

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 the trade name Shell.

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 Shell 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 (SP Section 5 and Exhibit B and GT&C Section 2.1). You also will be obligated to properly utilize the Shell marks in connection with the operation of each outlet identified in the Wholesale Marketer Agreement (GT&C Sections 4.1 and 4.2). During the term of the Wholesale Marketer Agreement, you shall use the Shell trademarks and trade dress in accordance with the Wholesale Marketer Agreement and any operations manuals and standards periodically set by MPC LP (GT&C Section 8). You also must comply, and cause all operators of retail outlets to comply, with all standards of operation issued by MPC LP for the operation of outlets to protect the goodwill and value of the trademarks (GT&C Section 16). You must at all times keep complete and accurate records of all products purchased and all products sold 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 (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 periodically may issue; further, you shall be responsible for taking all necessary leak and water contamination prevention and detection measures (GT&C Section 5). You will be required to execute access agreements to enter and access supply terminals, and to comply with rules and procedures MPC LP periodically may establish for supply terminals (GT&C Sections 6.1 and 6.3). You must handle all products carefully and take reasonable precautions to avoid commingling or contamination of products (GT&C Section 6.5). 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 (GT&C Section 9). 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 11); (ii) maintaining at all times the minimum amount and type of insurance required by law and providing to MPC LP certificates of such insurance (GT&C Section 14); (iii) complying with any other applicable laws and regulations

(GT&C Section 13.1); 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 13.2).

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 8.1) and shall make available to you certain confidential information for use in operation of the business (GT&C Section 8.6). Further, MPC LP shall ensure that the products meet its specification at the time of delivery (GT&C Section 12.1). In the event MPC LP discontinues the sale of any product at a supply terminal and a different terminal is not designated for that product, the parties shall be relieved of any further obligations with respect to that product (GT&C Section 6.1). Further, if MPC LP discontinues the sale of a particular product, or changes the specifications or blending components of a particular product, it will give you 30 days prior written notice of such discontinuation of supply or change of product (GT&C Section 2.2).

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 Shell branded gasoline and diesel fuel 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 Shell 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
Shell BRAND
Specific Provisions.

THIS WHOLESALE MARKETER AGREEMENT, including the attached Exhibits and Wholesale Marketer Agreement - General Terms and Conditions (2022) (Shell Brand) (“**General Provisions**”), in its entirety “**Agreement**”, is dated {Month} 1, 20{Year} and is between Marathon Petroleum Company LP, a Delaware limited partnership, (“**Seller**”) and {Legal Name of Jobber}, a {State} [Select One] (“**Wholesaler**”).

RECITALS

I. Wholesaler wishes to purchase Shell branded motor fuel from Seller for retail sale by Wholesaler at Branded Outlets owned and operated by Wholesaler or for resale to Branded Outlets supplied by Wholesaler.

II. Seller is willing to sell branded motor fuel to Wholesaler and to allow Wholesaler to use the Marks in accordance with the terms of this Agreement in connection with the retail identification of the Branded Outlets.

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

1. Term. The Term of this agreement shall begin on {Month} 1, 20{Year} (the “**Effective Date**”), and end on {Month} {Last day of Month}, 20{Year}.

2. Brand and Marks:

The **Brand** of products is the Shell brand. Wholesaler acknowledges that Seller’s authorization to authorize the use of the Shell Marks is subject to the terms of Seller’s agreement with Equilon Enterprises LLC, dba Shell Oil Products U.S. (“**Shell**” or “**Brand Owner**”). If Seller’s agreement with Shell ends for any reason, Wholesaler’s right to use the Shell Marks shall automatically terminate. Further, if Shell otherwise withdraws or terminates its authorization to Seller to use the Shell Marks only as relates to specific Branded Outlet(s), Wholesaler’s right to use the Shell Marks at such Branded Outlet(s) shall terminate immediately upon Shell’s withdrawal or termination of its authorization.

3. Designated Supply Terminals. The terminal(s) where Wholesaler will take delivery of the Products sold under this Agreement (“**Designated Terminals**”) are:

Designated Supply Terminals

Seller shall have no obligation to sell Products to Wholesaler at any location other than the Designated Terminals set forth above.

4. Branded Outlets. The retail sites approved under this Agreement from which the Products purchased from Seller may be resold are listed on Exhibit A (“**Branded Outlets**”). Products purchased under this Agreement will not be resold, under Seller’s Marks from any location unless and until said

location is set forth on Exhibit A and/or unless and until said location has been approved in writing by Seller as a Branded Outlet. Wholesaler will provide Seller with the complete address for each Branded Outlet. Wholesaler will advise Seller immediately if it is no longer supplying a Branded Outlet listed in Exhibit A.

5. Product Minimum Quantities. The “**Product Minimum Quantities**” that Wholesaler is obligated to purchase by quarter and Contract Year is set forth in Exhibit B, provided however, that Brand diesel fuel sold, if any, shall not count toward Product Minimum Quantities.

6. Notices. Any notice to Seller or Wholesaler under this Agreement shall be delivered to such Party’s address set forth in the manner specified in the General Provisions.

If to Seller: Marathon Petroleum Company LP
Attn: Vice President, Branded Marketing
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: {Legal Name of Jobber}
Attn:
{Street Address}
{City}, {State} {Zip}

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

{Legal Name of Jobber}

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

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

Exhibit A
Branded Outlets

Branded Outlets		
Site #	Address	Brand
[Insert Number]	[Insert Site Address]	
[Insert Number]	[Insert Site Address]	
[Insert Number]	[Insert Site Address]	
[Insert Number]	[Insert Site Address]	
[Insert Number]	[Insert Site Address]	
[Insert Number]	[Insert Site Address]	
[Insert Number]	[Insert Site Address]	
[Insert Number]	[Insert Site Address]	
[Insert Number]	[Insert Site Address]	

The parties agree that Seller may unilaterally update this Exhibit A to add newly approved Branded Outlets or remove Branded Outlets that are no longer approved by Seller or no longer supplied by Wholesaler.

