

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2020**
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number **001-35054**

Marathon Petroleum Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

27-1284632

(I.R.S. Employer Identification No.)

539 South Main Street, Findlay, OH 45840-3229

(Address of principal executive offices) (Zip code)

(419) 422-2121

(Registrant's telephone number, including area code)

Securities Registered pursuant to Section 12(b) of the Act

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01	MPC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of Common Stock held by non-affiliates as of June 30, 2020 was approximately \$24.3 billion. This amount is based on the closing price of the registrant's Common Stock on the New York Stock Exchange on June 30, 2020. Shares of Common Stock held by executive officers and directors of the registrant are not included in the computation. The registrant, solely for the purpose of this required presentation, has deemed its directors and executive officers to be affiliates.

There were 651,274,842 shares of Marathon Petroleum Corporation Common Stock outstanding as of February 12, 2021.

Documents Incorporated By Reference

Portions of the registrant's proxy statement relating to its 2021 Annual Meeting of Shareholders, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934, are incorporated by reference to the extent set forth in Part III, Items 10-14 of this Report.

[Table of Contents](#)

MARATHON PETROLEUM CORPORATION

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.

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I</u>	
ITEM 1. BUSINESS	4
ITEM 1A. RISK FACTORS	20
ITEM 1B. UNRESOLVED STAFF COMMENTS	34
ITEM 2. PROPERTIES	34
ITEM 3. LEGAL PROCEEDINGS	44
ITEM 4. MINE SAFETY DISCLOSURES	46
<u>PART II</u>	
ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	47
ITEM 6. SELECTED FINANCIAL DATA	48
ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	49
ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	86
ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	89
ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	162
ITEM 9A. CONTROLS AND PROCEDURES	162
ITEM 9B. OTHER INFORMATION	162
<u>PART III</u>	
ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	163
ITEM 11. EXECUTIVE COMPENSATION	163
ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLER MATTERS	164
ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	164
ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES	164
<u>PART IV</u>	
ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES	165
SIGNATURES	172

GLOSSARY OF TERMS

Throughout this report, the following company or industry specific terms and abbreviations are used:

ASC	Accounting Standards Codification
ANS	Alaska North Slope crude oil, an oil index benchmark price
ASU	Accounting Standards Update
ASR	Accelerated share repurchase
ATB	Articulated tug barges
barrel	One stock tank barrel, or 42 United States gallons liquid volume, used in reference to crude oil or other liquid hydrocarbons.
CARB	California Air Resources Board
CARBOB	California Reformulated Gasoline Blendstock for Oxygenate Blending
CBOB	Conventional Blending for Oxygenate Blending
EBITDA (a non-GAAP financial measure)	Earnings Before Interest, Tax, Depreciation and Amortization
EPA	United States Environmental Protection Agency
FASB	Financial Accounting Standards Board
GAAP	Accounting principles generally accepted in the United States
IDR	Incentive Distribution Right
LCM	Lower of cost or market
LIBOR	London Interbank Offered Rate
LIFO	Last in, first out
LLS	Louisiana Light Sweet crude oil, an oil index benchmark price
mbpd	Thousand barrels per day
mbpcd	Thousand barrels per calendar day
MMcf/d	One million cubic feet of natural gas per day
MMBtu	One million British thermal units per day
NYMEX	New York Mercantile Exchange
NYSE	New York Stock Exchange
NGL	Natural gas liquids, such as ethane, propane, butanes and natural gasoline
OSHA	United States Occupational Safety and Health Administration
OTC	Over-the-Counter
ppb	Parts per billion
RFS2	Revised Renewable Fuel Standard program, as required by the Energy Independence and Security Act of 2007
RIN	Renewable Identification Number
SEC	United States Securities and Exchange Commission
STAR	South Texas Asset Repositioning
ULSD	Ultra-low sulfur diesel
USGC	U.S. Gulf Coast
UST	Underground storage tank
VIE	Variable interest entity
VPP	Voluntary Protection Program
WTI	West Texas Intermediate crude oil, an oil index benchmark price

DISCLOSURES REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, particularly Item 1. Business, Item 1A. Risk Factors, Item 3. Legal Proceedings, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations and Item 7A. Quantitative and Qualitative Disclosures about Market Risk, includes forward-looking statements that are subject to risks, contingencies or uncertainties. You can identify forward-looking statements by words such as “anticipate,” “believe,” “commitment,” “could,” “design,” “estimate,” “expect,” “forecast,” “goal,” “guidance,” “imply,” “intend,” “may,” “objective,” “opportunity,” “outlook,” “plan,” “policy,” “position,” “potential,” “predict,” “priority,” “project,” “proposition,” “prospective,” “pursue,” “seek,” “should,” “strategy,” “target,” “will,” “would” or other similar expressions that convey the uncertainty of future events or outcomes.

