modernize the accounting for software costs that are accounted for under ASC 350-40 by removing all references to prescriptive and sequential software development stages and requiring entities to begin capitalizing software costs when both management has authorized and committed to the funding of the software project, and it is probable that the project will be completed and the software will be used to perform its intended function. The ASU also provides enhanced guidance on evaluating whether the probable-to-complete recognition threshold has been met. This ASU is effective for fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments in this ASU may be applied either (1) prospectively to all projects started in reporting periods after adoption, including in-process projects, (2) on a modified transition basis that is based on the status of the project and whether software costs were capitalized before the date of adoption, or (3) retrospectively to all prior periods presented in the financial statements. We will adopt this ASU on a prospective basis and do not expect material impacts to our capitalized software cost.

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

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

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

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

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

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

4. Short-Term Investments

Investments Components

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

| (Millions of dollars) | December 31, 2023 | | | | | | Cash and Cash Equivalents | Short-term Investment |
|---|-------------------|----------------|------------------|-------------------|------------|----------|---------------------------|-----------------------|
| | Fair Value Level | Amortized Cost | Unrealized Gains | Unrealized Losses | Fair Value | | | |
| Available-for-sale debt securities | | | | | | | | |
| Commercial paper | Level 2 | \$ 3,154 | \$ 2 | \$ — | \$ 3,156 | \$ — | \$ 2,874 | |
| 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 | | \$ 5,860 | \$ 3 | \$ (1) | \$ 5,862 | \$ — | \$ 4,784 | |
| Cash | | | | | 4,362 | 4,362 | | |
| Total | | | | | \$ 10,224 | \$ 5,443 | \$ 4,784 | |

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

Realized gains/losses were not material.

5.4. Master Limited Partnership

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

Unit Repurchase Program

On August 25, 2022, MPLX announced its board of directors approved a \$1.0 billion unit repurchase authorization. This in addition to the \$1.0 billion unit repurchase authorization has announced on August 2, 2022. These unit repurchase authorizations have no expiration date. MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, accelerated unit repurchases, tender offers or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of future repurchases, if any, will depend upon several factors, including market and business conditions, and such repurchases may be suspended, discontinued or restarted at any time.

Total unit repurchases were as follows for the respective periods:

| <i>(In millions, except per unit data)</i> | 2024 2025 | 2024 | 2022 | 2023 |
|--|------------------------------|------|-----------------|------|
| Number of common units repurchased | 8 | — | 158 | |
| Cash paid for common units repurchased | \$ 326 400 | \$ | 326 \$ | — \$ |
| Average cost per unit | \$ 43.04 51.58 | \$ | 43.04 \$ | — \$ |

As of December 31, ~~2024~~2025, MPLX had approximately \$~~520 million~~1.12 billion remaining under its unit repurchase ~~authorization~~authorizations.

Series A Preferred Units—Outstanding

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

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

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

Redemption of the Series B Preferred Units

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

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

Agreements

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

Noncontrolling Interest

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

| <i>(Millions of dollars)</i> | | | 2025 | 2024 | 2023 | 2022 |
|---|----|------|----------------------|----------------------|----------------------|-----------------|
| Increase (decrease) due to change in ownership | \$ | (88) | \$ 159 | \$ | \$ | (4) |
| Tax impact | | 74 | (55) | = | | 44 |
| Increase (decrease) in MPC's additional paid-in capital, net of tax | \$ | (14) | \$ 104 | \$ | \$ | (4) |

5. Acquisitions and Other Transactions

Northwind Midstream Acquisition

On August 29, 2025, MPLX completed the acquisition of 100 percent of Northwind Delaware Holdings LLC (“Northwind Midstream”) for \$2.4 billion in cash (the “Northwind Midstream Acquisition”). Northwind Midstream provides sour gas gathering and treating services in Lea County, New Mexico, which enhances MPLX’s Permian natural gas and NGL value chain. The Northwind Midstream Acquisition was financed with a portion of the net proceeds from MPLX’s \$4.5 billion senior notes issuance in August 2025.

Northwind Midstream consists of over 200,000 dedicated acres, more than 200 miles of gathering pipelines, two in-service acid gas injection wells at 20 MMcf/d and a third permitted well that will bring its total capacity to 37 MMcf/d. At the time of acquisition, the system had 150 MMcf/d of sour gas treating capacity, with in-process expansion projects expected to increase capacity to

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over 400 MMcf/d by the second half of 2026. The system is partially supported by minimum volume commitments by regional producers.

The Northwind Midstream Acquisition was accounted for as a business combination requiring all Northwind Midstream assets and liabilities to be remeasured to fair value. The fair value of property, plant and equipment was based primarily on the cost approach. The fair value of the identifiable intangible assets was primarily based on the multi-period excess earnings method, which is an income approach. The intangible assets acquired are related to various commercial contracts with a weighted average amortization period of 15 years. The following table reflects our preliminary allocation of the \$2.4 billion purchase price to the Northwind Midstream assets and liabilities, as well as measurement period adjustments since the acquisition date:

| <u>(In</u> | <u>As originally reported</u> | <u>Adjustments</u> | <u>As adjusted</u> |
|---|-------------------------------|--------------------|---------------------|
| <u>Cash and cash equivalents</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| <u>Receivables</u> | <u>11</u> | | <u>11</u> |
| <u>Other current assets</u> | <u>1</u> | <u>—</u> | <u>1</u> |
| <u>Property, plant and equipment</u> | <u>1,182</u> | <u>(13)</u> | <u>1,169</u> |
| <u>Intangibles</u> | <u>951</u> | <u>—</u> | <u>951</u> |
| <u>Other noncurrent assets</u> | <u>2</u> | <u>—</u> | <u>2</u> |
| <u>Total assets acquired</u> | <u>2,164</u> | <u>(13)</u> | <u>2,151</u> |
| <u>Liabilities assumed:</u> | | | |
| <u>Accounts payable</u> | <u>105</u> | <u>10</u> | <u>115</u> |
| <u>Other current liabilities</u> | <u>1</u> | <u>—</u> | <u>1</u> |
| <u>Long-term operating lease liabilities</u> | <u>1</u> | <u>—</u> | <u>1</u> |
| <u>Total liabilities assumed</u> | <u>107</u> | <u>10</u> | <u>117</u> |
| <u>Total identifiable net assets</u> | <u>2,057</u> | <u>(23)</u> | <u>2,034</u> |
| <u>Goodwill</u> | <u>356</u> | <u>23</u> | <u>379</u> |
| <u>Fair value of net assets acquired</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |

The allocation is subject to revision, as certain data necessary to complete the purchase price allocation is not yet available, including, but not limited to, the final valuation of property, plant and equipment and intangible assets acquired, which may impact the amount of goodwill recognized. The final valuation will be completed no later than one year from the acquisition date. The results for the acquired business are reported within our Midstream segment.

The purchase price allocation resulted in the recognition of \$379 million in goodwill by our Midstream segment, all of which is deductible by MPLX for tax purposes. Goodwill represents the accelerated growth opportunities in the Permian using Northwind Midstream's asset base, which is complementary and adjacent to MPLX's existing Delaware basin natural gas system and offers optionality to direct volumes through our integrated system.

Pro forma financial information assuming the Northwind Midstream Acquisition had occurred as of the beginning of the calendar year prior to the year of the acquisition, as well as the revenues and earnings generated during the period since the acquisition date, were not material for disclosure purposes.

Divestiture of Rockies Operations

On November 12, 2025, MPLX completed the sale of its Rockies gathering and processing operations (the "Rockies") to a subsidiary of Harvest Midstream ("Harvest") for \$980 million in cash. The transaction resulted in a gain of \$159 million, which is included in net gain on disposal of assets on the accompanying consolidated statements of income. The sale of these non-core gathering and processing assets did not represent a strategic shift that has or will have a material effect on our operations or financial results. Prior to the sale, the Rockies operations were included in our Midstream segment.

Sale of Interest in Ethanol Joint Venture

On July 31, 2025, MPC sold its 49.9 percent interest in The Andersons Marathon Holdings LLC ("TAMH") to The Andersons Ethanol LLC, in exchange for cash proceeds of \$427 million. MPC's equity method investment in TAMH was previously reported in the Refining & Marketing segment. Upon closing, MPC derecognized the carrying value of the equity method investment of \$173 million and recorded a gain of \$254 million, which is included in income from equity method investments on the accompanying consolidated statements of income.

[BANGL, LLC Acquisitions](#)

[BANGL, LLC \(“BANGL”\) owns and operates a NGL pipeline system that connects production in the Delaware and Midland basins to key demand centers along the Gulf Coast. On July 31, 2024, MPLX exercised its right of first offer under the BANGL joint venture agreement to purchase an additional 20 percent ownership interest in BANGL for \\$210 million in cash, which increased total ownership interest to 45 percent \(the “2024 BANGL Transaction”\). The purchase price of the additional 20 percent ownership interest in BANGL exceeded MPLX’s portion of the underlying net assets of the joint venture by approximately \\$156 million. Following the 2024 BANGL Transaction, MPLX’s investment in BANGL continued to be accounted for as an equity method investment.](#)

[On July 1, 2025, MPLX purchased the remaining 55 percent interest in BANGL for \\$703 million cash, plus an earnout provision of up to \\$275 million based on targeted EBITDA growth from 2026 to 2029 \(the “BANGL Acquisition”\). We recorded a liability for these contingent payments in the third quarter of 2025. See Note 17 for additional detail on the inputs used to measure the fair value of these contingent payments. On July 3, 2025, MPLX used cash on hand to extinguish approximately \\$656 million principal amount of debt outstanding, including interest, related to certain term and revolving loans assumed as part of the BANGL Acquisition \(the “BANGL Debt Repayment”\).](#)

[Upon acquisition of the remaining 55 percent interest in BANGL, MPLX’s existing equity investment was remeasured to fair value resulting in the recognition of a \\$484 million gain, which is included in income from equity method investments within the accompanying consolidated statements of income. The fair value of the previously held equity method investment was estimated using an income approach, with significant valuation inputs including forecasted cash flows and discount rates ranging from 11 to 12 percent. As a result of the BANGL Acquisition, MPLX now owns 100 percent of BANGL and its results are reflected in our Midstream segment within our consolidated financial results.](#)

[The following table summarizes the purchase price consideration in connection with the BANGL Acquisition:](#)

| <i>(In millions)</i> | |
|---|---------------|
| Total cash paid | \$ 703 |
| Fair value of contingent consideration as of acquisition date | 234 |
| Total consideration | 937 |
| Fair value of previously held equity interest | 766 |
| Fair value of net assets acquired | \$ 170 |

[The BANGL Acquisition was accounted for as a business combination requiring all BANGL assets and liabilities to be remeasured to fair value. The fair value of property, plant and equipment was determined using a combination of both the cost and income approach. The fair value of the identifiable intangible assets was primarily based on the multi-period excess earnings method, which is an income approach. The intangible asset acquired is related to a customer relationship with an amortization period of 11 years. The following table reflects our preliminary determination of the fair value of the BANGL assets and liabilities:](#)

| <i>(In millions)</i> | July 1, 2025 |
|--|-----------------|
| Assets acquired: | |
| Cash and cash equivalents | \$ 18 |
| Other current assets | 4 |
| Property, plant and equipment | 1,550 |
| Intangibles | 77 |
| Other noncurrent assets | 22 |
| Total assets acquired | 1,671 |
| Liabilities assumed: | |
| Long-term debt due within one year | 46 |
| Other current liabilities | 42 |
| Long-term debt | 610 |
| Other long-term liabilities | 1 |
| Total liabilities assumed | 699 |
| Total identifiable net assets | 972 |
| Goodwill | 731 |
| Fair value of net assets acquired | \$ 170 |

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The allocation is subject to revision, as certain data necessary to complete the purchase price allocation is not yet available, including, but not limited to, the final valuation of property, plant and equipment and intangible assets acquired, which may impact the amount of goodwill recognized. The final valuation will be completed no later than one year from the acquisition date.

The purchase price allocation resulted in the recognition of \$731 million in goodwill by our Midstream segment, 55 percent of which is deductible by MPLX for tax purposes. Goodwill represents the advancement of MPLX's wellhead-to-water strategy by securing full ownership of a strategically located NGL transport asset which further integrates MPLX's midstream infrastructure connecting the Permian and Gulf Coast regions.

Pro forma financial information assuming the BANGL Acquisition had occurred as of the beginning of the calendar year prior to the year of the acquisition, as well as the revenues and earnings generated during the period since the acquisition date, were not material for disclosure purposes.

Whiptail Midstream Acquisition

On March 11, 2025, MPLX acquired gathering businesses from Whiptail Midstream, LLC for \$235 million in cash. These San Juan basin assets consist primarily of crude and natural gas gathering systems in the Four Corners region. The acquisition was accounted for as a business combination, which requires all the identifiable assets acquired and liabilities assumed to be remeasured to fair value at the date of acquisition. The final valuation includes \$170 million of property, plant and equipment, \$41 million of intangibles and \$24 million of net working capital. The results for the acquired business are reported within our Midstream segment.

Jones Act Blue Water Vessels Acquisition

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

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

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

Whistler Joint Venture Transaction

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

Utica Midstream Acquisition

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

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

MarkWest Torñado GP, L.L.C. Acquisition

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 Sale

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

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.