Exhibit A

Exhibit B

(Product Minimum Quantities in Gallons)

Contract Year: 1 Total Product Minimum Quantities _____

Q1	{Month - Month}	{Volume}
Q2	{Month - Month}	{Volume}
Q3	{Month - Month}	{Volume}
Q4	{Month - Month}	{Volume}

Contract Year: 2 Total Product Minimum Quantities _____

Q1	{Month - Month}	{Volume}
Q2	{Month - Month}	{Volume}
Q3	{Month - Month}	{Volume}
Q4	{Month - Month}	{Volume}

Contract Year: 3 Total Product Minimum Quantities _____

Q1	{Month - Month}	{Volume}
Q2	{Month - Month}	{Volume}
Q3	{Month - Month}	{Volume}
Q4	{Month - Month}	{Volume}

Wholesale Marketer Agreement - General Terms and Conditions (2022)
(Shell Brand)

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. “**Contract Year**” means the 12 month period beginning on the Effective Date and each subsequent 12 month period during the Term.
- B. “**Manual**” means one or more manuals, brochures, or communications that Seller provides or loans to Wholesaler that contain information and requirements pertaining to marketing programs, transaction card usage and processing, Marks usage, facility image standards, Seller’s information reporting requirements, forms, and Seller’s current procedures. The Manual may be provided to Wholesaler in writing, via email, the internet, extranet, or through a password protected internet site or any other reasonable means of communications. Seller shall have the right to modify and supplement any Manual from time-to-time in its sole discretion.
- C. “**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 in connection with the sale of Shell branded Products at Branded Outlets specified in Exhibit A.
- D. “**Operator**” means a dealer or reseller customer of Wholesaler which operates a Branded Outlet.
- E. “**Branded Outlet**” means a retail motor fuel facility from which the Products are resold to consumers and which Seller has approved to sell the authorized Brand Products and provided written authorization to use the Marks. Branded Outlets are listed on Exhibit A. 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 this Agreement.
- F. “**PMPA**” means the Petroleum Marketing Practices Act, 15 U.S.C. § 2801 et seq.
- G. “**Products**” means Seller’s offered and available authorized Brand branded motor fuels as determined and designated by Seller and as offered and available from time to time during the term of this Agreement, which are purchased by Wholesaler from Seller for resale or delivery to the Branded Outlets. Seller may at any time change the grade, specification, characteristics, delivery package, brand name, or other distinctive designation of any Product. If Seller offers authorized Brand branded diesel fuel to Wholesaler, such diesel fuel shall be included in “Products” for any Branded Outlets that offer branded diesel fuel for sale.
- H. “**Wholesaler’s Marketing Premises**” means Wholesaler’s premises, including Wholesaler’s storage and distribution facilities, which are employed by Wholesaler in connection with the sale or distribution of the Products.

2. PRODUCTS. QUANTITIES.

2.1 Seller agrees to sell and Wholesaler agrees to purchase and receive Products of such grade or grades as Seller has or may have available at the Designated Terminals provided in paragraph 2 of the Specific Provisions and in the Minimum Quantities set forth on Exhibit B. Seller has no obligation to sell Products in excess of the Product Minimum Quantities.

(A) The agreement to sell the Product Minimum Quantities is not a representation or guaranty by Seller that the Wholesaler shall sell the Product Minimum Quantities. 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 Contract Year or apply to future quarters of the 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. Wholesaler shall have no exclusive territory. 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.

(B) At Seller's sole option, if Wholesaler fails to purchase the Product Minimum Quantities in any quarter, (i) any per gallon or volume based incentive payments due Wholesaler relating to Product purchased from Seller during that quarter under this or any other agreement between the parties (if Seller is then offering any such incentive payments, which it is not obligated to do so) will be forfeited and not paid by Seller, or (ii) Seller may conditionally advance payments provided that Wholesaler purchases the Product Minimum Quantities in the aggregate for that same Contract Year ("**Conditional Payment**"). In that event, 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 Seller has the right to change Product specifications, blending components, including additives and oxygenates and to discontinue to supply of any grade of Products including at any Designated Terminal. Seller shall give 30 days prior notice of the discontinuation of supply of any grade of Product including at any Designated Terminal or such lesser notice as may be reasonable under the circumstances.

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 Designated 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 and notify Wholesaler. 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 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 acceptance 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 elects. 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 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, 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. OUTLET APPROVAL.

4.1 Use of Marks at each Branded Outlet. It is an on-going condition of the right to use Seller's Marks under this Agreement, that Wholesaler must first obtain Seller's prior written consent for each and every location that Wholesaler desires to identify with the Marks, including all Operator locations. Wholesaler shall comply with the branding procedures provided by Seller. Seller will have the right to require the premises to be equipped with such equipment required for the brand. Seller will retain at all times, the right to determine or to approve which Marks will be used or displayed, and the manner of their use or display at a Branded Outlet and the right to restrict the use or display of Marks to certain locations at a Branded Outlet.

4.2 Site approval or Marks Revocation. Seller will have the right to revoke its prior approval of a Branded Outlet if the site no longer conforms to or fails to conform to: the terms or conditions of this Agreement and related agreements; Seller's then current image programs or standards (both operational and visual), as amended from time to time. Wholesaler agrees that its right to use the Marks under this Agreement will be subject to Seller's then current retail marketing strategies and development plans, as amended from time to time. Seller may, but is not obligated to, give conditional approval to display the Marks before all standards are implemented at a Branded Outlet. In such event, Seller will have the right to revoke its prior approval or any conditional approval identifying a Branded Outlet if after six months from such conditional approval, the site is not fully identified with approved Marks or sites are not equipped with required equipment. If Seller revokes its approval to use the Marks at any Branded Outlet, Wholesaler will immediately cease using or displaying, or cause its Operator to cease using or displaying the Marks at that retail location. Seller will also have the right, at any time and for any reason, to revoke its prior approval to use certain or all of the Marks at certain or all Branded Outlets (or at certain locations at an approved Branded Outlet) and, where applicable and in its sole discretion, to substitute any other Marks in their place.

5. FACILITIES.

5.1 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.

5.2 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 Wholesaler must remove all Products from any affected storage tank immediately, and secure the tank.

5.3 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.

6. DELIVERIES.

6.1 Designated Terminals. Each Product shall be delivered to Wholesaler only at the Designated Terminals. Wholesaler will be required to execute an access agreement in a form prescribed by Seller to enter and access the Designated Terminal(s). Seller may at any time in its sole discretion notify Wholesaler of a temporary diversion to an alternate supply terminal. If Seller ceases to own, lease, operate or control terminal facilities at any Designated Terminal or if Seller ceases for any reason to ship Products from a Designated Terminal, Seller shall have the right to change the Designated Terminal(s) upon prior notice to Wholesaler. Seller may change the place of delivery of any Product(s) by giving Wholesaler at least fifteen (15) days prior written notice, or such lesser time as Seller determines is reasonable under the circumstances, in which case the new supply terminal shall be added as a "Designated Terminal" in paragraph 2 of the Specific Provisions and the no longer available supply terminal shall be deleted. If a Product is discontinued at the only Designated Terminal for such Product and Seller does not designate a different Designated Terminal for that Product, then both Seller and Wholesaler shall be relieved of any further obligation hereunder with respect to that Product. If Seller ceases to own, lease, operate or control terminal facilities at every Designated Terminal, Seller may terminate this Agreement upon 90 days prior written notice or such lesser notice as Seller determines is reasonable under the circumstances.

6.2 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 Seller determines 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 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.

6.3 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 Designated 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 Designated Terminal. Wholesaler shall use assigned access code numbers specific to the Branded Outlet destination for the Products at Designated Terminals as instructed by Seller in taking delivery of Products. Seller may offer per gallon or volume based incentive payments to Wholesaler in its sole discretion. Wholesaler shall not be entitled to receive or to retain any such incentive payments, if offered, under this or any other agreement between the parties if Wholesaler delivers Products to any unauthorized outlet or delivers Products using an access code not associated with the actual destination of the Products, or fails to properly use access code numbers, or such other specific identifier as may be provided by Seller, as assigned and instructed when taking delivery of Products. Wholesaler shall reimburse Seller for any incentive payments to which Wholesaler was not entitled under the terms of this Agreement. 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.

6.4 Title and risk of loss. Title and risk of loss to all Products sold to Wholesaler under this Agreement will pass to Wholesaler f.o.b. Wholesaler's Designated Terminals at the outlet flange of the truck rack hose at the time of loading into Wholesaler's transport equipment, including any contract carrier equipment engaged by Wholesaler. Any Product that may be redelivered to a Designated Terminal as a result of the operation of Wholesaler's vapor recovery equipment shall become the property of Seller without any accounting therefore by Seller to Wholesaler.

[6.5 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](#)

~~6.5 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.

7. NONEXCLUSIVE DISTRIBUTOR.

7.1 Nonexclusive Distributor. Wholesaler is a nonexclusive distributor of the Products specified in this Agreement. 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 and Wholesaler has no exclusive territory. Seller specifically reserves, without limitation, the unqualified right to sell and distribute the Products and other brand products and to directly compete with Wholesaler and Branded Outlets and to establish, either directly or through wholesalers or distributors, gasoline outlets and facilities, whether using the Marks, other brands or no brand.

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

8. TRADEMARKS AND OTHER INTELLECTUAL PROPERTY.

8.1 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 require 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. 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 this Agreement has not been entered into based on any promises, representations, or statements by Seller, or any of its representatives. [Operator] hereby grants to Seller the right to enter onto its premises 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 for Branded Outlets and the display of the Marks.

8.2 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.

8.3 Restrictions. Wholesaler shall not, and shall cause the Operators not to: commingle, 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. In the event of such violations or acts, Seller may revoke Wholesaler's right to use or to grant such right of use of the Marks in connection at any of such Branded Outlet where the violations or acts occurred. All trademark rights resulting from display or usage of the Marks shall inure to the benefit of Seller.

8.4 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.

8.5 Equipment and other personal or intellectual property. POP Payment. Seller may require Wholesaler to reimburse Seller for the cost of temporary signage such as point of purchase signs. In its sole discretion, Seller may loan Wholesaler 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 loaned or licensed 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 to Wholesaler by Seller. All loaned equipment or personal property, as well as any software, or other intellectual property, provided by Seller to Wholesaler shall be returned in good condition by Wholesaler to Seller immediately upon Seller's demand.

8.6 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.

8.7 Use of Marks on Wholesaler's Marketing Premises and websites. Wholesaler will be permitted to display the Marks in conjunction with Wholesaler's websites, business forms, advertising materials, structures, vehicles, and other Wholesaler property directly related to the advertising, distribution and/or resale of Products under this Agreement. Wholesaler may only do so, however, if the words "Authorized Distributor" or "Authorized Wholesaler" appear immediately adjacent to the displayed location of said Marks. Seller will have the right to approve such use of its Marks in advance and to revoke its approval at any time and for any reason. If Seller exercises its right to revoke, terminate or nonrenew or if the property in question is sold or otherwise transferred, Wholesaler will immediately cease using or displaying, or cause

any third party to immediately cease using or displaying – or will immediately remove, cover or obliterate, or cause any third party to immediately remove, cover or obliterate—the Marks on the property in question.

8.8 Misuse of Marks with Wholesaler's company name. Wholesaler will not use any of Seller's Marks as part of Wholesaler's company name. If Wholesaler has formed a company or has acquired a company

that uses any of Seller's Marks as part of Wholesaler's company name, it will be required to amend its organizational documents so as to delete Seller's Marks from its company name.

8.9 Misuse of Marks in connection with certain sales. Wholesaler will not use any of Seller's Marks in connection with the advertising, distribution and/or resale of: (1) any Product supplied by Seller that has been diluted, adulterated, or blended with a component or additive not authorized by Seller; (2) any mixture or blend of Products that has not been authorized by Seller; (3) any Product authorized by, supplied by and/or purchased from Seller but sold under an incorrect or inappropriate Seller Mark or sold through unapproved or disapproved packages, containers or equipment; or (4) any product not authorized by, supplied by and/or purchased from Seller.

8.10 Seller's right to audit. To verify Wholesaler's performance under this Agreement and related agreements or as part of a Seller compliance program, as issued and amended from time to time, Seller will have the right to: audit records in the possession or control of Wholesaler or its Operators; inspect all Branded Outlets and sample all Products in the possession or control of Wholesaler and/or its Operators. Wholesaler will cooperate fully and completely throughout the audit and inspection processes, and ensure that its Operators cooperate fully and completely. If Wholesaler designates its records as confidential, Seller will not voluntarily disclose said information to anyone without Wholesaler's written consent, except to those Seller employees and agents with a need to know.

8.11 Discontinue use of Marks upon expiration or termination. Upon the expiration or termination of this Agreement for any reason, Wholesaler will immediately cease using or displaying, and cause its Operators to cease using or displaying, Seller's Marks.