6. Variable Interest Entities

Consolidated VIE

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

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

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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, <u>2024</u> 2025 | December 31, 2023 <u>2024</u> |
|--|---|---|
| Assets | | |
| Cash and cash equivalents | \$ <u>1,519</u> <u>2,137</u> | \$ 1,048 <u>1,519</u> |
| Receivables, less allowance for doubtful accounts <u>expected credit loss</u> | <u>734</u> <u>746</u> | 836 <u>731</u> |
| Inventories | <u>180</u> <u>172</u> | 159 <u>180</u> |
| Other current assets | <u>295</u> <u>1</u> | 33 <u>29</u> |
| Equity method investments | <u>4,534</u> <u>798</u> | 3,743 <u>4,531</u> |
| Property, plant and equipment, net | <u>19,154</u> <u>21,698</u> | 19,264 <u>19,154</u> |
| Goodwill | <u>7,645</u> <u>8,755</u> | 7,645 |
| <u>Intangibles, net</u> | <u>1,397</u> | <u>518</u> |
| Right of use assets, <u>net</u> | <u>273</u> <u>276</u> | 264 <u>273</u> |
| Other noncurrent assets | <u>1,513</u> <u>1,126</u> | 1,644 <u>995</u> |
| <i>(Millions of dollars)</i> | <u>December 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
| Liabilities | | |
| Accounts payable | \$ <u>719</u> <u>865</u> | \$ 723 <u>719</u> |
| Accrued taxes | <u>82</u> <u>93</u> | 79 <u>82</u> |
| Debt due within one year | <u>1,693</u> <u>1,502</u> | 1,435 <u>1,693</u> |
| Operating lease liabilities | <u>45</u> <u>53</u> | 45 |
| Other current liabilities | <u>370</u> <u>403</u> | 336 <u>370</u> |
| Long-term debt | <u>19,255</u> <u>24,151</u> | 19,296 <u>19,255</u> |
| Deferred income taxes | <u>18</u> <u>25</u> | 16 <u>18</u> |
| Long-term operating lease liabilities | 217 | <u>214</u> <u>217</u> |
| Deferred credits and other liabilities | <u>445</u> <u>474</u> | 476 <u>445</u> |

Non-Consolidated VIEs

Martinez Renewables LLC

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

MPLX VIEs

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

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

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

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

7. Related Party Transactions

Transactions with related parties were as follows:

| (Millions of dollars) | 2025 | 2024 | 2023 | 2022 |
|--------------------------------|----------|----------|-------|-------|
| Sales to related parties | \$ 1,572 | \$ 1,053 | \$ 9 | \$ 4 |
| Purchases from related parties | 2,891 | 2,437 | 1,818 | 1,175 |

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

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

We also purchased ethanol from TAMH, an equity affiliate. On July 31, 2025, MPC sold its interest in TAMH. TAMH ceased to be a related party after the sale. See Note 5.

8. Earnings Per Share

We compute basic earnings per share by dividing net income attributable to MPC less income allocated to participating securities by the weighted average number of shares of common stock outstanding. Since MPC ~~grants~~ has granted 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.

| (In millions, except per share data) | 2025 | 2024 | 2023 | 2022 |
|--|----------|-----------------------------|----------------------------|---------|
| Income from continuing operations, net of tax <u>Basic earnings per share:</u> | | \$ 5,067 | \$ 11,172 | \$ 15,9 |
| <u>Allocation of earnings</u> | | | | |
| Net income attributable to noncontrolling interest <u>MPC</u> | \$ 4,047 | (1,622) \$ 3,445 | (1,491) \$ 9,68 | (1,534) |
| Net income <u>Income</u> allocated to participating securities | (4) | (3) | (7) | (8) |
| Redemption of preferred units | | | (2) | |
| Income from continuing operations available to common stockholders - <u>basic</u> | \$ 4,043 | \$ 3,442 | \$ 9,6 | 14,436 |
| Income from discontinued operations, net of tax | | — | — | 72 |
| <u>Weighted average common shares outstanding</u> | 305 | 340 | | 407 |
| <u>Basic earnings per share</u> | \$ | \$ | \$ | 23.73 |
| <u>Diluted earnings per share:</u> | | | | |
| <u>Allocation of earnings</u> | | | | |
| Income available <u>Net income attributable to common stockholders</u> <u>MPC</u> | \$ 3,442 | \$ 9,672 | \$ 9,681 | 14,508 |
| <u>Income allocated to participating securities</u> | (4) | (3) | (7) | (7) |
| <u>Redemption of preferred units</u> | | | | (2) |
| <u>Income available to common stockholders - diluted</u> | 4,043 | 3,442 | 9,672 | |
| Weighted average common shares outstanding: | | | | |
| Basic <u>Weighted average common shares outstanding</u> | 305 | 340 | 407 | 512 |
| Effect of dilutive securities | 1 | 1 | 2 | 4 |
| Diluted <u>Weighted average common shares, including dilutive effect</u> | 306 | 341 | 409 | 516 |
| Income available to common stockholders per share: | | | | |
| Basic: | | | | |

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| | | | | | | |
|-----------------------------------|----|--------------|----|--------------|----|--------------|
| Continuing operations | \$ | | \$ | | \$ | 28.17 |
| Discontinued operations | | — | | — | | 0.14 |
| Net income | \$ | | \$ | | \$ | 28.31 |
| Diluted earnings per share | | <u>13.22</u> | | <u>10.08</u> | | <u>23.30</u> |
| | | | | | \$ | 23.73 |
| Diluted: | | | | | | |
| Continuing operations | \$ | | \$ | | \$ | 27.98 |
| Discontinued operations | | — | | — | | 0.14 |
| Net income per share | \$ | | \$ | | \$ | 28.12 |

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

9. Equity

On November 5, 2024, MPC announced that our board of directors approved a \$5.0 billion share repurchase authorization ~~in addition to the \$5.0 billion share repurchase authorization announced on April 30, 2024~~. Share repurchase authorizations since 2012 totaled \$60.05 billion. As of December 31, ~~2024~~2025, ~~\$7.75~~4.38 billion remained available for repurchase under the share repurchase ~~authorizations. These~~authorization. The share repurchase ~~authorizations have~~authorization has no expiration date.

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

Total share repurchases were as follows for the respective periods:

| <i>(In millions, except per share data)</i> | <u>2025</u> | 2024 | 2023 | 2022 |
|---|------------------|-----------|---------|--------------------|
| Number of shares repurchased | <u>21</u> | 53 | 89 | 131 |
| Cash paid for shares repurchased ^(a) | <u>\$ 3,399</u> | \$ 9,077 | \$ 11,5 | \$ 11,9 |
| Average cost per share ^(b) | <u>\$ 163.64</u> | \$ 171.68 | \$ 131. | \$ 91. |

(a) 2025 excludes \$89 million paid in 2025 for excise tax on 2024 share repurchases. 2024 excludes \$112 million paid in 2024 for excise tax on 2023 share purchases.

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

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

10. Segment Information

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

~~All prior periods have been recast for comparability.~~

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

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

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

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| <i>(Millions of dollars)</i> | 2024 2025 | 2023 2024 | 2022 2023 |
|--|---------------------------------------|---------------------------------------|------------------------------------|
| Segment adjusted EBITDA for reportable segments | | | |
| Refining & Marketing | 5,703 <u>6,138</u> | \$ 13,705 <u>15,703</u> | \$ 19,259 <u>13,703</u> |
| Midstream | 6,544 <u>6,750</u> | 6,171 <u>6,544</u> | 5,772 <u>6,171</u> |
| Renewable Diesel | (150) <u>(110)</u> | (64) <u>(150)</u> | 3 <u>(64)</u> |
| Total reportable segments | \$ 12,097 <u>12,778</u> | \$ 19,812 <u>12,097</u> | \$ 25,034 <u>19,812</u> |

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(Millions of dollars)

| | 2024 | 2023 | 2022 |
|--|------------------|------------------|------------------|
| Reconciliation of segment adjusted EBITDA for reportable segments to income from continuing operations before income taxes | | | |
| Total reportable segments | \$ 12,097,12,778 | \$ 10,812,12,097 | \$ 25,034,19,811 |
| Corporate | (774,822) | (737,774) | (698,737) |
| Refining & Renewable Diesel planned turnaround costs | (1,404,1,553) | (1,201,1,404) | (1,122,1,201) |
| Renewable Diesel JV planned turnaround costs ^(a) | (918) | (259) | —(25) |
| Garyville incident response costs | | (16) | (16) |
| LIFO inventory (charge) credit adjustment | 161,72 | (145),161 | 148,(145) |
| Gain on sale of assets ^(b) | 151,897 | 198,151 | 1,058,198 |
| Renewable volume obligation requirements ^(c) SRE | —57 | — | 238 |
| Litigation Transaction-related costs ^(c) | —(33) | — | 27 |
| Legal settlements | 253 | | |
| Depreciation and amortization | (3,337,3,251) | (3,307,3,337) | (3,215,3,307) |
| Renewable Diesel JV depreciation and amortization ^(a) | (89) | (65,89) | (465) |
| Net interest and other financial costs | (839,1,276) | (525,839) | (1,000,525) |
| Income from continuing operations before income taxes | \$ 5,957,7,015 | \$ 13,989,5,957 | \$ 20,469,13,989 |

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

(b) 2025 includes gains from the BANGL Acquisition, the sale of MPC's interest in TAMH and the Rockies divestiture. 2024 includes the gain from the Whistler Joint Venture Transaction ~~(as defined in Note 14)~~. 2023 includes the gain associated with the remeasurement of MPLX's existing equity investment in MarkWest Torfado GP, L.L.C., arising from the acquisition of the remaining 40 percent interest and the gain on the sale of our interest in South Texas Gateway Terminal LLC. ~~2022 includes the \$549 million gain related to the contribution of assets by MPC on the formation of the Martinez Renewables LLC joint venture and the \$509 million gain on lease reclassification. See Notes 14 and 26.~~ See Note 5 for additional information.

(c) ~~Represents retroactive changes in renewable volume obligation requirements published by EPA in June 2022 for the 2020 and 2021 annual obligations. Transaction-related costs include costs associated with the Northwind Midstream Acquisition, the BANGL Acquisition and the Rockies divestiture discussed in Note 5.~~

| (Millions of dollars) | 2025 | 2024 | 2023 | 2022 |
|--|------------|------------|----------|-----------|
| Sales and other operating revenues | | | | |
| Refining & Marketing | | | | |
| Revenues from external customers ^(a) | \$ 124,252 | \$ 131,588 | \$ 141,8 | \$ 171,46 |
| Intersegment revenues | 60 | 175 | 139 | 135 |
| Refining & Marketing segment revenues | 124,312 | 131,763 | 141,974 | 171,596 |
| Midstream | | | | |
| Revenues from external customers ^(a) | 5,628 | 5,197 | 4,911 | 5,366 |
| Intersegment revenues | 5,906 | 5,797 | 5,597 | 5,224 |
| Midstream segment revenues | 11,534 | 10,994 | 10,508 | 10,590 |
| Renewable Diesel | | | | |
| Revenues from external customers ^(a) | 2,814 | 2,079 | 1,633 | 626 |
| Intersegment revenues | 16 | 25 | 31 | 126 |
| Renewable Diesel segment revenues | 2,830 | 2,104 | 1,664 | 752 |
| Total segment revenues | 138,676 | 144,861 | 154,146 | 182,938 |
| <u>Plus: other revenue</u> | 5 | | | |
| Less: intersegment revenues | 5,982 | 5,997 | 5,767 | 5,485 |
| Consolidated sales and other operating revenues ^(a) | \$ 132,699 | \$ 138,864 | \$ 148,3 | \$ 177,4 |

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- (a) Includes sales to related parties. See Note 7 for additional information. [See Note 20 for the disaggregation of our revenue from external customers by segment and product line.](#)

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| (Millions of dollars) | 2025 | 2024 | 2023 | 2022 |
|---|----------|----------|--------|--------|
| Income from equity method investments | | | | |
| Refining & Marketing | \$ 9 | \$ 57 | \$ 66 | \$ 54 |
| Midstream | 793 | 770 | 735 | 624 |
| Renewable Diesel | 82 | 70 | (59) | (20) |
| Total segment income from equity method investments | 884 | 897 | 742 | 655 |
| Corporate ^(a) | 738 | 151 | | |
| Consolidated income from equity method investments | \$ 1,622 | \$ 1,048 | \$ 742 | \$ 655 |

(a) Represents 2025 includes gains from the BANGL Acquisition and the sale of MPC's interest in TAMH. 2024 represents the gain from the Whistler Joint Venture Transaction. See Note 145 for additional information.

| (Millions of dollars) | 2024 | 2025 | 2023 | 2024 | 2022 | 2023 |
|---------------------------------------|------------|------------|------------|------------|------------|------------|
| Segment expenses | | | | | | |
| Refining & Marketing | | | | | | |
| Cost of purchases | \$ 112,938 | \$ 104,308 | \$ 115,973 | \$ 112,938 | \$ 139,660 | \$ 115,973 |
| Refining operating costs | 5,742 | 6,097 | 5,625 | 5,712 | 5,726 | 5,625 |
| Distribution costs | 5,857 | 6,185 | 5,645 | 5,857 | 5,214 | 5,645 |
| Other segment items ^(a) | 1,640 | 1,593 | 1,092 | 1,610 | 1,794 | 1,092 |
| Refining & Marketing segment expenses | \$ 126,117 | \$ 118,183 | \$ 128,335 | \$ 126,117 | \$ 152,388 | \$ 128,335 |
| Midstream | | | | | | |
| Other segment items ^(b) | 5,220 | 5,577 | 5,072 | 5,220 | 5,442 | 5,072 |
| Midstream segment expenses | \$ 5,220 | \$ 5,577 | \$ 5,072 | \$ 5,220 | \$ 5,442 | \$ 5,072 |
| Renewable Diesel | | | | | | |
| Operating costs | 269 | 274 | 242 | 269 | 406 | 242 |
| Distribution costs | 95 | 101 | 82 | 95 | 64 | 82 |
| Other segment items ^(c) | 1,960 | 2,647 | 1,345 | 1,960 | 562 | 1,345 |
| Renewable Diesel segment expenses | \$ 2,324 | \$ 3,022 | \$ 1,669 | \$ 2,324 | \$ 729 | \$ 1,669 |

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

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

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

| (Millions of dollars) | 2025 | 2024 | 2023 | 2022 |
|--------------------------------------|----------|----------|----------|----------|
| Depreciation and amortization | | | | |
| Refining & Marketing | \$ 1,627 | \$ 1,767 | \$ 1,818 | \$ 1,717 |
| Midstream | 1,450 | 1,405 | 1,320 | 1,310 |
| Renewable Diesel ^(a) | 69 | 75 | 65 | 67 |

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| | | | | |
|---|-----------------|----------|--------|-------------------|
| Total segment depreciation and amortization | <u>3,146</u> | 3,247 | 3,207 | 3,160 |
| Corporate | <u>105</u> | 90 | 100 | 55 |
| Consolidated depreciation and amortization | <u>\$ 3,251</u> | \$ 3,337 | \$ 3,3 | \$ 3,2 |

- (a) Excludes our pro-rata share of Renewable Diesel JV depreciation and amortization of \$89 million, ~~\$6589~~ million and ~~\$465~~ million in 2025, 2024, and 2023 ~~and 2022~~, respectively, which was adjusted for purposes of arriving at Renewable Diesel segment adjusted EBITDA.

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| (Millions of dollars) | 2025 | 2024 | 2023 | 2022 |
|--|----------|----------|--------|--------|
| Capital expenditures | | | | |
| Refining & Marketing | \$ 1,580 | \$ 1,445 | \$ 9 | \$ 1,2 |
| Midstream | 2,975 | 1,504 | 1,105 | 1,069 |
| Renewable Diesel | 19 | 8 | 313 | 233 |
| Total segment capital expenditures and investments | 4,574 | 2,957 | 2,416 | 2,577 |
| Less investments in equity method investees | 1,064 | 509 | 480 | 405 |
| Plus: | | | | |
| Corporate | 25 | 63 | 83 | 108 |
| Capitalized interest | 94 | 56 | 55 | 103 |
| Consolidated capital expenditures ^(a) | \$ 3,629 | \$ 2,567 | \$ 2,0 | \$ 2,3 |

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

No single customer accounted for ~~more than~~ 10 percent ~~or more~~ of annual revenues for the years ended December 31, ~~2024~~ and ~~2025~~, December 31, ~~2023~~. ~~Sales to Speedway/7-Eleven from the Refining & Marketing segment represented 10 percent of our total annual revenues for the year ended~~ ~~2024~~ or December 31, ~~2022~~ ~~2023~~. See Note 20 for the disaggregation of our revenue by segment and product line.

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

11. Net Interest and Other Financial Costs

Net interest and other financial costs were as follows:

| (Millions of dollars) | 2025 | 2024 | 2023 | 2022 |
|---|--------------|--------------|--------|--------------|
| Interest income | \$ (159) | \$ (376) | \$ (5) | \$ (4) |
| Interest expense | 1,489 | 1,365 | 1,325 | 1,299 |
| Interest capitalized | (100) | (57) | (60) | (104) |
| Pension and other postretirement non-service costs ^(a) | 23 | (38) | (89) | 3 |
| Loss on extinguishment of debt | — | 9 | | 2 |
| Investments - net premium (discount) amortization | | (91) | (142) | (30) |
| Other financial costs | 23 | 36 | 1,221 | 24 |
| Net interest and other financial costs | \$ 1,276 | \$ 839 | \$ 5 | \$ 1,0 |

(a) See Note 24.

12. Income Taxes

The provision for income taxes from continuing operations consisted of:

| (Millions of dollars) | 2025 | 2024 | 2023 | 2022 |
|---|----------|----------|---------|-----------|
| Income (loss) from operations before income taxes: | | | | |
| Current: Domestic | \$ 6,958 | \$ 5,964 | \$ 13,8 | |
| Foreign | 57 | (7) | | 114 |
| Total | \$ 7,015 | \$ 5,957 | | \$ 13,989 |
| Provision (benefit) for income taxes: | | | | |
| Current: | | | | |
| Federal | \$ 706 | \$ 862 | \$ 2,3 | \$ 3,5 |
| State and local | 129 | 144 | 475 | 629 |
| Foreign | 20 | 8 | 11 | 7 |
| Total current | 855 | 1,014 | 2,845 | 4,201 |
| Deferred: | | | | |
| Federal | 255 | (90) | 18 | 191 |
| State and local | 25 | (33) | (46) | 98 |
| Foreign | 2 | (1) | — | 4 |
| Total deferred | 282 | (124) | (28) | 290 |
| Income tax provision Total | \$ 1,137 | \$ 890 | \$ 2,81 | \$ 4,49 |

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

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

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

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

| (Millions of dollars) | 2025 | 2024 2023-2022 | | 2023 | | |
|---|----------|----------------|----------|----------|----------|----------|
| | Amount | % | Amount | % | Amount | % |
| Federal statutory rate | \$ 1,473 | 2121.0 % | \$ 1,251 | 2121.0 % | \$ 2,937 | 2121.0 % |
| State and local income taxes, net of federal income tax effects ^(a) | 128 | 21.8 | 91 | 21.5 | 338 | 32.4 |
| Nontaxable or nondeductible items: | | | | | | |
| Noncontrolling interests | (385) | (65.5) | (341) | (25.7) | (314) | (22.2) |
| Other | 24 | 0.3 | (44) | (0.8) | (30) | (0.3) |
| Other Tax credits | (84) | (21.2) | (42) | (40.7) | — | — |
| Other adjustments | (19) | (0.2) | (25) | (0.4) | (114) | (0.8) |
| Effective tax rate applied to income from continuing operations before income taxes | \$ 1,137 | 1516.2 % | \$ 890 | 2014.9 % | \$ 2,817 | 2220.1 % |

(a) State taxes in California, Texas and Kentucky make up the majority of the tax effect of this category.

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Deferred tax assets and liabilities resulted from the following:

| (Millions of dollars) | 2024 | December 31, | | December 31, |
|--|------|------------------|------|--------------|
| | | 2025 | 2024 | 2023 |
| Deferred tax assets: | | | | |
| Employee benefits | | 560 | \$ | 558 |
| Environmental remediation | | 80 | | 81 |
| Finance lease obligations | | 409 | | 433 |
| Operating lease liabilities | | 314 | | 243 |
| Net operating loss carryforwards | | 32 | | 39 |
| Tax credit carryforwards | | 20 | | 22 |
| Goodwill and other intangibles | | 84 | | 75 |
| Other | | 115 | | 95 |
| Total deferred tax assets | | 1,614 | | 1,546 |
| Valuation allowance | | (9) | | (51) |
| Total net deferred tax assets | | 1,605 | | 1,495 |
| Deferred tax liabilities: | | | | |
| Property, plant and equipment | | 2,411 | | |
| 2,584 | | 2,684 | | |
| Inventories | | 845 | | |
| 672 | | 627 | | |
| Investments in subsidiaries and affiliates | | 3,957 | | |
| 3,742 | | 3,706 | | |
| Right of use assets | | 324 | | |
| 246 | | 230 | | |
| Other | | 19 | | |
| 20 | | 41 | | |
| Total deferred tax liabilities | | 7,586 | | |
| 7,264 | | 7,258 | | |
| Net deferred tax liabilities | | \$ 5,769 | | \$ 5,833 |
| | | 5,769 | | 5,769 |

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

| (Millions of dollars) | December 31, | | |
|------------------------------|--------------|------|----------|
| | 2025 | 2024 | 2023 |
| Assets: | | | |
| Other noncurrent assets | \$ 23 | \$ | 42 |
| Liabilities: | | | |
| Deferred income taxes | 5,984 | | |
| 5,771 | 5,834 | | |
| Net deferred tax liabilities | \$ 5,769 | | \$ 5,833 |
| | 5,769 | | 5,769 |

At both December 31, 2025 and 2024 and 2023, federal operating loss carryforwards were \$2 million and \$3 million, respectively, which includes a mix of indefinite carryforward ability and expiration periods ranging from 2032 through 2034. As of December 31, 2025 and 2024 and 2023, state and local operating loss and tax credit carryforwards were \$4238 million and \$3142 million, respectively, which includes a mix of indefinite carryforward ability and expiration periods ranging from 2029 through 20442045. At December 31, 2025 and 2024 and 2023, foreign operating loss carryforwards were \$1612 million and \$2016 million, respectively, which includes expiration periods ranging from 20282031 through 2043.

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As of December 31, [2025 and 2024](#) ~~and 2023~~, [\\$519](#) million and [\\$2851](#) million of valuation allowances have been recorded related to income taxes, related to realizability of foreign tax operating losses, state tax net operating losses and credits, and related deferred tax assets.

MPC is continuously undergoing examination of its U.S. federal income tax returns by the Internal Revenue Service ("IRS"). Since 2012, we have continued to participate in the Compliance Assurance Process ("CAP"). CAP is a real-time audit of the U.S. federal income tax return that allows the IRS, working in conjunction with MPC, to determine tax return compliance with the U.S. federal tax law prior to filing the return. This program provides us with greater certainty about our tax liability for years under examination by the IRS. MPLX and its subsidiaries are undergoing examination of its U.S. federal income tax returns by the IRS for the tax years 2019 through 2022. We do not believe the eventual outcome of such audits will have a material impact on our financial statements as of December 31, ~~2024~~[2025](#).

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Further, we are routinely involved in U.S. state income tax audits. We believe all other audits will be resolved with the amounts provided for these liabilities. As of December 31, ~~2024~~2025, we have various state and local income tax returns subject to examination for years 2016 through 2023, depending on jurisdiction.

The following table summarizes the activity in unrecognized tax benefits:

| <i>(Millions of dollars)</i> | <u>2025</u> | 2024 | 2023 | 2022 |
|---|---------------|-------|------|-----------------|
| January 1 balance | \$ <u>27</u> | \$ 38 | \$ | \$ |
| Additions for tax positions of current year | <u>80</u> | | | |
| Additions for tax positions of prior years | <u>65</u> | — | 8 | 38 |
| Reductions for tax positions of prior years | <u>(7)</u> | (5) | (6) | (2) |
| Settlements | <u>(2)</u> | (6) | (20) | (15) |
| Statute of limitations | | | (1) | (4) |
| December 31 balance | \$ <u>163</u> | \$ 27 | \$ | \$ |

If the unrecognized tax benefits as of December 31, ~~2024~~2025 were recognized, \$~~27~~82 million would affect our effective income tax rate. ~~There were \$7 million of uncertain tax positions as of December 31, 2024 for which it is reasonably possible that the amount of unrecognized tax benefits would significantly decrease during the next twelve months.~~

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

13. Inventories

| <i>(Millions of dollars)</i> | December 31, | | |
|--------------------------------|------------------|--------|--------------------|
| | <u>2025</u> | 2024 | 2023 |
| Crude oil and other feedstocks | \$ <u>3,272</u> | \$ 3,1 | \$ 3,21 |
| Refined products | <u>5,350</u> | 5,137 | 4,940 |
| Materials and supplies | <u>1,507</u> | 1,246 | 1,166 |
| Total | \$ <u>10,129</u> | \$ 9,5 | \$ 9,3 |

The cost of inventories of crude oil and other feedstocks and refined products is determined under the LIFO method. The LIFO method accounted for 85 percent and 87 percent of total inventory value at ~~both~~December 31, 2025 and December 31, 2024 ~~and 2023, respectively~~. Current acquisition costs were estimated to exceed the LIFO inventory value at December 31, 2025 and 2024 ~~and 2023~~ by \$959 million and \$2.53 billion ~~and \$2.77 billion~~, respectively.

14. Equity Method Investments

~~Refining & Marketing Segment~~

~~LF Bioenergy Acquisition~~

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

~~Watson Cogeneration Company~~

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

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

Midstream Segment – MPLX

BANGL, LLC Acquisition

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

Whistler Joint Venture Transaction

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

Midstream Acquisition

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

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

MarkWest Torñado GP, L.L.C.

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

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

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

Midstream Segment – MPC Retained

Jones Act Blue Water Vessels

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

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

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

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

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

South Texas Gateway Terminal LLC

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

Renewable Diesel Segment

Martinez Renewables LLC

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

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| (In millions of dollars, except ownership percentages) | VIE | Ownership as of | Carrying value at | | |
|--|-----|-----------------|-------------------|--------------|---------------|
| | | December 31, | December 31, | December 31, | |
| | | 2024 | 2025 | 2023 | 2024 |
| Refining & Marketing | | | | | |
| The Andersons Marathon Holdings LLC TAMH ^(a) | | 50% | \$ | 190 | \$ 227 |
| Other ^(a) LF Bioenergy Holdings LLC | X | 50% | | 9298 | 7592 |
| Refining & Marketing Total | | | \$ | 28298 | \$ 30228 |
| Midstream | | | | | |
| MPLX | | | | | |
| BANGL ^(b) | | 45% | \$ | 281 | \$ 63281 |
| Illinois Extension Pipeline Company, L.L.C. | | 35% | | 248208 | 228218 |
| LOOP LLC | | 41% | | 310313 | 344310 |
| MarEn Bakken Company LLC | | 25% | | 526502 | 449526 |
| MarkWest EMG Jefferson Dry Gas Gathering Company, L.L.C. | X | 67% | | 329407 | 336329 |
| MarkWest Utica EMG, L.L.C. | X | 5961% | | 742890 | 676742 |
| Ohio Gathering Co, LLC | X | 3532% | | 470444 | 470 |
| Sherwood Midstream LLC | X | 50% | | 488475 | 500488 |
| Texas City Logistics LLC | X | 50% | | 163 | |
| WPC Parent, LLC | | 30% | | 208273 | 244208 |
| Other ^(ac) | X | | | 9591,123 | 963959 |
| MPLX Total | | | \$ | 4,5314,798 | \$ 3,7434,531 |
| MPC-Retained | | | | | |
| Capline Pipeline Company LLC | | 33% | \$ | 382365 | \$ 40238 |
| Gray Oak Pipeline, LLC | | 25% | | 274268 | 284274 |
| Other ^(ac) | X | | | 444113 | 470114 |
| MPC-Retained Total | | | \$ | 770746 | \$ 85677 |
| Midstream Total | | | \$ | 5,3015,544 | \$ 4,5995,301 |
| Renewable Diesel | | | | | |
| Martinez Renewables LLC | X | 50% | \$ | 1,1841,065 | \$ 1,2661,18 |
| Other ^(ac) | X | | | 9088 | 9390 |
| Renewable Diesel Total | | | \$ | 1,2741,153 | \$ 1,3591,27 |
| Total | | | \$ | 6,8576,795 | \$ 6,2606,85 |

^(a) [In July 2025, we sold our interest in TAMH, as discussed in Note 5.](#)

^(b) [In July 2025, MPLX purchased the remaining interest in BANGL, increasing MPLX's ownership to 100 percent. See Note 5 for additional information.](#)

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

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

| (Millions of dollars) | 2025 | 2024 | 2023 | 2022 |
|--|-----------|----------|----------|--------|
| Income statement data: | | | | |
| Revenues and other income | \$ 10,223 | \$ 9,259 | \$ 6,5 | \$ 5,0 |
| Income from operations | 2,713 | 2,698 | 2,428 | 1,907 |
| Net income | 2,368 | 2,211 | 2,089 | 1,740 |
| Balance sheet data – December 31: | | | | |
| Current assets | \$ 2,246 | \$ 2,687 | \$ 2,610 | |
| Noncurrent assets | 26,310 | 24,656 | 21,098 | |
| Current liabilities | 2,176 | 1,927 | 1,569 | |
| Noncurrent liabilities | 8,050 | 7,837 | 6,719 | |

As of December 31, ~~2024~~2025, the carrying value of our equity method investments was \$524432 million higher than our share of 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 \$208174 million of excess related to goodwill and other non-depreciable assets.