8.12 Change of Brand. Seller has the right, on 180 days prior written notice to change the Brand designation in this Agreement. In that event, the newly designated Brand shall be substituted for the authorized Brand in paragraph 2 of the Specific Provisions throughout this Agreement.

9. PAYMENT CARDS.

9.1 Payment Card Acceptance. If Seller elects to issue its own or accept specified third party credit cards, debit cards, credit identifications, or other transaction authorization cards, including electronic or mobile, virtual or biometric payment methods ("**Transaction Cards**") in the marketing area in which Branded Outlets are located, Wholesaler shall honor, and shall cause the Operators to honor, all such Transaction Cards at all Branded Outlets, and account for all such transactions, in strict compliance with the provisions of this Agreement, the issuers of any such Transaction Cards and any Transaction Card procedures and requirements furnished to 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 electronically 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 by the issuer or 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 or other electronic or digital means initiated by Seller without deduction for any service charge previously earned thereon by Seller. Seller may at its option and without limitation of any other rights or remedies available to it under the Agreement or otherwise, limit or cancel the right of 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.

9.2 Point of Sale Equipment and Software. Seller may issue, amend, or otherwise modify certain policies or requirements pertaining to Wholesaler’s and the Operators’ acceptance of Transaction cards or payment methods. 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 equipment, hardware, and software, and to comply with all rules or requirements that may be issued by an approved third-party processor. Dispensers shall be equipped with dispenser card readers and near field communication capability. All payment points at the Branded Outlets will have near field communication capability. Seller may sell, loan, or license to Wholesaler and the Operators certain POS 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 POS 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 POS software or hardware, or in any way alter its intended functionality. Wholesaler agrees to pay additional costs or fees associated with the purchase, loan, and operation of the POS equipment or software by Wholesaler or Operators, including but not limited to, the price of the equipment, costs associated with satellite connections, telecommunications charges, and installation and upgrading of POS equipment or software. Wholesaler shall be responsible for repair and maintenance of such equipment and software. Seller may provide managed network services at Wholesaler’s expense. Wholesaler shall ensure access to all Branded Outlets for such services.

10. ASSIGNMENT.

10.1 General. Seller may assign, sell, or transfer its rights or it may delegate its obligations under this Agreement at any time, including without limitation to a third party, including to the supplier of a brand other than the authorized Brand in its sole discretion and without obtaining the consent of Wholesaler. In the event of Seller’s assignment 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. In the event of Seller’s assignment to a supplier of a brand other than the authorized Brand in paragraph 2 of the Specific Provisions, the alternate brand shall be substituted in the definition of “Brand” and “Marks” in this Agreement.

10.2 The current ownership and control of Wholesaler is a material element in Seller’s willingness to enter into this Agreement. Wholesaler, therefore, agrees that it will not assign or transfer its interest in this Agreement, or any franchise relationship attendant thereto, without Seller’s prior written consent; provided, however, that Seller will not unreasonably withhold its consent. To ensure that Seller has adequate time to

evaluate any assignment request, Wholesaler shall allow Seller at least sixty (60) days to evaluate any assignment or transfer request and shall not request any transfer or assignment consent less than forty-five (45) days before the expiration or termination of this Agreement. In giving its consent to any assignment, whether voluntarily or by operation of law, Seller may, at its election, condition its consent upon the satisfaction of all indebtedness owed by Wholesaler to Seller.

10.3 Effect of assignment without Seller's consent. Wholesaler agrees and acknowledges that any attempted or purported assignment or transfer of this Agreement without Seller's knowledge and/or Seller's prior written consent shall be of no effect as to Seller and may result in the termination of this Agreement and the non-renewal of any franchise relationship.

10.4 Particular Acts. Without limitation, each of the following shall be considered an assignment:

- (A) If Wholesaler is an individual, 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 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.

11. 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 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.

Seller may institute a line-item charge reflecting any carbon taxes, fees, assessment and similar charges or cost of compliance levied, assessed or otherwise incurred as a result of compliance with regulatory requirements by any government or instrumentality or subdivision thereof, applicable to the manufacture, sale, purchase, import, distribution, exchange, use, resale, transportation, delivery, inspection or handling of the Products sold, or proportionately upon feedstock from which Products are derived, including taxes, fees, assessment and any other cost of compliance related to the Low Carbon Fuel Standard for transportation fuels, Cap-at-the-Rack assessment, or similar governmental or regulatory requirements

established by a state or federal government (collectively, the “**Carbon Surcharge**”). Wholesaler shall bear any Carbon Surcharge incurred, levied or assessed after the date of the Contract by any government authority or regulatory authority upon the transactions provided for in the Contract, whether or not paid directly to the government authority.

12. EXPRESS WARRANTIES, DISCLAIMERS AND DAMAGE LIMITS.

12.1 Seller warrants that the Products sold to Wholesaler under this Agreement will meet Seller's then current specifications for the Product and warrants the title to the Products. NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE MADE.

12.2 UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE FOR INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, WHETHER UNDER WARRANTY, TORT, CONTRACT, STRICT LIABILITY, OR OTHERWISE.

13. COMPLIANCE – INDEMNITY – CLAIMS.

13.1 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, without limitation, all 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.

13.2 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.

13.3 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 delivery 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.

14. INSURANCE.

14.1 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.

14.2 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, but not the obligation, 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.

14.3 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.

15. EXCUSES FOR NONPERFORMANCE AND ALLOCATION.

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

16. **BRANDED OUTLETS.**

16.1 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 shall diligently and efficiently merchandise and promote the Products which may be offered for resale under the Marks. Branded Outlets shall not display or offer merchandise or paraphernalia, which Seller, in its sole discretion, deems morally offensive or distasteful to the general public.
- (B) Service Work. All service work, if any, shall be done in such a manner as not to disparage the Marks or the goodwill of the Brand or Marks.
- (C) Staffing. Branded Outlets shall maintain an adequate and competent staff of employees, considering 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 shall, upon request of Seller, provide a copy of any such response to Seller.

(E) Maintenance – Housekeeping. Branded Outlets and equipment (including adjacent sidewalks and driveways, easements and all landscaped areas) shall be maintained in good condition and repair, and restroom shall be neat, clean and well maintained.