Dividends and partnership distributions received from equity method investees (excluding distributions that represented a return of capital previously contributed) were \$~~1.215~~1.255 billion, \$1.215 billion and \$941 million ~~and \$772 million in~~ 2025, 2024, and 2023-~~and 2022~~, respectively.

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

| | December 31, 2025 | | | December 31, 2024 | | | December 31, 2023 | | |
|-----------------------|-------------------|--------------------------|-----------|-------------------|--------------------------|-----------|-------------------|--------------------------|-----------|
| Total ^(a) | \$ 71,009 | \$ 33,612 | \$ 37,397 | \$ 66,317 | \$ 31,289 | \$ 35,028 | \$ 63,748 | \$ 28,636 | \$ 35,112 |
| (Millions of dollars) | 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 | \$ 34 | \$ 20 | \$ 13,910 | \$ 32 | \$ 19 | \$ 13,95 | \$ 31 | \$ 17,724 | \$ 13,8 |
| Midstream | 34,057 | 11,690 | 22,367 | 30,697 | 10,798 | 19,899 | 29,620 | 9,589 | 20,034 |
| Renewable Diesel | 970 | 396 | 574 | 976 | 338 | 638 | 960 | 274 | 689 |
| Corporate | 1,610 | 1,064 | 546 | 1,679 | 1,138 | 541 | 1,632 | 1,055 | 577 |

(a) Includes finance leases. See Note 26.

Property, plant and equipment includes construction in progress of \$~~1.78~~2.91 billion and \$~~1.40~~1.78 billion at December 31, 2025 and 2024 ~~and 2023~~, respectively, which primarily relates to capital projects at our refineries and midstream facilities.

16. Goodwill and Intangibles

Goodwill

MPC annually evaluates goodwill for impairment as of November 30, as well as whenever events or changes in circumstances indicate it is more likely than not that the fair value of a reporting unit with goodwill is less than its carrying amount. There were no impairments of goodwill required based on our annual test of goodwill in 2025 and 2024 ~~and 2023~~.

At December 31, ~~2024~~2025, MPC had ~~four~~five reporting units with goodwill totaling approximately \$8.249.35 billion. For the annual impairment assessment as of November 30, ~~2024~~2025, management performed only ~~a~~ qualitative ~~assessment for~~ three assessments for all five reporting units as we determined it was more likely than not that the fair ~~value~~ values 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.~~ their carrying values.

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The changes in the carrying amount of goodwill for ~~2024~~2025 were as follows:

| <i>(Millions of dollars)</i> | Refining & Marketing | Midstream | Total |
|--|----------------------|-----------------------------|-----------------------------|
| Balance as of December 31, 2022 2023 | \$ 561 | \$ 7,683 | \$ 8,244 |
| Impairment losses | | | |
| Balance as of December 31, 2023 2024 | 561 | 7,683 | 8,244 |
| Acquisitions | <u>—</u> | <u>1,110</u> | <u>1,110</u> |
| Impairment losses | | | |
| Balance as of December 31, 2024 2025 | \$ 561 | 7,683 8,793 | \$ 8,244 9,351 |
| Gross goodwill as of December 31, 2024 2025 | \$ 6,141 | \$ 10,824 11,934 | \$ 16,965 18,071 |
| Accumulated impairment losses | (5,580) | (3,141) | (8,721) |
| Balance as of December 31, 2024 2025 | \$ 561 | 7,683 8,793 | \$ 8,244 9,351 |

Intangible Assets

Our definite lived intangible assets as of December 31, ~~2025 and~~ 2024 ~~and 2023~~ are as shown below.

| <i>(Millions of dollars)</i> | December 31, 2024 2025 | | | December 31, 2023 2024 | | |
|--------------------------------------|-----------------------------------|--------------------------|------------------|-----------------------------------|--------------------------|------------------|
| | Gross | Accumulated Amortization | Net | Gross | Accumulated Amortization | Net |
| Customer contracts and relationships | \$ 5,525 | \$ 2,882 | \$ 2,643 | \$ 4,389 | \$ 2,686 | \$ 1,703 |
| (Total) | 5,525 | 2,882 | 2,643 | 4,389 | 2,686 | 1,703 |
| | \$ 5,245 | \$ 2,623 | \$ 2,622 | \$ 4,111 | \$ 2,446 | \$ 1,665 |
| | 3,838 | 2,132 | 1,706 | | | |
| Brand rights and tradenames | 100 | 100 | — | 101 | 89 | |
| 12 | 404 | 79 | 22 | | | |
| Royalty agreements | 142 | 126 | 16 | 141 | 120 | |
| 21 | 173 | 142 | 31 | | | |
| Other | 38 | 33 | 5 | 36 | 31 | |
| 5 | 44 | 35 | 6 | | | |

At both December 31, ~~2025 and~~ 2024 ~~and 2023~~, we had indefinite lived intangible assets of \$71 million, which are emission allowance credits.

Amortization expense was \$271 million in 2025 and \$266 million in 2024 ~~and \$316 million in 2023~~. Estimated future amortization expense for the next five years related to the intangible assets at December 31, ~~2024~~2025 is as follows:

| <i>(Millions of dollars)</i> | |
|------------------------------|----------------|
| 2025 2026 | \$ 250 |
| 2026 | 230 |
| 2027 | |
| 2022 2024 | |
| 2028 | 480 |
| 2029 | 238 |
| 2030 | 4691 |
| | <u>91</u> |

17. Fair Value Measurements

Fair Values – Recurring

The following tables present assets and liabilities accounted for at fair value on a recurring basis as of December 31, ~~2025 and~~ 2024 ~~and 2023~~ by fair value hierarchy level. We have elected to offset the fair value amounts recognized for multiple derivative contracts executed with the same counterparty, including any related cash collateral as shown below; however, fair value amounts by hierarchy level are presented on a gross basis in the following tables.

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| | | December 31, 2024 | | 2025 | | | |
|---|------------|----------------------|------------|---------------------------------------|--|-------------------------------|--|
| | | Fair Value Hierarchy | | | | | |
| (Millions of dollars) | Level 1 | Level 2 | Level 3 | Netting and Collateral ^(a) | Net Carrying Value on Balance Sheet ^(b) | Collateral Pledged Not Offset | |
| Assets: | | | | | | | |
| Commodity contracts | \$ 139,243 | \$ — | \$ — | \$ (132,226) | \$ 7,017 | \$ 46,111 | |
| Liabilities: | | | | | | | |
| Commodity contracts | \$ 144,236 | \$ — | \$ — | \$ (144,236) | \$ — | \$ — | |
| Embedded derivatives in commodity contracts | — | 58 | 41 | — | 58,411 | — | |
| <u>Contingent consideration, liability</u> | <u>—</u> | <u>—</u> | <u>236</u> | <u>—</u> | <u>236</u> | <u>—</u> | |

| | | December 31, 2023 | | 2024 | | | |
|---|------------|-------------------|---------|---------------------------------------|--|-------------------------------|--|
| | | Fair Value | | | | | |
| (Millions of dollars) | Level 1 | Level 2 | Level 3 | Netting and Collateral ^(a) | Net Carrying Value on Balance Sheet ^(b) | Collateral Pledged Not Offset | |
| Assets: | | | | | | | |
| Commodity contracts | \$ 244,139 | \$ — | \$ — | \$ (220,132) | \$ 24,007 | \$ 73,166 | |
| Liabilities: | | | | | | | |
| Commodity contracts | \$ 249,144 | \$ — | \$ — | \$ (249,144) | \$ — | \$ — | |
| Embedded derivatives in commodity contracts | — | — | 64,581 | — | 64,581 | — | |

(a) Represents the impact of netting assets, liabilities and cash collateral when a legal right of offset exists. As of December 31, 2024, cash collateral of \$42,10 million was netted with mark-to-market derivative liabilities. As of December 31, 2023, cash collateral of \$29,12 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 include a liability for contingent consideration related to the BANGL Acquisition earnout provision and~~ 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~~

The fair value calculation for the contingent consideration liability was estimated using discounted cash flows based on a Monte Carlo simulation. Future earnout payments are tied to the achievement of EBITDA growth from 2026 to 2029, which includes significant unobservable input of forecasted throughput volumes. The earnout payment will continue to be remeasured at fair value each quarter with changes in fair value recognized in earnings until either the EBITDA targets are met or the earnout period ends, with the total payout capped at \$275 million.

The fair value calculation for the embedded derivative liability at December 31, 2024 used significant unobservable inputs including: (1) NGL prices interpolated and extrapolated due to inactive markets ranging from \$0.650.60 to \$1.541.19 per gallon with a weighted average of \$0.840.72 per gallon and (2) a 100 percent probability of renewable for the five-year term of the natural gas purchase agreement commitment and related keep-whole processing agreement. Increases or decreases in the fractionation spread result in an increase or decrease in the fair value of the embedded derivative liability.

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

| (Millions of dollars) | 2025 | 2024 | 2023 |
|---|------------|----------|----------|
| Beginning balance | \$ 58 | \$ 6 | \$ — |
| <u>Contingent consideration^(a)</u> | <u>234</u> | <u>—</u> | <u>—</u> |
| Unrealized and realized <u>(gain)</u> loss included in net income ^(ab) | <u>—</u> | <u>—</u> | <u>—</u> |

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| | | | | |
|---|---|------|------|------|
| | | (5) | 10 | 14 |
| Settlements of derivative instruments | | (10) | (13) | (11) |
| Ending balance | € | 277 | \$ | € |
| The amount of total (gain) loss for the period included in earnings attributable to the change in unrealized loss relating to liabilities still held at the end of period ^(ab) : | € | (7) | \$ | € |

^(a) [Liability recorded in the third quarter of 2025 related to the BANGL Acquisition earnout provision.](#)

^(ab) The gain/loss is included in cost of revenues on the consolidated statements of income.

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

Fair Values—Non-recurring

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

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

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

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

Fair Values – Reported

We believe the carrying value of our other financial instruments, including cash and cash equivalents, receivables, accounts payable and certain accrued liabilities, approximate fair value. Our fair value assessment incorporates a variety of considerations, including the short-term duration of the instruments ~~and the~~ [historical incurrence of credit losses](#) and expected insignificance of ~~bad debt expense~~ [future credit losses](#), 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 [estimated](#) based on ~~prices from recent trade activity~~ [average bid prices obtained from broker quotes](#) and is categorized in level 3 of the fair value hierarchy. The carrying and fair values of our debt were approximately [\\$32.4 billion and \\$31.1 billion at December 31, 2025, respectively, and approximately \\$26.9 billion and \\$25.0 billion at December 31, 2024, respectively, and approximately \\$27.0 billion and \\$25.5 billion at December 31, 2023, respectively. These carrying and fair values of our debt exclude the unamortized issuance costs, which are netted against our total debt.](#)

18. Derivatives

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

The following table presents the fair value of derivative instruments as of December 31, ~~2025 and 2024 and 2023~~ and the line items in the consolidated balance sheets in which the fair values are reflected. The fair value amounts below are presented on a gross basis and do not reflect the netting of asset and liability positions permitted under the terms of our master netting arrangements including cash collateral on deposit ~~with, or received from, brokers. We offset the recognized fair value amounts~~ for multiple derivative instruments executed with the same counterparty in our financial statements when a legal right of offset exists. As a result, the asset and liability amounts below will not agree with the amounts presented in our consolidated balance sheets.

| <i>(Millions of dollars)</i> | December 31, 2024 2025 | | December 31, 2023 2024 | |
|---|---|-----------|---|-----------|
| | Asset | Liability | Asset | Liability |
| Balance Sheet Location | | | | |
| Commodity derivatives | | | | |
| Other current assets | \$ 243 | \$ 236 | \$ 139 | \$ |
| 144 | \$ 244 | \$ 249 | | |
| Other current liabilities ^(a) | — | 106 | — | 1110 |
| Deferred credits and other liabilities ^(a) | — | 4835 | — | 5048 |

^(a) Includes embedded derivatives.

The table below summarizes open commodity derivative contracts for crude oil, refined products, blending products and soybean oil as of December 31, ~~2024~~[2025](#).

| <i>(Units in thousands of barrels)</i> | Percentage of contracts that expire next quarter | Position | |
|--|--|----------|-------|
| | | Long | Short |
| Exchange-traded ^(a) | | | |
| Crude oil | 54.5% | 47,351 | |
| 43,78556.1% | 40,038 | 41,459 | |
| Refined products | 82.3% | 18,086 | |
| 21,97380.8% | 37,457 | 39,082 | |
| Blending products | 93.5% | 6,061 | |
| 6,12191.6% | 7,225 | 6,502 | |
| Soybean oil | 97.9% | 2,295 | |
| 2,88894.9% | 1,171 | 1,422 | |

^(a)Included in exchange-traded are spread contracts in thousands of barrels: Crude oil - ~~15,975~~[3,600](#) long and ~~15,455~~[2,970](#) short; Refined products - ~~545~~[3,156](#) long and ~~325~~[3,041](#) short ~~and~~; Blending products - ~~158~~[173](#) long. There are no spread contracts for ~~soybean~~[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 (Loss) |
|------------------------------|-------------|
|------------------------------|-------------|

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| Income Statement Location | 2024 | 2023 | 2022 |
|------------------------------------|----------------|-----------|----------------|
| Sales and other operating revenues | \$ 4 | \$ | \$ — |
| Cost of revenues | (94) | (15) | (58) |
| Other income | 2 | 2 | — |
| Total | \$ (91) | \$ | \$ (58) |

(Millions of dollars)

Gain (Loss)

| Income Statement Location | 2025 | 2024 | 2023 |
|------------------------------------|----------------|----------------|---------------|
| Sales and other operating revenues | \$ 1 | \$ 1 | \$ 7 |
| Cost of revenues | (25) | (94) | (15) |
| Other income | 1 | 2 | 2 |
| Total | \$ (24) | \$ (91) | \$ (6) |

19. Debt

Our outstanding borrowings at December 31, [2025 and 2024](#) ~~and 2023~~ consisted of the following:

| <i>(Millions of dollars)</i> | December 31, 2024 2025 | December 31, 2023 2024 |
|--|---|---|
| Marathon Petroleum Corporation: | | |
| Senior notes | \$ 5,699 6,449 | \$ 6,449 5,699 |
| Notes payable | — | 4 |
| MARAD debt | 174 161 | 174 |
| Finance lease obligations | 718 689 | 464 718 |
| Total | 6,5917,299 | 6,9146,591 |
| MPLX LP: | | |
| Senior notes | 21,200 26,000 | 20,700 21,200 |
| Finance lease obligations | 6 | 6 |
| Total | 21,20626,006 | 20,70621,206 |
| Total debt | 27,79733,305 | 27,62027,797 |
| Unamortized debt issuance costs | (142) 204 | (141) 142 |
| Unamortized discount, net of unamortized premium | (174) 225 | (196) 174 |
| Amounts due within one year | (3,049) 2,371 | (1,954) 3,049 |
| Total long-term debt due after one year | \$ 24,43230,505 | \$ 25,32024,432 |

Commercial Paper

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

MPC Senior Notes

| <i>(Millions of dollars)</i> | December 31, | |
|---|---|---|
| | 2024 2025 | 2023 2024 |
| Senior notes, 3.625% due September 2024 | — | 750 |
| Senior notes, 4.700% due May 2025 | 1,250 \$ | \$ 1,250 |
| Senior notes, 5.125% due December 2026 | 719 | 719 |
| Senior notes, 3.800% due April 2028 | 496 | 496 |
| Senior notes, 6.500 5.150 % due March 2041 2030 | 1,250 1,100 | 1,250 |
| Senior notes, 5.700% due March 2035 | 900 | — |
| Senior notes, 6.500% due March 2041 | 1,250 | 1,250 |
| Senior notes, 4.750% due September 2044 | 800 | 800 |
| Senior notes, 5.850% due December 2045 | 250 | 250 |
| Senior notes, 4.500% due April 2048 | 498 | 498 |
| Andeavor senior notes, 3.800% - 5.125% due 2026 – 2048 | 36 | 36 |
| Senior notes, 5.000%, due September 2054 | 400 | 400 |
| Total | \$ 5,6996,449 | \$ 6,4495,699 |

[2025 Activity](#)

[On February 10, 2025, MPC issued \\$2.0 billion aggregate principal amount of senior notes in an underwritten public offering \("2025 Senior Notes Offering"\), consisting of:](#)

- [\\$1.1 billion aggregate principal amount of 5.150 percent senior notes due March 2030; and](#)

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- [\\$900 million aggregate principal amount of 5.700 percent senior notes due March 2035.](#)

[The 2025 Senior Note Offering replaced the \\$750 million aggregate principal amount of 3.625 percent senior notes that matured in September 2024 and was used to repay the \\$1.250 billion aggregate principal amount of 4.700 percent senior notes at maturity on May 1, 2025.](#)

2024 Activity

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

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

MARAD Debt

| <i>(Millions of dollars)</i> | December 31, | |
|--|--------------|--------|
| | 2025 | 2024 |
| Bonds, 3.432% due August 2036 | \$ | \$ 54 |
| Bonds, 3.477% due January 2037 | 53 | 57 |
| Bonds, 3.609% due January 2038 | 57 | 62 |
| Total | \$ | \$ 174 |

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

~~The MARAD Debt is comprised of \$55 million aggregate principal amount of 3.432% bonds due 2036, \$57 million aggregate principal amount of 3.477% bonds due 2037 and \$62 million aggregate principal amount of 3.609% bonds due 2038.~~ The agreements that govern the MARAD Debt, including the indenture, security agreement and guarantee contain customary representations and warranties as well as affirmative and negative covenants, events of defaults and other provisions, we believe are typical for U.S. government guaranteed obligations of this type. As of December 31, ~~2024~~[2025](#), we were in compliance with the covenants contained in the MARAD Debt documents.

December 31,

| (Millions of dollars) | 2024 | 2025 | 2023 | 2024 |
|---|-------------------|--------------|---------------|--------------------------|
| Senior notes, 4.875% due December 2024 | \$ | | \$ | 1,144 |
| Senior notes, 4.000% due February 2025 | 500 | \$ | \$ | 500 |
| Senior notes, 4.875% due June 2025 | | = | | |
| MarkWest senior notes, 4.875% due 2024 —2025 | 11 | 1,189 | = | 1,189 |
| 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 |
| <u>Senior notes, 4.800% due February 2031</u> | | <u>1,250</u> | | |
| Senior notes, 4.950% due September 2032 | | 1,000 | | 1,000 |
| <u>Senior notes, 5.000% due January 2033</u> | | <u>750</u> | | |
| Senior notes, 5.000% due March 2033 | | 1,100 | | 1,100 |
| Senior notes, 5.500% due June 2034 | | 1,650 | | <u>1,650</u> |
| <u>Senior notes, 5.400% due April 2035</u> | | <u>1,000</u> | | |
| <u>Senior notes, 5.400% due September 2035</u> | | <u>1,500</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, 4.250% - 5.200% due 2027 – 2047 | | 31 | | 31 |
| Senior notes, 4.700% due April 2048 | | 1,500 | | 1,500 |
| Senior notes, 5.500% due February 2049 | | 1,500 | | 1,500 |
| Senior notes, 4.950% due March 2052 | | 1,500 | | 1,500 |
| Senior notes, 5.650% due March 2053 | | 500 | | 500 |
| <u>Senior notes, 5.950% due April 2055</u> | | <u>1,000</u> | | |
| <u>Senior notes, 6.200% due September 2055</u> | | <u>1,000</u> | | |
| Senior notes, 4.900% due April 2058 | | 500 | | 500 |
| Total | | \$ | | \$ |
| | 21,200 | 26,000 | \$ | 20,700 21,200 |

2024 Activity

On February 18, 2025, MPLX repaid all of MPLX's outstanding \$500 million aggregate principal amount of 4.000 percent senior notes due February 2025 at maturity.

On ~~May 20~~ March 10, 2025, MPLX issued \$1.652 billion in aggregate principal amount of 5.50 percent senior notes due June 2034 (the "2034 Senior Notes") in an underwritten public offering— ("March 2025 MPLX Senior Notes"), consisting of:

- \$1.0 billion aggregate principal amount of 5.400 percent senior notes due April 2035; and
- \$1.0 billion aggregate principal amount of 5.950 percent senior notes due April 2055.

On ~~December 4~~ April 9, 2025, MPLX used \$1.150 billion a portion of the net proceeds from the ~~issuance of the 2034~~ March 2025 MPLX Senior Notes Offering to ~~repay~~ redeem all of (i) MPLX's MPLX LP's outstanding \$1,149.189 million aggregate principal amount of 4.875 percent senior notes due ~~December 2024~~ June 2025 and (ii) MarkWest's MarkWest Energy Partners, L.P.'s outstanding \$411 million aggregate principal amount of 4.875 percent senior notes due ~~December 2024~~. On February 18, 2025, MPLX used the remaining net proceeds ~~from the issuance of the 2034 Senior Notes to repay all of MPLX's outstanding for general partnership purposes.~~

On August 11, 2025, MPLX issued \$4.5 billion in aggregate principal amount of senior notes in an underwritten public offering ("August 2025 MPLX Senior Notes Offering"), consisting of:

- \$500 million 1.25 billion aggregate principal amount of 4.000 4.800 percent senior notes due February 2025-2031;
- \$750 million aggregate principal amount of 5.000 percent senior notes due January 2033;

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- \$1.5 billion aggregate principal amount of 5.400 percent senior notes due September 2035; and
- \$1.0 billion aggregate principal amount of 6.200 percent senior notes due September 2055.

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[MPLX used a portion of the net proceeds from the August 2025 MPLX Senior Notes Offering to fund the Northwind Midstream Acquisition, including the payment of related fees and expenses, and to increase cash and cash equivalents following the recently completed BANGL Acquisition and BANGL Debt Repayment. The remainder of the net proceeds from the August 2025 MPLX Senior Notes Offering were used for general partnership purposes.](#)

2023 ~~2024~~ **Activity**

On ~~February 9~~ [May 20, 2023](#) ~~2024~~, MPLX issued ~~\$1.61.65~~ billion aggregate principal amount of ~~senior notes in a public offering, consisting of \$1.1 billion aggregate principal amount of 5.005.50~~ percent senior notes due ~~March 2033 and \$500~~ [June 2034](#) (the "2034 Senior Notes") in an underwritten public offering. [On December 1, 2024, MPLX used \\$1,150 million of the net proceeds from the issuance of the 2034 Senior Notes to repay all of \(i\) MPLX's outstanding \\$1,149 million aggregate principal amount of 5.654.875 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 December 2024 and \(ii\) MarkWest's outstanding \\$1 million aggregate principal amount of 4.504.875 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. December 2024.](#)

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

Schedule of Maturities

Principal maturities of long-term debt, excluding finance lease obligations, as of December 31, ~~2024~~ [2025](#) for the next five years are as follows:

(Millions of dollars)

| | | |
|----------------------|----|-----------------------|
| 2025 | \$ | 2,964 |
| 2026 | \$ | |
| 2027 | | 2,014 |
| 2028 | | 1,764 |
| 2029 | | 764 |
| 2030 | | 2,614 |

Available Capacity under our Facilities as of December 31, ~~2024~~ [2025](#)

| <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 |
| MPLX | | | | | | |
| MPLX bank revolving credit facility | 2,000 | — | — | 2,000 | — | July 2027 |

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

MPC Bank Revolving Credit Facility

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

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

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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.

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The MPC Credit Agreement contains certain representations and warranties, affirmative and restrictive covenants and events of default that we consider to be usual and customary for arrangements of this type, including a financial covenant that requires us to maintain a ratio of Consolidated Net Debt to Total Capitalization, each as defined in the MPC Credit Agreement, of no greater than 0.65 to 1.00 as of the last day of each fiscal quarter. The covenants also restrict, among other things, our ability and/or the ability of certain of our subsidiaries to incur debt, create liens on assets or enter into transactions with affiliates. As of December 31, ~~2024~~[2025](#), we were in compliance with the covenants contained in the MPC Credit Agreement.

Trade Receivables Securitization Facility

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

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

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

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

The Loan and Security Agreement and other documents comprising the facility contain representations and covenants that we consider usual and customary for arrangements of this type. Trade receivables are subject to customary criteria, limits and reserves before being deemed to be eligible receivables that count towards the borrowing base under the trade receivables facility. In addition, the lender’s commitments to extend loans and credits under the facility are subject to termination, and TRC may be subject to default fees, upon the occurrence of certain events of default that are included in the Loan and Security Agreement and other facility documentation, all of which we consider to be usual and customary for arrangements of this type. As of December 31, ~~2024~~[2025](#), we were in compliance with the covenants contained in the Loan and Security Agreement and other facility documentation.

MPLX Bank Revolving Credit Facility

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

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

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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.

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The MPLX Credit Agreement contains certain representations and warranties, affirmative and restrictive covenants and events of default that we consider to be usual and customary for an agreement of this type, including a financial covenant that requires MPLX to maintain a ratio of Consolidated Total Debt as of the end of each fiscal quarter to Consolidated EBITDA, both as defined in the MPLX Credit Agreement, for the prior four fiscal quarters of no greater than 5.0 to 1.0 (or 5.5 to 1.0 for up to two fiscal quarters following certain acquisitions). Consolidated EBITDA is subject to adjustments for certain acquisitions completed and capital projects undertaken during the relevant period. The covenants also restrict, among other things, MPLX's ability and/or the ability of certain of its subsidiaries to incur debt, create liens on assets and enter into transactions with affiliates. As of December 31, ~~2024~~2025, MPLX was in compliance with the covenants contained in the MPLX Credit Agreement.

20. Revenue

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

| <i>(Millions of dollars)</i> | 2025 | 2024 | 2023 | 2022 |
|--|------------|------------|----------|----------|
| Refining & Marketing | | | | |
| Refined products | \$ 116,504 | \$ 122,429 | \$ 132,6 | \$ 160,7 |
| Crude oil | 5,817 | 7,298 | 7,423 | 8,962 |
| Services and other | 1,931 | 1,861 | 1,737 | 1,762 |
| Total revenues from external customers | 124,252 | 131,588 | 141,835 | 171,461 |
| Midstream | | | | |
| Refined products | 2,022 | 1,668 | 1,675 | 2,219 |
| Services and other ^(a) | 3,606 | 3,529 | 3,236 | 3,147 |
| Total revenues from external customers | 5,628 | 5,197 | 4,911 | 5,366 |
| Renewable Diesel | | | | |
| Refined products | 2,799 | 2,073 | 1,628 | 625 |
| Services and other | 15 | 6 | 5 | 4 |
| Total revenues from external customers | 2,814 | 2,079 | 1,633 | 626 |
| <u>Other service revenue</u> | 5 | | | |
| Sales and other operating revenues | \$ 132,699 | \$ 138,864 | \$ 148,3 | \$ 177,4 |

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

We do not disclose information on the future performance obligations for any contract with expected duration of one year or less at inception. As of December 31, ~~2024~~2025, we do not have future performance obligations that are material to future periods.

Receivables Contract Balances

~~On the accompanying consolidated balance sheets, Our~~ receivables, ~~less allowance for doubtful accounts~~ primarily consists consist of customer receivables. Significant, non-customer balances included in our receivables at December 31, 2025 and December 31, 2024 include matching buy/sell receivables of \$4.1 billion and \$4.3 billion, respectively.

Our contract liabilities primarily represent advances from our customers prior to product of service delivery. At December 31, 2025 and December 31, 2024, contract liabilities were \$215 million and \$515 million, respectively. Contract liabilities are included in other current liabilities and deferred credits and other liabilities on our consolidated balance sheets. We classify contract liabilities as current or long-term based on the timing of when we expect to recognize revenue.