(F) Vehicles – Other Mobile Equipment. Branded Outlets 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. Branded Outlet personnel shall neatly wear clean uniforms of a consistent type and style.

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

(I) Signs. Except as may otherwise be required by law, or in compliance with Seller's trademark or trade dress requirements, the Branded Outlets shall not display any signs, posters, flags, pennants or other advertising devices without Seller's prior written consent.

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

17. TERMINATION AND NON-RENEWAL.

17.1 Termination Grounds. Seller may terminate this Agreement or non-renew any franchise relationship between the parties in accordance with the terms of this Agreement for any failure to comply with the terms of this Agreement and for any reason set forth in the PMPA, and/or other applicable federal, state and/or local laws. Seller's rights and remedies under the PMPA will be without prejudice to all other rights and remedies available to Seller at law or in equity.

(A) Wholesaler's failure to comply with any other contract between the parties shall constitute a failure to comply under this Agreement.

(B) For the avoidance of doubt, Failure to purchase minimum quantities of Products shall be a material breach of this Agreement. Wholesaler's failure to purchase the Annual minimum volume as set forth in Exhibit B will constitute grounds for termination of this Agreement and nonrenewal of any franchise relationship.

17.2 Termination Prior to Effective Date. If, after execution but prior to the Effective Date, Seller has grounds to terminate this this Agreement Seller may terminate this Agreement.

17.3 Acts Attributable to Wholesaler. 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.

17.4 Procedures after 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, including the use of any distinctive color scheme or

striping on any building or gasoline island canopy; (ii) remove from all trade directories, websites, and all publications all references to the Marks; (iii) remove or cover all advertising displays or signs utilizing the Marks or the brand; (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.

17.5 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.

17.6 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 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 pay and replace the sums so applied.

18. WHOLESALER'S INDEPENDENCE.

This Agreement does not establish a partnership, joint venture, or fiduciary relationship between the parties. 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, 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 or its Operators' businesses or operations related to this Agreement. From time to time, Seller may request and Wholesaler will provide a confirmation of all shareholder interest (legal and beneficial), partnership interest, membership interest, or other type of ownership interest, whichever the case may be, on a form acceptable to and/or provided by Seller. Such confirmation will include without limitation the names of all shareholders, partners, members, or owners, whichever the case may be.

19. INSPECTIONS. FEE.

To the extent reasonably necessary to observe and verify compliance by Wholesaler and any Branded Outlet with the provisions of this Agreement, Seller, and if the authorized Brand is Shell the Brand Owner, or their respective agents shall have the right, at all reasonable times and as often as Seller determines in its sole discretion, 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 relevant to the terms of this Agreement. Seller may determine the compliance of Wholesaler's and Branded Outlets 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 that Seller, and if the authorized Brand is Shell the Brand Owner, may implement an inspection and quality assurance program providing for regular or periodic announced or unannounced inspections, including inspections by "mystery shoppers" of Wholesaler's Marketing Premises and all Branded Outlets. Wholesaler will participate in such a program at each Branded Outlet and ensure the participation of its Operators. Wholesaler shall pay a reasonable fee for participation of each Branded Outlet in such inspection program and any fee that may be assessed to Seller as a result of the inspection by the Brand Owner. Wholesaler shall diligently remedy any deficiency that may be discovered during such inspections. Seller may refuse to allow Wholesaler to participate in any marketing, incentive 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. Any failure of any such quality assurance inspection, or Wholesaler's failure to remedy any failure, may be grounds for revocation of authorization to use the Marks at a particular Branded Outlet, or for termination or non-renewal of this Agreement.

20. RELATION TO EXISTING LAW.

To the extent that any provision of this Agreement conflicts with any applicable Law, such provision shall be severed or deemed amended to conform with such law.

21. NOTICES AND COMMUNICATIONS.

21.1 General. Notices 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 delivery service. Notice shall be deemed given the day after the notice is depositing in the US mail or sent by overnight delivery service, when confirmation of receipt of the facsimile or electronic mail is received, or upon personal service. Any notice to Seller or Wholesaler 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.

21.2 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.

22. VENUE.

In the event of a dispute under this Agreement, except as required by applicable law, exclusive jurisdiction and venue shall lie in a court of competent jurisdiction in San Antonio, Texas.

23. MISCELLANEOUS.

23.1 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 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.

23.2 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.

23.3 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 of this Agreement.

23.4 Prior Course of Dealing. This Agreement shall not be reformed, altered, or modified in any way by any course of dealing during the Term of the Agreement or by any representations, warranties, or understandings, express or implied, except as expressly set forth herein or unless and to the extent

subsequently be set forth in a signed written amendment or agreement by the authorized representatives of the Parties.

23.5 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.

23.6 No Representations or Reliance. 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.

23.7 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, 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.

24. ENTIRETY – EXECUTION.

24.1 Entire Agreement. This Agreement, which includes these General Provisions, and the Specific Provisions along with the 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.

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, stipulation 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 WHOLESALE MARKETER AGREEMENT (SHELL)
FOR USE IN MINNESOTA**

THIS RIDER TO THE WHOLESALE MARKETER AGREEMENT (“Rider”) is by and between **MARATHON PETROLEUM COMPANY LP**, a Delaware limited partnership with its principal business address at 539 South Main Street, Findlay, Ohio 45840 (“Seller”, “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. **RELEASES.** The following is added to the end of Section 10.2 of the General Terms and Conditions of the Agreement and as a new Section 23.8 of the General Terms and Conditions 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.

3. **SUCCESSORS IN INTEREST.** The following is added as a new Section 10.5 to the General Terms and Conditions of the Agreement:

10.5 Successors in Interest. Notwithstanding Paragraphs 10.2 and 10.4, 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 person has designated as his successor in interest, if such person or persons notify Seller in writing within sixty (60) days after the death or incapacitation of his intention to succeed to such interest, this Agreement shall continue for the remaining Term hereof, provided that such successor in interest agrees in writing to assume all of the obligations under this Agreement of the deceased or incapacitated person, provides to Seller such personal and financial data that Seller reasonably requests, and satisfies Seller’s then current criteria for similar franchisees. A person who is eligible to be designated as successor in interest is one who is (a) the adult spouse, an adult brother or sister, an adult child (natural or adopted), an adult grandchild or a parent of the deceased or incapacitated person, who is entitled to inherit Wholesaler’s interest under the terms of Wholesaler’s will or under the law of

intestate succession in this state; (b) a general partner or member of the deceased or incapacitated person; or (c) a fellow shareholder of the deceased or incapacitated person. If Seller believes in good faith that good cause exists for refusing to honor succession of the franchise, Seller will deliver written notice to the eligible successor within ninety (90) days after Seller's receipt of the eligible successor's personal and financial data indicating its refusal to honor the succession and its intent to terminate the franchise.

4. **PUNITIVE DAMAGES**. If and then only to the extent required by the Minnesota Franchises Act, Section 12.2 of the General Terms and Conditions of the Agreement is deleted.

5. **LIMITATIONS ON WHOLESALER'S CLAIMS AGAINST SELLER**. The following is added to the end of Section 13.3 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. **TERMINATION AND NON-RENEWAL**. The following is added to the end of Sections 17.1 and 17.2 of the General Terms and Conditions of the Agreement:

However, with respect to franchises subject to the Minnesota Franchise 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.

7. **VENUE**. The following is added to the end of Section 22 of the General Terms and Conditions of the Agreement:

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

WHOLESALE

[Name]

By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT C
LIST OF BRANDED WHOLESALERS

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

Branded Wholesaler	Business Address	Phone	Fuel Brand
Dooley's Petroleum, Inc.	3101 3rd Avenue SW, Wilmar, Minnesota 56201	320-875-2641	Shell
Hartland Fuel Products, L.L.C. dba HTP Energy ¹	920 10th Avenue North, Onalaska, Wisconsin 54650	608-779-6540	
Molo Oil Company ¹	123 Southern Avenue, Dubuque, Iowa 52001	563-557-7540	Shell
Parkland USA Corporation dba Farstad	100 NE 27th St, Minot, North Dakota 58703	701-852-1194	Shell
Staples Oil Co., Inc.	1680 N Redding Ave, Windom, Minnesota 56101-1297	507-831-4450	Shell
TA Operating LLC⁺	24601 Center Ridge Rd, Ste 200, Westlake, Ohio	440-808-4488	Shell
World Fuel Services, Inc. dba Lakeside Oil ¹	9800 N.W. 41 Street, Miami, Florida 33178 Shell	305-428-8000	<u>Shell</u>

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

EXHIBIT D
FINANCIAL STATEMENTS AND GUARANTEE OF PERFORMANCE

AUDITED FINANCIAL STATEMENTS

Financial Statements and Supplementary Data

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Unless otherwise stated or the context otherwise indicates, all references in this Annual Report on Form 10-K to "MPC," "us,"

“our,” “we” or the “Company” mean Marathon Petroleum Corporation and its consolidated subsidiaries.

~~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		88	181
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 <u>1</u> 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	12,187,114
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	54,588,532
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	6,100,558
Total equity	24,303,845	30,504,732
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>2025</u>	<u>2023</u> <u>2024</u>	<u>2022</u> <u>2023</u>
Operating activities:			
Net income	\$ 5,0675,878	\$ 11,1725,067	\$ 16,05011,172
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred financing costs and debt discount	(31)39	(78)31	50(78)
Depreciation and amortization	3,3373,251	3,3073,337	3,2153,307
Pension and other postretirement benefits, net	5916	(191)59	172(191)
Deferred income taxes	(124)282	(28)124	290(28)
Net gain on disposal of assets	(28)173	(21)728	(1,06)1217
Income from equity method investments	(1,048)1,622	(742)1,048	(655)742
Distributions from equity method investments	1,2151,255	9411,215	772941
Income from discontinued operations			(72)
Changes in the fair value of derivative instruments	74(16)	7071	(14)70
Changes in:			
Current receivables	1,117890	2,1091,117	(2,858)2,109
Inventories	(270)596	(489)270	(787)489
Current liabilities and other current assets	(438)776	(1,318)438	1,972(1,318)
Right of use assets and operating lease liabilities, net	(40)13	(7)10	—(7)
All other, net	(252)188	(412)252	(622)412
Cash provided by operating activities – continuing operations	8,665	14,117	16,319
Cash provided by operating activities – discontinued operations	—	—	42
Net cash provided by operating activities	8,6658,253	14,1178,665	16,36114,117
Investing activities:			
Additions to property, plant and equipment	(2,533)3,486	(1,890)2,533	(2,420)1,890
Acquisitions, net of cash acquired	(688)3,316	(246)688	(413)246
Disposal of assets	351,005	36)35	90)36
Investments – acquisitions and contributions	(509)1,064	(480)509	(405)480
<u>Investments</u> – redemptions, repayments, return of capital and sales proceeds	164)721	275)161	515)275
Purchases of short-term investments	(2,949)—	(8,622)2,949	(6,023)8,622
Sales of short-term investments	3,295)—	2,082)3,295	1,296)2,082
Maturities of short-term investments	4,526)—	5,048)4,526	7,159)5,048
All other, net	196)273	702)196	824)702
Net cash provided by (used in) investing activities	1,534(5,867)	(3,095)1,534	623(3,095)
Financing activities:			
<u>Commercial paper</u> – issued	5,055		
<u>Commercial paper</u> – repayments	(5,055)		
Long-term debt – borrowings	1,63111,166	1,589)1,631	3,379)1,589
Long-term debt – repayments	(1,984)6,463	(1,079)1,984	(2,280)1,079
Debt issuance costs	(15)80	(15)	(39)15
Issuance of common stock	2524	62)25	24)362
Common stock repurchased	(9,189)3,488	(11,572)9,189	(11,922)11,572
Dividends paid	(1,154)1,140	(1,264)1,154	(1,279)1,264
Distributions to noncontrolling interests	(1,377)1,513	(1,281)1,377	(1,214)1,281
Repurchases of noncontrolling interests	(326)400	—(326)	(491)

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(Millions of dollars)	2024	2023	2022
Redemption of noncontrolling interests - preferred units	—	(600)	(600)
All other, net	(4530)	(5045)	(4450)
Net cash used in financing activities	(12,434,1,924)	(14,207,12,434)	(13,647,14,207)
	Retained Earnings	Non-controlling Interests	Total Equity
			Redeemable Non-controlling Interest
			\$ 965,968
Net change in cash, cash equivalents and restricted cash	\$ (2,235,462)	\$ (3,185,2,235)	\$ 3,337, (3,185)
Cash, cash equivalents and restricted cash at beginning of period ^(a)	5,446,3,211	8,634,5,446	5,294,8,631
Cash, cash equivalents and restricted cash at end of period ^(a)	\$ 3,211,3,673	\$ 5,446,3,211	\$ 8,634,5,446