21. Supplemental Cash Flow Information

| (Millions of dollars) | 2025 | 2024 | 2023 | 2022 |
|--|----------|----------|--------|--------|
| Net cash provided by operating activities included: | | | | |
| Interest paid (net of amounts capitalized) | \$ 1,219 | \$ 1,247 | \$ 1,2 | \$ 1,0 |
| Income taxes paid to taxing authorities ^(a) | | 732 | 2,751 | 4,869 |
| <u>Federal^(a)</u> | 333 | 635 | | 2,321 |
| <u>State and local:</u> | | | | |
| <u>California</u> | 22 | 45 | | 98 |
| <u>Other</u> | 33 | 46 | | 327 |
| <u>Foreign</u> | 18 | 6 | | 5 |
| <u>Total</u> | 406 | 732 | | 2,751 |
| Cash paid for amounts included in the measurement of lease liabilities | | | | |
| Payments on operating leases | 530 | 532 | 493 | 498 |
| Interest payments under finance lease obligations | 33 | 25 | 25 | 24 |
| Net cash provided by financing activities included: | | | | |
| Principal payments under finance lease obligations | 108 | 82 | 79 | 79 |
| Non-cash investing and financing activities: | | | | |
| Right of use assets obtained in exchange for new operating lease obligations | 724 | 637 | 465 | 367 |
| Right of use assets obtained in exchange for new finance lease obligations | 85 | 302 | 21 | 60 |
| Contribution of assets ^(b) | 115 | — | — | 818 |
| Book value of equity method investment ^(c) | 282 | 50 | 311 | 150 |
| Contingent consideration ^(d) | 234 | | | |

(a) ~~2024 includes~~ Includes \$332 million and \$565 million in 2025 and 2024, respectively, paid to third parties and related parties for transferable tax credits. The 2025 total includes \$221 million paid to Martinez Renewables LLC.

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

(c) ~~2024 represents the book value of Coastal Holdings prior to MPC buying out the remaining 50 percent interest from our joint venture partner.~~ 2025 and 2023 represents the book value of MPLX's equity method investment in BANGL and Torñado, respectively, prior to MPLX buying out the remaining interest in ~~this entity.~~ 2022 these entities. ~~2024 represents the book value of MPC's equity method investment in Watson Cogeneration Company and Tanker Coastal Holdings of \$25 million and \$125 million, respectively,~~ prior to MPC buying out the remaining 50 percent interest in these entities from our joint venture partner. See Note 14 for additional information.

(d) See Note 5 - BANGL, LLC Acquisitions

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:

| (Millions of dollars) | 2025 | 2024 | 2023 | 2022 |
|--|----------|----------|--------|--------|
| Additions to property, plant and equipment per the consolidated statements of cash flows | \$ 3,486 | \$ 2,533 | \$ 1,8 | \$ 2,4 |
| Increase (decrease) in capital accruals | 143 | 34 | 184 | (37) |
| Total capital expenditures | \$ 3,629 | \$ 2,567 | \$ 2,0 | \$ 2,3 |

22. Other Current Liabilities

The following summarizes the components of other current liabilities:

| (Millions of dollars) | December 31, | | |
|---------------------------------|--------------|-------|-------|
| | 2025 | 2024 | 2023 |
| Environmental credits liability | \$ 463 | \$ 42 | \$ 77 |

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| | | | |
|---------------------------------|-----------------|---------------|---------------|
| Accrued interest payable | 449 | 314 | 316 |
| Other current liabilities | 341 | 419 | 551 |
| Total other current liabilities | <u>\$ 1,253</u> | <u>\$ 1,1</u> | <u>\$ 1,6</u> |

23. Accumulated Other Comprehensive Income (Loss)

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

| <i>(Millions of dollars)</i> | Pension Benefits | Other Benefits | Other | Total |
|--|------------------|----------------|--------|----------|
| Balance as of December 31, 2021 2022 | \$ (117)163 | \$ 49165 | \$ 1 | \$ (67) |
| Other comprehensive income (loss) before reclassifications, net of tax of \$44(22) | (70)60 | 129(21) | (1)2 | 58(79) |
| Amounts reclassified from accumulated other comprehensive loss: | | | | |
| Amortization of prior service credit ^(a) | (45) | (22) | | (67) |
| Amortization of actuarial loss gain ^(a) | 4(5) | 6 | | 10(5) |
| Settlement loss gain ^(a) | 79(1) | | | 79(1) |
| Tax effect Other | (14) | 3 | (1) | (11) |
| Tax effect | 13 | 7 | | 20 |
| Other comprehensive income (loss) | (46)98 | 116(36) | (1) | 69(133) |
| Balance as of December 31, 2022 2023 | (163)261 | 165129 | -1 | 2(131) |
| Other comprehensive income (loss) before reclassifications, net of tax of \$(22)16 | (60)44 | (21)10 | (2) | (79)52 |
| Amounts reclassified from accumulated other comprehensive loss: | | | | |
| Amortization of prior service credit ^(a) | (45)33 | (22) | | (67)55 |
| Amortization of actuarial gain loss ^(a) | (5)6 | | | (5)6 |
| Settlement gain loss ^(a) | (1)3 | | | (1)3 |
| Other | | | (1) | (1) |
| Tax effect | 136 | 75 | | 211 |
| Other comprehensive income (loss) | (98)26 | (367) | 1(2) | (133)17 |
| Balance as of December 31, 2023 2024 | (261)235 | 129122 | (1) | (131)114 |
| Other comprehensive income (loss) before reclassifications, net of tax of \$165 | 4419 | 10(1) | (2)1 | 5217 |
| Amounts reclassified from accumulated other comprehensive loss: | | | | |
| Amortization of prior service credit ^(a) | (33)9 | (22) | | (55)31 |
| Amortization of actuarial loss ^(a) | 617 | | | 617 |
| Settlement loss ^(a) | 32 | | | 32 |
| Other | | | 1 | 1 |
| Balance as of December 31, 2025 | \$ (209) | \$ 105 | \$ (1) | \$ (105) |
| Tax effect | 6(3) | 56 | | 113 |
| Other comprehensive income (loss) | 26 | (7)17 | (2) | 179 |
| Balance as of December 31, 2024 | \$ | \$ | \$ | \$ (114) |

(Del)

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

24. Pension and Other Postretirement Benefits

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

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| <i>(Millions of dollars)</i> | <u>2025</u> | 2024 | 2023 2022 |
|--|-------------------|--------|----------------------|
| Cash balance weighted average interest crediting rates | <u>4.19 %</u> | 4.56 % | 3.57 |
| % | 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 \$~~2,579~~2,818 million and \$~~2,441~~2,579 million as of December 31, 2025 and 2024 ~~and 2023~~.

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

| <i>(Millions of dollars)</i> | Pension Benefits | | Other Benefits | |
|--|------------------------------|------------------------------|----------------------------|----------------------------|
| | <u>2024</u> <u>2025</u> | <u>2023</u> <u>2024</u> | <u>2024</u> <u>2025</u> | <u>2023</u> <u>2024</u> |
| Benefit obligations at January 1 | \$ <u>2,563</u> <u>2,685</u> | \$ <u>2,359</u> <u>2,563</u> | \$ <u>679</u> <u>669</u> | \$ <u>650</u> <u>671</u> |
| Service cost | <u>249</u> <u>220</u> | <u>195</u> <u>219</u> | <u>24</u> <u>20</u> | <u>48</u> <u>21</u> |
| Interest cost | <u>122</u> <u>144</u> | <u>116</u> <u>122</u> | <u>32</u> <u>35</u> | <u>31</u> <u>32</u> |
| Actuarial (gain) loss | <u>(32)</u> <u>109</u> | <u>184</u> <u>(32)</u> | <u>(14)</u> <u>4</u> | <u>31</u> <u>(14)</u> |
| Benefits paid | <u>(187)</u> <u>226</u> | <u>(291)</u> <u>187</u> | <u>(49)</u> <u>50</u> | <u>(54)</u> <u>49</u> |
| Benefit obligations at December 31 | <u>2,685</u> <u>2,932</u> | <u>2,563</u> <u>2,685</u> | <u>669</u> <u>678</u> | <u>679</u> <u>669</u> |
| Fair value of plan assets at January 1 | <u>2,082</u> <u>2,158</u> | <u>1,838</u> <u>2,082</u> | | |
| Actual return on plan assets | <u>164</u> <u>267</u> | <u>266</u> <u>161</u> | | |
| Employer contributions | <u>102</u> <u>200</u> | <u>269</u> <u>102</u> | <u>49</u> <u>50</u> | <u>51</u> <u>49</u> |
| Benefits paid from plan assets | <u>(187)</u> <u>226</u> | <u>(291)</u> <u>187</u> | <u>(49)</u> <u>50</u> | <u>(54)</u> <u>49</u> |
| Fair value of plan assets at December 31 | <u>2,158</u> <u>2,399</u> | <u>2,082</u> <u>2,158</u> | | |
| Funded status at December 31 | \$ <u>(527)</u> <u>533</u> | \$ <u>(484)</u> <u>527</u> | \$ <u>(669)</u> <u>678</u> | \$ <u>(679)</u> <u>669</u> |

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 | |
|------------------------------|-------------------------|-------------------------|----------------------------|----------------|---------------|
| | <u>2024</u> <u>2025</u> | <u>2023</u> <u>2024</u> | <u>2025</u> | 2024 | <u>2023</u> |
| Noncurrent assets | \$ <u>23</u> | \$ <u>22</u> | \$ <u>—</u> | \$ <u>—</u> | \$ <u>—</u> |
| Current liabilities | <u>(10)</u> | <u>(11)</u> | <u>(851)</u> | <u>(50)</u> | <u>(50)</u> |
| Noncurrent liabilities | <u>(546)</u> | <u>(538)</u> | <u>(473)</u> <u>627</u> | <u>(619)</u> | <u>(629)</u> |
| Accrued benefit cost | \$ <u>(533)</u> | \$ <u>(527)</u> | \$ <u>(484)</u> <u>678</u> | \$ <u>(6)</u> | \$ <u>(6)</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 | |
|------------------------------|------------------|-------------|----------------|-------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

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| | | | | | | | |
|----------------------|----|-----------------------------|----|-----------------------------|----|-------------------------|-------|
| Net actuarial loss | \$ | 404 <u>367</u> | \$ | 467 <u>404</u> | \$ | 40 <u>40</u> | \$ |
| Prior service credit | | (36 <u>27</u>) | | (69 <u>36</u>) | | (<u>159</u>) | (181) |

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Amounts exclude those related to LOOP and Explorer, equity method investees with defined benefit pension and postretirement plans for which net losses (gains) of less than \$(7)1 million and \$47 million were recorded in accumulated other comprehensive income (loss) in 2024~~2025~~, 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.

| (Millions of dollars) | Pension | | | Other Benefits | | |
|---|---------|--------|--------|----------------|--------|----------|
| | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| Service cost | \$ 227 | \$ 204 | \$ 230 | \$ 212 | \$ 182 | \$ 261 |
| Interest cost | 122 | 116 | 116 | 32 | 34 | 24 |
| Expected return on plan assets | (146) | (163) | (142) | | | |
| Amortization of prior service credit | (33) | (45) | (45) | (22) | (22) | (22) |
| Amortization of actuarial (gain) loss | 6 | (5) | 4 | — | — | 6 |
| Settlement (gain) loss | 32 | (1) | 79 | — | — | — |
| Net periodic benefit cost ^(a) | \$ 479 | \$ 403 | \$ 228 | \$ 343 | \$ 273 | \$ 342 |
| Actuarial (gain) loss | \$ (54) | \$ 75 | \$ 109 | \$ (15) | \$ 31 | \$ (167) |
| Amortization of actuarial (gain)- (loss) | (9) | 6 | (8) | — | — | (6) |
| Amortization of prior service credit | 33 | 45 | 45 | 22 | 22 | 22 |
| Total recognized in other comprehensive (income) loss | \$ (30) | \$ 126 | \$ 71 | \$ 72 | \$ 53 | \$ (151) |
| Total recognized in net periodic benefit cost and other comprehensive (income) loss | \$ 449 | \$ 229 | \$ 299 | \$ 385 | \$ 80 | \$ (120) |

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

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

For certain of our pension plans, lump sum payments to employees retiring in 2025, 2024, and 2023 ~~and 2022~~ exceeded the plan's total service and interest costs expected for those years. Settlement losses are required to be recorded when lump sum payments exceed total service and interest costs. As a result, pension settlement expenses were recorded in 2025, 2024, and 2023 ~~and 2022~~.