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

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

Marathon Petroleum Corporation
Consolidated Statements of Equity and Redeemable Noncontrolling Interest

(Shares in millions; amounts in millions of dollars)	Common Stock		MPC Stockholders' Equity		Accumulated Other Comprehensive Income (Loss)					
	Shares Amount	Amount Capital	Treasury Stock	Additional Paid-in Capital						
Balance as of December 31, 2021	984,990	\$ 10	—	—	(405,536)	\$ (19,904,31,841)	\$ 33,262,33,402	\$	\$	\$
2022	12,905,26,142	\$ (67), \$ 6,410	—	—	—	\$ 32,616,6,404	\$ 34,119	\$	\$	\$
Net income	—	—	—	—	—	14,516	1,446,1	15,962	—	889,4
Dividends declared on common stock (\$2.493,075 per share)	—	—	—	—	—	(1,279,1,261)	—	(1,279,1,261)	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	(1,129,1,187)	(1,129,1,187)	—	(859,4)
Other comprehensive income/loss	—	—	—	—	—	—	69, (133)	69, (133)	—	—
Shares repurchased	—	—	(131,8	(11,933,1,661)	—	—	—	(11,933,1,661)	—	—
Share-based compensation	63	—	—	(4), 260,67	—	—	—	260,75	—	—
Equity transactions of MPLX	—	—	—	—	(120,4)	—	—	(327,52,0)	(447,52,0)	—
Balance as of December 31, 2022	990,9	\$ 10	(536,6	(31,841,3,502)	\$ 33,402,3,465	\$ 26,142,34,562	\$ 2, (131,100)	\$ 34,119,0,504	\$	\$ 968,895
Net income	—	—	—	—	—	9,681,3,445	1,446,1,595	11,078,5,040	—	942,7
Dividends declared on common stock (\$3.075,3,385 per share)	—	—	—	—	—	(1,261,1,154)	—	(1,261,1,154)	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	(1,187,1,333)	(1,187,1,333)	—	(944,4)
Other comprehensive loss/income	—	—	—	—	—	—	(133), 17	(133), 17	—	—
Shares repurchased	—	—	(89,53	(11,661,9,121)	—	—	—	(11,661,9,121)	—	—
Share-based compensation	31	—	—	—	67,55	—	—	75,57	—	—
Equity transactions of MPLX	—	—	—	—	(4), 104	—	—	(520), 1,89	(526), 29,3	(736,75)
Balance as of December 31, 2023	993,9	\$ 10	(625,6	\$	\$	\$	\$ (131), 114	\$	\$	\$ 895,205

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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>(1,331)</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>(54)</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.

MINNESOTA PUBLIC OFFERING STATEMENT**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>			<u>2025</u>	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>	518
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>	December 31, <u>2024</u>	December 31, <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	<u>217</u>	214 <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	\$ 3,445	\$ 14,508
<u>Income allocated to participating securities</u>	(4)	(3)		(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>
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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(Millions of dollars)	2024	2025	2023	2024	2022	2023
Segment adjusted EBITDA for reportable segments						
Refining & Marketing	5,703	<u>6,138</u>	\$	<u>13,705</u>	\$	<u>19,259</u>
Midstream	6,544	<u>6,750</u>		<u>6,171</u>		<u>5,772</u>
Renewable Diesel	(150)	<u>110</u>		<u>(64)</u>		<u>3</u>
Total reportable segments	\$	<u>12,097</u>	\$	<u>19,812</u>	\$	<u>25,034</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
Plus: other revenue	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	\$ 126,147	\$ 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	1,340
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	\$ 13,8	\$ 114
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	%
Federal statutory rate	\$ 1,473	21.0 %	\$ 1,251	21.0 %
State and local income taxes, net of federal income tax effects ^(a)	128	21.8	91	21.5
Nontaxable or nondeductible items:				
Noncontrolling interests	(385)	(65.5)	(341)	(25.7)
Other	24	0.3	(44)	(0.8)
Other Tax credits	(84)	(21.2)	(42)	(40.7)
Other adjustments	(19)	(0.2)	(25)	(0.4)
Effective tax rate applied to income from continuing operations before income taxes	\$ 1,137	16.2 %	\$ 890	20.9 %

(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:

	December 31,		Dec emb er 31,	
(Millions of dollars)	2025	2024	2023	
Deferred tax assets:				
Employee benefits	560	\$	558	549
Environmental remediation	80		81	89
Finance lease obligations	409		433	365
Operating lease liabilities	314		243	229
Net operating loss carryforwards	32		39	44
Tax credit carryforwards	20		22	40
Goodwill and other intangibles	84		75	74
Other	115		95	96
Total deferred tax assets	1,614		1,546	1,453
Valuation allowance	(9)		(51)	(28)
Total net deferred tax assets	1,605		1,495	1,425
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	\$ 5,981		
5,833	5,769			

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

	December 31,		
(Millions of dollars)	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	\$ 5,981	
\$	5,833	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>	2025	2024	2023	2022
January 1 balance	\$ 27	\$ 38	\$	\$
Additions for tax positions of current year	80			
Additions for tax positions of prior years	65	—	8	38
Reductions for tax positions of prior years	(7)	(5)	(6)	(2)
Settlements	(2)	(6)	(20)	(15)
Statute of limitations			(1)	(4)
December 31 balance	\$ 163	\$ 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,		
	2025	2024	2023
Crude oil and other feedstocks	\$ 3,272	\$ 3,1	\$ 3,21
Refined products	5,350	5,137	4,940
Materials and supplies	1,507	1,246	1,166
Total	\$ 10,129	\$ 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 \$~~524~~432 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 \$~~208~~174 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.

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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~~3.35 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 18,075
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	\$ 5,245	2,623	2,622	4,111	2,446	1,665
(Total)	\$ 5,525	2,882	2,643	4,389	2,686	1,703
	\$ 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 in definite 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	469
2030	91

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)	\$ 7,177	\$ 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)	\$ 24,247	\$ 73,166	
Liabilities:							
Commodity contracts	\$ 249,144	\$ —	\$ —	\$ (249,144)	\$ —	\$ —	
Embedded derivatives in commodity contracts	—	—	64,580	—	64,580	—	

(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	11
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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<u>Income Statement Location</u>	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)

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

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	\$	\$ 55
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,

<i>(Millions of dollars)</i>	<u>2024</u> 2025	<u>2023</u> 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	1,189	1,189
MarkWest senior notes, 4.875% due 2024 —2025	11	11
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	1,650
<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	\$ <u>21,200</u> 26,000	\$ <u>20,700</u> 21,200

2024~~2025~~ 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, 2024~~2025~~, MPLX issued \$~~1.652~~0 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, 2024~~2025~~, MPLX used \$~~1.150~~1.25 billion 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~~1,189 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, ~~June~~ 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 million1.25 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	\$ 49)165	\$ 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	165)129	-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	13)6	75		20)11
Other comprehensive income (loss)	(98)26	(36)7	1(2)	(133)17
Balance as of December 31, 2023 2024	(264)235	129)122	(1)	(134)114
Other comprehensive income (loss) before reclassifications, net of tax of \$16)5	44)19	10(1)	(2)1	52)17
Amounts reclassified from accumulated other comprehensive loss:				
Amortization of prior service credit ^(a)	(3)39	(22)		(55)31
Amortization of actuarial loss ^(a)	6)17			6)17
Settlement loss ^(a)	3)2			3)2
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)

MINNESOTA PUBLIC OFFERING STATEMENT

(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	4.19 %	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	323	313	243
Expected return on plan assets	(146)	(163)	(142)			
Amortization of prior service credit	(33)	(45)	(4)	(2)	(2)	(2)
Amortization of actuarial (gain) loss	6	(5)	4	—	—	6
Settlement (gain) loss	3	(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	4	2	2	2
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	Pension Benefits	Other 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 %
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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>2025</u>	2024	31,	<u>2022</u>
			2023	
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~~.

MINNESOTA PUBLIC OFFERING STATEMENT

(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
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<i>(Millions of dollars)</i>	December 31, 2024 2025				December 31, 2023 2024				
	Level 1	Level 2	Level 3	Total	Total Level 1	Level 2	Level 3	Level 3	Total
Cash and cash equivalents	\$ —	\$ 627	\$ 4	\$ 74	\$ —	\$ —	\$ —	\$ —	\$ 636
Equity:									
Common stocks	53	52	—	53	52	50	—	—	502
Mutual funds	141	125	—	141	125	115	—	—	115125
Pooled funds	—	—	—	953	871	—	—	—	794871
Fixed income:									
Corporate	—	—	—	675	637	—	—	—	588637

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<u>Government</u>	=	—	—	<u>166</u>	<u>267</u>	—	<u>330</u>	<u>267</u>	<u>330</u>	<u>267</u>
		<u>267</u>	<u>166</u>							
<u>Pooled funds</u>	=	—	—	<u>124</u>	<u>117</u>	—	<u>418</u>	<u>117</u>	—	<u>418</u>
		<u>117</u>	<u>124</u>							
<u>Exchange traded funds</u>	<u>190</u>	=	=	<u>190</u>						
<u>Private equity</u>	=	—	<u>96</u>	<u>6</u>	<u>9</u>	—	—	—	<u>409</u>	<u>409</u>
		—								
<u>Real estate</u>			<u>449</u>	<u>9</u>	<u>44</u>	—	—	—	<u>421</u>	<u>421</u>
					<u>7</u>					
<u>Other</u>		—	—	<u>8</u>			—	<u>27</u>	<u>3</u>	<u>57</u>
		<u>78</u>								
<u>Total investments, at fair value</u>										
	\$	<u>384</u>	\$	<u>2,000</u>	\$	<u>15</u>	\$	<u>177</u>	\$	<u>1,961</u>
									\$	<u>20</u>
										\$
										<u>2,158</u>

Cash Flows

Contributions to defined benefit plans

Our funding policy with respect to the funded pension plans is to contribute amounts necessary to satisfy minimum pension funding requirements, including requirements of the Pension Protection Act of 2006, plus such additional, discretionary, amounts from time to time as determined appropriate by management. In ~~2024~~2025, we made contributions totaling \$~~92~~191 million to our funded pension plans. For ~~2025~~2026, we ~~do not project any estimate~~ required funding ~~of \$263 million~~, but we may also make voluntary contributions to our funded pension plans at our discretion. Cash contributions to be paid from our general assets for the unfunded pension and postretirement plans are estimated to be approximately \$~~44~~10 million and \$51 million, respectively, in ~~2025~~2026.

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>2025</u>	\$	71	\$ 159.47
2024	\$	—	—
2023	\$	171.55	102
2022	\$	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	(44,746) <u>17,499</u>
Unvested at December 31, 2024 <u>2025</u>	427,348 <u>441,831</u>

We paid \$~~469~~122 million, \$~~44~~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 \$~~484~~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,

~~2024~~2025: *(Millions of dollars)*

2025 2026	\$ 409
2026	88
2027	66
2028	59
2029	57
2030	63
2030 2031 and thereafter	248
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,

~~2024~~2025: *(Millions of dollars)*

2025 2026	\$ 472
2026	157
2027	147
2028	138
2029	130
2030	138
2030 2031 and thereafter	896
896	903
Total minimum future rentals	1,640
Less: imputed interest	707
707	691
Lease receivables^(a)	\$ 933
Current lease receivables ^(b)	\$ 402
Long-term lease receivables ^(c)	834
834	886
Unguaranteed residual assets	95
Total sales-type lease assets	\$ 1,028

(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 ~~5.15~~5.300 percent senior notes due ~~March 2030~~April 2036 and \$~~900~~500 million aggregate principal amount of ~~5.70~~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 \$~~1.25~~1.5 billion aggregate principal amount of ~~4.70~~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

~~MINNESOTA PUBLIC OFFERING STATEMENT~~
For value received, Marathon Petroleum 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, ~~2025~~2026.

Guarantor:

MARATHON PETROLEUM CORPORATION



(Add)
By: Kelly SA
Name: el Niese Its:

By:
Name: Kelly Niese
Its: Vice President Treasury

(Del) ^{10/22}
STP

(Del) Kelly Niese

EXHIBIT E
RECEIPTS

**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 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.

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

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