Plan Assumptions

The following summarizes the assumptions used to determine the benefit obligations at December 31, and net periodic benefit cost for the defined benefit pension and other postretirement plans for 2025, 2024, and 2023 ~~and 2022~~.

| | 2025 | Pension Benefits | | Other Benefits | | 2022 | |
|--|---------------|------------------|--------|---------------------------------|--------|--------|---------------|
| | | 2024 | 2023 | 2024 | 2023 | | |
| Benefit obligation: | | | | | | | |
| Discount rate | <u>5.25 %</u> | 5.55 % | 4.85 % | <u>5.04</u> <u>5.40</u> % | 5.58 % | 4.88 % | <u>5.08 %</u> |
| Rate of compensation increase | <u>3.83 %</u> | 4.18 % | 4.18 % | <u>4.18</u> <u>3.83</u> % | 4.18 % | 4.18 % | <u>4.18 %</u> |
| Net periodic benefit cost: | | | | | | | |
| Discount rate | <u>5.53 %</u> | 4.85 % | 5.10 % | <u>3.33</u> <u>5.58</u> % | 4.88 % | 5.08 % | <u>2.93 %</u> |
| Expected long-term return on plan assets | <u>7.10 %</u> | 6.80 % | 7.00 % | <u>5.75</u> % | — % | — % | <u>— %</u> |

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| | | | | | | | |
|-------------------------------|---------------|--------|--------|----------------------------------|--------|--------|-------------------|
| Rate of compensation increase | <u>3.83 %</u> | 4.18 % | 4.18 % | 4.18 <u>3.83</u> % | 4.18 % | 4.18 % | 4.18 % |
|-------------------------------|---------------|--------|--------|----------------------------------|--------|--------|-------------------|

Expected Long-term Return on Plan Assets

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

market assumptions reflect the long-term capital market outlook. The assumptions for equity and fixed income investments are

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

Assumed Health Care Cost Trend

The following summarizes the assumed health care cost trend rates.

| | | <u>December 31,</u> | December <u>31,</u> | |
|---|----------------|---------------------|-----------------------------------|-------------------|
| | <u>2025</u> | 2024 | 2023 | <u>2022</u> |
| Health care cost trend rate assumed for the following year: | | | | |
| Medical: Pre-65 | <u>7.80 %</u> | 7.90 % | 7.70 % | 6.60 % |
| Prescription drugs | <u>13.30 %</u> | 12.50 % | 10.80 % | 8.90 % |
| Rate to which the cost trend rate is assumed to decline (the ultimate trend | | | | |
| Medical: Pre-65 | <u>4.50 %</u> | 4.50 % | 4.50 % | 4.50 % |
| Prescription drugs | <u>4.50 %</u> | 4.50 % | 4.50 % | 4.50 % |
| Year that the rate reaches the ultimate trend rate: | | | | |
| Medical: Pre-65 | <u>2035</u> | 2034 | 2032 | 2034 |
| Prescription drugs | <u>2035</u> | 2034 | 2032 | 2034 |

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

Plan Investment Policies and Strategies

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

The investment goals are implemented to manage the plans' funded status volatility and minimize future cash contributions. The asset allocation strategy will change over time in response to changes primarily in funded status, which is dictated by current and anticipated market conditions, the independent actions of our investment committee, required cash flows to and from the plans and other factors deemed appropriate. Such changes in asset allocation are intended to allocate additional assets to the fixed income asset class should the funded status improve. The fixed income asset class shall be invested in such a manner that its interest rate sensitivity correlates highly with that of the plans' liabilities. Other asset classes are intended to provide additional return with associated higher levels of risk. Investment performance and risk is measured and monitored on an ongoing basis through quarterly investment meetings and periodic asset and liability studies. At December 31, ~~2024~~2025, 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, 2025 and 2024 ~~and 2023~~.

Cash and cash equivalents

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

Equity

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

Fixed Income

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

Private Equity

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

Real Estate

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

Other

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

The following tables present the fair values of our defined benefit pension plans’ assets, by level within the fair value hierarchy, as of December 31, [2025 and 2024](#) ~~and 2023~~.

(Millions of dollars)

Cash and cash equivalents

Equity:

Common stocks

Mutual funds

Pooled funds

Fixed income:

Corporate

Government

Pooled funds

Private equity

Real estate

Other

Total investments, at fair value

| | | | | | | | |
|--------|----------|-------|----------|--------|----------|-------|----------|
| \$ 177 | \$ 1,961 | \$ 20 | \$ 2,158 | \$ 165 | \$ 1,892 | \$ 25 | \$ 2,082 |
|--------|----------|-------|----------|--------|----------|-------|----------|

| <i>(Millions of dollars)</i> | December 31, 2024 2025 | | | | December 31, 2023 2024 | | | | |
|------------------------------|-----------------------------------|---------|---------|-------|-----------------------------------|---------|---------|--------|--|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | |
| Cash and cash equivalents | \$ — | \$ 627 | \$ 74 | \$ 74 | \$ — | \$ — | \$ — | \$ 636 | |
| Equity: | | | | | | | | | |
| Common stocks | 53 | 52 | — | 53 | 52 | 50 | — | 5052 | |
| Mutual funds | 141 | 125 | — | 141 | 125 | 115 | — | 115125 | |
| Pooled funds | — | — | — | 953 | 871 | 794 | — | 794871 | |
| Fixed income: | | | | | | | | | |
| Corporate | — | — | — | 675 | 637 | 588 | — | 588637 | |

Estimated future benefit payments

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

| <i>(Millions of dollars)</i> | Pension Benefits | Other Benefits |
|---|--------------------|----------------|
| 2025 2026 | \$ <u>177,228</u> | \$ 5 |
| 2026 2027 | <u>180,243</u> | 52 |
| 2027 2028 | <u>188,250</u> | <u>52,53</u> |
| 2028 2029 | <u>203,260</u> | <u>53,55</u> |
| 2029 2030 | <u>206,266</u> | <u>54,55</u> |
| 2030 2031 through 2034 2035 | <u>1,219,1,506</u> | <u>289,285</u> |

Contributions to defined contribution plan

We also contribute to a defined contribution plan for eligible employees. Contributions to this plan totaled \$484,192 million, \$176,181 million and \$167,176 million in 2025, 2024, ~~and 2023 and 2022~~, respectively.

Multiemployer Pension Plan

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

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

Our participation in this plan for 2025, 2024, ~~and 2023 and 2022~~ is outlined in the table below. The “EIN” column provides the Employee Identification Number for the plan. The most recent Pension Protection Act zone status available in 2025 and 2024 and 2023 is for the plan years ending on December 31, ~~2023~~2024 and December 31, ~~2022~~2023, 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 2025, 2024, ~~and 2023 and 2022~~ contributions. Our portion of the contributions does not make up more than five percent of total contributions to the plan.

| Pension Fund | EIN | Pension Protection Act Zone Status | | FIP/RP Status Pending/Implemented | MPC Contributions (Millions of dollars) | | | | Surcharge Imposed | Expiration Date of Collective – Bargaining Agreement |
|---|-----------|------------------------------------|----------------------|-----------------------------------|---|------|------|-----------------|-------------------|--|
| | | <u>2025</u> | 2024-2023 | | <u>2025</u> | 2024 | 2023 | 2022 | | |
| Central States, Southeast and Southwest Areas Pension Plan ^{(a),(b)} | 366044243 | Red | Red | Implemented | <u>\$ 4</u> | \$ 3 | \$ 5 | \$ 5 | No | January 31, 2031 |

(a) This agreement has a minimum contribution requirement of \$338,561 per week per employee for 20252026. A total of 252,254 employees participated in the plan as of December 31, ~~2024~~2025.

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

Multiemployer Health and Welfare Plan

We contribute to one multiemployer health and welfare plan that covers both active employees and retirees. Through the health and welfare plan, employees receive medical, dental, vision, prescription and disability coverage. Our contributions to this plan totaled \$~~5 million~~, \$7 million, \$5 million and \$7 million for 2025, 2024, ~~and 2023 and 2022~~, respectively.

25. Share-Based Compensation

Description of the Incentive Plans

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

Share-Based Awards under the Plans

Stock Options

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

~~Restricted Stock and~~ Restricted Stock Units

We grant restricted stock ~~units~~unit awards to certain employees and to our non-employee directors. ~~Prior to 2021, we granted Vested~~ restricted stock ~~to certain employees and to our non-employee directors~~units are distributed in shares of MPC's common stock on the dates specified in the awards. The number of restricted stock units granted pursuant to each award is determined by dividing the target value of the award by MPC's common stock average 30-day closing price prior to the grant date. 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 prior to May 1, 2025 were~~ considered to vest immediately at the time of the grant for accounting purposes, as they ~~are were~~ non-forfeitable, ~~but are not issued as of the grant date and distributed upon the director's departure from the board of directors. Restricted stock units granted to non-employee directors after April 30, 2025 are fully earned at the grant date but are subject to proration if the director departs from the board of directors prior to the one-year anniversary of the grant date. These awards are considered to vest over the one-year service period for accounting purposes. For restricted stock units granted to a non-employee director after April 30, 2025, the director may elect to defer distributions until the director's departure from the board of directors; if no deferral election is made the restricted stock units are distributed following the one-year anniversary of the grant date.~~

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~~on the dates specified in the awards. Accrued dividend equivalents on vested employee awards are paid in cash. Accrued dividend equivalents on vested non-employee director awards are settled in shares of MPC common stock. We expense restricted ~~stock and restricted~~ stock units based on the grant date fair value of the awards over the requisite service period, adjusted for estimated forfeitures. The fair values of restricted stock ~~and restricted stock~~ units are equal to the market price of our common stock on the grant date.

Performance Share Units

We grant performance share unit awards to certain officer and non-officer employees. At grant, a performance share unit has a target value equal to the MPC common stock average 30-day closing price prior to the grant date. The actual payout value of a performance share unit is based on company performance (which can range from 0 percent to 200 percent) for the three-year performance period beginning January 1 of the year of grant, multiplied by, for the awards granted in ~~2021 and~~ 2022, MPC's closing share price on the date the Committee certifies performance; and for the awards granted in 2023 ~~and~~, 2024 ~~and~~ 2025, MPC's average closing share price for the final thirty calendar days at the end of the performance period. For awards granted in 2022 through 2024, and for two-thirds of the value of the awards granted in 2025 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. For the remaining one-third of the value of the awards granted in 2025, Company performance for purposes of payout will be determined by MPC's relative change in free cash flow ("FCF") per share generated during the performance period compared to the FCF of a select group of peer companies. 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 of the TSR service condition is determined using a Monte Carlo valuation ~~model~~.

[model. The fair value of the FCF performance condition is valued using management's current estimate of the most probable payout percentage.](#)

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.

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Total Share-Based Compensation Expense

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

| <i>(Millions of dollars)</i> | 2025 | 2024 | 2023 | 2022 |
|--|---------------|--------|-------|------|
| Share-based compensation expense | \$ <u>160</u> | \$ 137 | \$ 21 | \$ 4 |
| Tax benefit recognized on share-based compensation expense | <u>38</u> | 33 | 51 | 37 |
| Cash received by MPC upon exercise of stock option awards | <u>24</u> | 25 | 62 | 243 |
| Tax benefit received for tax deductions for stock awards exercised | <u>6</u> | 28 | 49 | 53 |

Stock Option Awards

The following is a summary of our common stock option activity in ~~2024~~2025:

| | Number of Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Terms <i>(in years)</i> | Aggregate Intrinsic Value <i>(Millions of dollars)</i> |
|---|------------------|---------------------------------|--|--|
| Outstanding at December 31, 2023 2024 | 1,044,014 | \$ 506.060 | 52.07 | 57.50 |
| Exercised | (537,951) | (4381.401) | 46.97 | 62.50 |
| Outstanding at December 31, 2024 2025 ^(a) | 506,060 | 57.50 | 3.9 | 124.659 |
| <u>3.5</u> | \$ | <u>44.15</u> | | <u>42.17</u> |

(a) All options outstanding at December 31, ~~2024~~2025 are fully vested and exercisable.

The intrinsic value of options exercised by MPC employees during ~~2025~~, 2024, and 2023 and ~~2022~~ was \$~~75~~35 million, \$~~136~~75 million and \$~~247~~136 million, respectively.

As of December 31, ~~2024~~2025, there was no unrecognized compensation cost related to stock option awards.

~~Restricted Stock and~~ Restricted Stock Unit Awards

The following is a summary of restricted stock unit award activity of our common stock in ~~2024~~2025:

| | Restricted Stock Units | |
|--------------------------------------|------------------------|--|
| | Number of Units | Weighted Average Grant Date Fair Value |
| <u>Unvested at December 31, 2024</u> | <u>1,033,269</u> | \$ <u>142.08</u> |
| <u>Granted</u> | <u>564,679</u> | <u>159.47</u> |
| <u>Vested</u> | <u>(424,718)</u> | <u>120.03</u> |
| <u>Forfeited</u> | <u>(62,801)</u> | <u>152.07</u> |
| <u>Unvested at December 31, 2025</u> | <u>1,110,429</u> | <u>158.79</u> |

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

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

| | Restricted Stock Restricted Stock Units | | | |
|-------------|---|---|---|---|
| | <u>Intrinsic Value of Awards Vested During the Period (Millions of dollars)</u> | <u>Weighted- Average Grant- Date Fair Value of Awards Granted During the Period</u> | <u>Intrinsic Value of Awards Vested During the Period (Millions of dollars)</u> | <u>Weighted- Average Grant- Date Fair Value of Awards Granted During the Period</u> |
| <u>2025</u> | | | \$ | 71 \$ 159.47 |
| 2024 | | | | \$ — |
| 2023 | | | | 171.55 |
| <u>2022</u> | 17 | | | 99 75.81 |

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As of December 31, ~~2024, there was no~~ 2025, unrecognized ~~compensation cost related to restricted stock awards.~~ ~~Unrecognized~~ compensation cost related to restricted stock unit awards was \$~~90~~98 million, which is expected to be recognized over a weighted average period of ~~2.0~~1.9 years.

Performance Awards

The following is a summary of performance share unit awards activity in ~~2024~~2025:

| | Number of Performance Share Units |
|--|---|
| Unvested at December 31, 2023 <u>2024</u> | 580,666 <u>427,348</u> |
| Granted | 255,290 <u>303,688</u> |
| Vested | (393,862) <u>271,706</u> |
| Forfeited | (14,746) <u>17,499</u> |
| Unvested at December 31, 2024 <u>2025</u> | 427,348 <u>441,831</u> |

We paid \$~~169~~122 million, \$~~14~~169 million and \$~~26~~14 million during the years ended ~~2025~~, ~~2024~~, and ~~2023~~ ~~and 2022~~, respectively, to settle performance awards.

As of December 31, ~~2024~~2025, unrecognized compensation cost related to performance awards was \$~~22~~19 million, which is expected to be recognized over a weighted average period of 1.3 years. As of December 31, ~~2024~~2025, the total liability associated with performance awards was \$~~184~~151 million.

MPLX Awards

Compensation expense for awards of MPLX units are not material to our consolidated financial statements for ~~2024~~2025.

26. Leases

Lessee

We lease a wide variety of facilities and equipment including land and building space, office and field equipment, storage facilities and transportation equipment. Our remaining lease terms range from less than one year to ~~94~~93 years. Most long-term leases include renewal options ranging from one year to 40 years and, in certain leases, also include purchase options. The lease term included in the measurement of right of use assets and lease liabilities includes options to extend or terminate our leases that we are reasonably certain to exercise.

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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> | 2025 | 2024 | 2023 | 2022 |
|-------------------------------------|----------|----------|--------|---------|
| Finance lease cost: | | | | |
| Amortization of right of use assets | \$ 102 | \$ 80 | \$ | \$ |
| Interest on lease liabilities | 33 | 26 | 25 | 29 |
| Operating lease cost | 541 | 534 | 489 | 490 |
| Variable lease cost | 68 | 60 | 54 | 59 |
| Short-term lease cost | 964 | 952 | 881 | 772 |
| Total lease cost | \$ 1,708 | \$ 1,652 | \$ 1,5 | \$ 1,43 |

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

| <i>(Millions of dollars)</i> | December 31, | |
|--|-----------------------------|------------------------------|
| | <u>2024</u> <u>2025</u> | <u>2023</u> <u>2024</u> |
| Operating leases | | |
| Assets | | |
| Right of use assets | \$ <u>1,300</u> <u>1,49</u> | \$ <u>1,233</u> <u>1,300</u> |
| Liabilities | | |
| Operating lease liabilities | \$ <u>417</u> <u>48</u> | \$ <u>454</u> <u>417</u> |
| Long-term operating lease liabilities | <u>860</u> <u>993</u> | <u>764</u> <u>860</u> |
| Total operating lease liabilities | \$ <u>1,277</u> <u>1,48</u> | \$ <u>1,218</u> <u>1,277</u> |
| Weighted average remaining lease term (in years) | 4 | 4 |
| Weighted average discount rate | <u>4.4</u> <u>4.5</u> % | <u>4.4</u> <u>4.4</u> % |
| Finance leases | | |
| Assets | | |
| Property, plant and equipment, gross | \$ <u>1,118</u> <u>1,18</u> | \$ <u>765</u> <u>1,118</u> |
| Less accumulated depreciation | <u>510</u> <u>608</u> | <u>413</u> <u>510</u> |
| Property, plant and equipment, net | \$ <u>608</u> <u>57</u> | \$ <u>352</u> <u>608</u> |
| Liabilities | | |
| Debt due within one year | \$ <u>94</u> <u>10</u> | \$ <u>69</u> <u>94</u> |
| Long-term debt | <u>630</u> <u>590</u> | <u>401</u> <u>630</u> |
| Total finance lease liabilities | \$ <u>724</u> <u>69</u> | \$ <u>470</u> <u>724</u> |
| Weighted average remaining lease term (in years) | <u>98</u> | 9 |
| Weighted average discount rate | 4.8 % | <u>5.1</u> <u>4.8</u> % |

As of December 31, 20242025, 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 |
|--|------------------------------|--------------------------|
| <u>2025</u> <u>2026</u> | \$ <u>464</u> <u>544</u> | \$ <u>126</u> <u>131</u> |
| <u>2026</u> <u>2027</u> | <u>334</u> <u>397</u> | 123 |
| <u>2027</u> <u>2028</u> | <u>242</u> <u>288</u> | <u>111</u> <u>108</u> |
| <u>2028</u> <u>2029</u> | <u>173</u> <u>172</u> | <u>97</u> <u>90</u> |
| <u>2029</u> <u>2030</u> | <u>76</u> <u>98</u> | 79 |
| <u>2030</u> <u>2031</u> and thereafter | <u>111</u> <u>128</u> | <u>360</u> <u>312</u> |
| Gross lease payments | <u>1,400</u> <u>1,627</u> | <u>896</u> <u>847</u> |
| Less: imputed interest | <u>123</u> <u>145</u> | <u>172</u> <u>152</u> |
| Total lease liabilities | \$ <u>1,277</u> <u>1,482</u> | \$ <u>724</u> <u>691</u> |

Lessor

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

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

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

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

| <i>(Millions of dollars)</i> | 2025 | 2024 | 2023 | 2022 |
|---|-------------------|--------|------|-----------------|
| Operating leases: | | | | |
| Rental income | \$ 268 | \$ 260 | | |
| 243 | \$ 327 | | | |
| Sales-type leases: | | | | |
| Interest income (Sales-type rental revenue-fixed minimum) | 444 | 114 | | 46 |
| Interest income (Revenue from variable lease payments) | 2238 | 22 | | 1622 |
| Sales-type lease revenue | \$ 151 | \$ 136 | | |
| 136 | \$ 62 | | | |

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

| <i>2024</i> | <i>2025</i> | <i>(Millions of dollars)</i> |
|------------------------------|---------------------|------------------------------|
| 2025 | 2026 | \$ 409 |
| 2026 | | 88 |
| 2027 | | 66 |
| 2028 | | 59 |
| 2029 | | 57 |
| 2030 | | 63 |
| 2030 | 2031 and thereafter | 248 |
| 191 | | |
| Total minimum future rentals | | \$ 627 |

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

| <i>2024</i> | <i>2025</i> | <i>(Millions of dollars)</i> |
|--|---------------------|------------------------------|
| 2025 | 2026 | \$ 472 |
| 2026 | | 157 |
| 2027 | | 147 |
| 2028 | | 138 |
| 2029 | | 130 |
| 2030 | | 138 |
| 2030 | 2031 and thereafter | 896 |
| 903 | | |
| Total minimum future rentals | | 1,640 |
| Less: imputed interest | | 707 |
| | | 691 |
| Lease receivables ^(a) | | \$ 933 |
| | | 994 |
| Current lease receivables ^(b) | | \$ 402 |
| | | 108 |
| Long-term lease receivables ^(c) | | 834 |
| | | 886 |
| Unguaranteed residual assets | | 95 |
| | | 117 |
| Total sales-type lease assets | | \$ 4,028 |
| | | 1,111 |

- (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.

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Capital expenditures related to assets subject to sales-type lease arrangements were \$[137 million](#), \$69 million [and \\$50 million](#) for the year ended

December 31, [2025](#), 2024 [and 2023](#), respectively. These amounts are reflected as additions to property, plant and equipment in the consolidated statements of cash flows.

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The following schedule summarizes our investment in assets held under operating lease by major classes as of December 31, [2025 and 2024](#) ~~and 2023~~:

| (Millions of dollars) | December 31, | | |
|--|--------------|-------|-------|
| | 2025 | 2024 | 2023 |
| Gathering and transportation | \$ 111 | \$ | \$ |
| Processing and fractionation | 1,017 | 1,039 | 1,000 |
| Pipelines | 6 | 18 | 12 |
| Refining Logistics | 277 | | |
| Terminals | 1 | 129 | 129 |
| Land, building and other | 12 | 11 | 10 |
| Property, plant and equipment | 1,424 | 1,283 | 1,237 |
| Less accumulated depreciation | 567 | 458 | 396 |
| Total property, plant and equipment, net | \$ 857 | \$ 8 | \$ 84 |

27. Commitments and Contingencies

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

Environmental Matters

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

At December 31, [2025 and 2024](#) ~~and 2023~~, accrued liabilities for remediation totaled \$[364](#)[355](#) million and \$[387](#)[364](#) 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 \$[64](#) million and \$[56](#) million at December 31, [2025 and 2024](#) ~~and 2023~~, respectively.

[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.](#)

Climate Change Litigation

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. [The pending cases are: Mayor and City Counsel of Baltimore, Maryland v. BP P.L.C., et al., \(Md. Cir. Ct.\) \(date instituted July 20, 2018\); Delaware ex rel. Jennings v. BP America Inc., et al., \(Del. Super. Ct.\) \(date instituted September 10, 2020\); City of Annapolis v. BP P.L.C., et al., \(Md. Cir. Ct.\) \(date instituted February 22, 2021\); Anne Arundel County, Maryland v. BP P.L.C. et al., \(Md. Cir. Ct.\), \(date instituted April 26, 2021\); County of Multnomah v. Exxon Mobil Corp., et al., \(Or. Cir. Ct.\) \(date instituted June 22, 2023\).](#)

Similar lawsuits may be filed in other jurisdictions. At this ~~early~~-stage [in the litigation](#), the ultimate outcome of these matters remains uncertain, and neither the likelihood of an unfavorable outcome nor the ultimate liability, if any, can be determined.

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

Asset Retirement Obligations

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

Other Legal Proceedings

Tesoro High Plains Pipeline

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

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

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

Guarantees

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

Guarantees related to indebtedness of equity method investees

LOOP and LOCAP

MPC and MPLX hold interests in an offshore oil port, LOOP, and MPLX holds an interest in a crude oil pipeline system, LOCAP. Both LOOP and LOCAP have secured various project financings with throughput and deficiency agreements. Under the agreements, MPC, as a shipper, is required to advance funds if the investees are unable to service their debt. Any such advances are considered prepayments of future transportation charges. The duration of the agreements varies but tends to follow the terms of the underlying debt, which extend through 2040. Our maximum potential undiscounted payments under these agreements for the debt principal totaled ~~\$242~~[210](#) million as of December 31, ~~2024~~[2025](#).

Dakota Access Pipeline

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

MPLX has entered into a Contingent Equity Contribution Agreement whereby it, along with the other joint venture owners in the Bakken Pipeline system, has agreed to make equity contributions to the joint venture upon certain events occurring, [such as a vacatur of the easement resulting in a shutdown of the pipeline](#), to allow the entities that own and operate the Bakken Pipeline system to satisfy their senior note payment obligations. ~~The senior notes were issued to repay amounts owed by the pipeline companies to fund the cost of construction of the Bakken Pipeline system.~~

If the vacatur of the easement results in a temporary shutdown of the pipeline, MPLX would have to contribute its 9.19 percent pro rata share of funds required to pay interest accruing on the notes and any portion of the principal that matures while the pipeline is shut down. MPLX also expects to contribute its 9.19 percent pro rata share of any costs to remediate any deficiencies to reinstate the easement and/or return the pipeline into operation. If the vacatur of the easement results in a permanent shutdown of the pipeline, MPLX would have to contribute its 9.19 percent pro rata share of the cost to redeem the bonds (including the 1 percent redemption premium required pursuant to the indenture governing the notes) and any accrued and unpaid interest. As of December 31, ~~2024~~[2025](#), our maximum potential undiscounted payments under the Contingent Equity Contribution Agreement were approximately \$78 million.

Marathon Oil indemnifications

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

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

Other guarantees

We have entered into other guarantees with maximum potential undiscounted payments totaling \$~~191.186~~ million as of December 31, ~~2024~~[2025](#), which primarily consist of a commitment to indemnify a joint venture member for our pro rata share of any payments made under a performance guarantee for construction of a pipeline by an equity method investee, a commitment to contribute cash to an equity method investee for certain catastrophic events in lieu of procuring insurance coverage, a commitment to pay a

termination fee on a supply agreement if terminated during the initial term, a commitment to fund a share of the bonds issued by a government entity for construction of public utilities in the event that other industrial users of the facility default on their utility payments and leases of assets containing general lease indemnities and guaranteed residual values.

General guarantees associated with dispositions

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

Contractual Commitments and Contingencies

At December 31, ~~2024~~2025, our contractual commitments to acquire property, plant and equipment totaled \$~~260~~453 million. Our contractual commitments to acquire property, plant and equipment totaled \$~~284~~260 million at December 31, ~~2023~~2024.

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.

Asset Retirement Obligations

Our short-term asset retirement obligations were \$37 million and \$36 million at December 31, 2025 and 2024, respectively, and are included in other current liabilities in our consolidated balance sheets. Our long-term asset retirement obligations were \$225 million and \$210 million at December 31, 2025 and 2024, respectively, which are included in deferred credits and other liabilities in our consolidated balance sheets.

Marathon Oil indemnifications

The separation and distribution agreement and other agreements with Marathon Oil to effect our spinoff provide for cross-indemnities between Marathon Oil and us. In general, Marathon Oil and its successor, ConocoPhillips, is required to indemnify us for any liabilities relating to Marathon Oil's historical oil and gas exploration and production operations, oil sands mining operations and integrated gas operations, and we are required to indemnify Marathon Oil and its successor, ConocoPhillips, for any liabilities relating to Marathon Oil's historical refining, marketing and transportation operations. The terms of these indemnifications are indefinite and the amounts are not capped.

28. Subsequent Event

On February ~~4~~12, ~~2025~~2026, ~~MPC~~MPLX issued \$~~2.0~~1.5 billion aggregate principal amount of senior notes in an underwritten public offering, consisting of \$~~1.1~~1.0 billion aggregate ~~principal~~ amount of ~~5.150~~5.300 percent senior notes due ~~March 2030~~April 2036 and \$~~900~~500 million aggregate principal amount of ~~5.700~~6.100 percent senior notes due ~~March 2035~~. ~~We intend~~April 2056. ~~MPLX intends~~ to use the net proceeds from this offering to repay, ~~redeem or otherwise retire our~~ MPLX's outstanding \$~~1.250~~1.5 billion aggregate principal amount of ~~4.700~~1.750 percent senior notes due ~~May 2025 and for general corporate purposes~~. ~~March 2026 at maturity. Pending final use, MPLX may invest the proceeds in short-term marketable securities or other investments.~~

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 Wholesale Marketer Agreement identified in its ~~2025~~2026 Minnesota public offering statement, as it may be amended, and as that Wholesale Marketer Agreement may be entered into with wholesalers 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 wholesalers under the License Agreements has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a wholesaler against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee in Findlay, Ohio on March ~~11~~11, ~~2025~~2026.

Guarantor:

MARATHON PETROLEUM CORPORATION



(Add)
By: 
Name: el Niese Its:

By:
Name: Kelly Niese
Its: Vice President Treasury

(Del) STP

(Del) Kelly Niese

EXHIBIT E

RECEIPTS

RECEIPT
(OUR COPY)

This public offering statement summarizes certain provisions of the Wholesale Marketer 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 wholesaler, 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 in connection with the proposed sale.

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

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

I have received a public offering statement dated ~~March 27~~ April 2, 2025~~2026~~, effective in Minnesota on-
~~April 14~~ _____, ~~2025~~
2026, that includes the following Exhibits:

- Exhibit A - Wholesale Marketer 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 S. Main Street, Findlay, Ohio 45840.

RECEIPT
(YOUR COPY)

This public offering statement summarizes certain provisions of the Wholesale Marketer 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 wholesaler, 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 in connection with the proposed sale.

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

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

I have received a public offering statement dated ~~March 27~~ April 2, 2025 ~~2026~~, effective in Minnesota on ~~April 14~~ _____, ~~2025~~ 2026, that includes the following Exhibits:

- Exhibit A - Wholesale Marketer 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 KEEP IT FOR YOUR RECORDS.