Forward-looking statements include, among other things, statements regarding:

- future financial and operating results;
- future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses;
- expected savings from the restructuring or reorganization of business components;
- the success or timing of completion of ongoing or anticipated capital or maintenance projects;
- business strategies, growth opportunities and expected investment;
- consumer demand for refined products, natural gas and NGLs;
- the timing and amount of any future common stock repurchases or dividends; and
- the anticipated effects of actions of third parties such as competitors, activist investors or federal, foreign, state or local regulatory authorities or plaintiffs in litigation.

Our forward-looking statements are not guarantees of future performance, and you should not rely unduly on them, as they involve risks, uncertainties and assumptions that we cannot predict. Material differences between actual results and any future performance suggested in our forward-looking statements could result from a variety of factors, including the following:

- general economic, political or regulatory developments, including changes in governmental policies relating to refined petroleum products, crude oil, natural gas or NGLs, regulation or taxation and other economic and political developments;
- the magnitude and duration of the COVID-19 pandemic and its effects, including travel restrictions, business and school closures, increased remote work, stay-at-home orders and other actions taken by individuals, government and the private sector to stem the spread of the virus;
- our ability to successfully complete the planned Speedway sale and realize the expected benefits within the expected timeframe or at all;
- further impairments;
- the regional, national and worldwide availability and pricing of refined products, crude oil, natural gas, NGLs and other feedstocks;
- our ability to manage disruptions in credit markets or changes to credit ratings;
- the reliability of processing units and other equipment;
- the adequacy of capital resources and liquidity, including availability, timing and amounts of free cash flow necessary to execute business plans and to effect any share repurchases or to maintain or increase the dividend;
- the potential effects of judicial or other proceedings on the business, financial condition, results of operations and cash flows;
- continued or further volatility in and degradation of general economic, market, industry or business conditions as a result of the COVID-19 pandemic (including any related government policies and actions), other infectious disease outbreaks, natural hazards, extreme weather events or otherwise;
- compliance with federal and state environmental, economic, health and safety, energy and other policies and regulations and enforcement actions initiated thereunder;
- adverse market conditions or other similar risks affecting MPLX;

Table of Contents

- refining industry overcapacity or under capacity;
- changes in producer customers' drilling plans or in volumes of throughput of crude oil, natural gas, NGLs, refined products or other hydrocarbon-based products;
- non-payment or non-performance by our customers;
- changes in the cost or availability of third-party vessels, pipelines, railcars and other means of transportation for crude oil, natural gas, NGLs, feedstocks and refined products;
- the price, availability and acceptance of alternative fuels and alternative-fuel vehicles and laws mandating such fuels or vehicles;
- political and economic conditions in nations that consume refined products, natural gas and NGLs, including the United States and Mexico, and in crude oil producing regions, including the Middle East, Africa, Canada and South America;
- actions taken by our competitors, including pricing adjustments, expansion of retail activities, the expansion and retirement of refining capacity and the expansion and retirement of pipeline capacity, processing, fractionation and treating facilities in response to market conditions;
- completion of pipeline projects within the United States;
- changes in fuel and utility costs for our facilities;
- accidents or other unscheduled shutdowns affecting our refineries, machinery, pipelines, processing, fractionation and treating facilities or equipment, or those of our suppliers or customers;
- acts of war, terrorism or civil unrest that could impair our ability to produce refined products, receive feedstocks or to gather, process, fractionate or transport crude oil, natural gas, NGLs or refined products;
- adverse changes in laws including with respect to tax and regulatory matters;
- political pressure and influence of environmental groups and other stakeholders upon policies and decisions related to the production, gathering, refining, processing, fractionation, transportation and marketing of crude oil or other feedstocks, refined products, natural gas, NGLs or other hydrocarbon-based products;
- labor and material shortages;
- the costs, disruption and diversion of management's attention associated with campaigns commenced by activist investors;
- personnel changes; and
- the other factors described in Item 1A. Risk Factors.

We undertake no obligation to update any forward-looking statements except to the extent required by applicable law.

PART I

ITEM 1. BUSINESS

OVERVIEW

Marathon Petroleum Corporation (“MPC”) has over 130 years of experience in the energy business, and is the largest independent petroleum product refining, marketing, retail and midstream business in the United States. We operate the nation’s largest refining system with approximately 2.9 million barrels per day of crude oil refining capacity and believe we are one of the largest wholesale suppliers of gasoline and distillates to resellers in the United States. We also operate Speedway, the second largest chain of company-owned and operated retail gasoline and convenience stores in the United States, which we have agreed to sell to 7-Eleven, Inc. (“7-Eleven”) for \$21 billion in cash, subject to certain adjustments based on the levels of cash, debt and working capital at closing and certain other items. We distribute our refined products through one of the largest terminal operations in the United States and one of the largest private domestic fleets of inland petroleum product barges. In addition, our integrated midstream energy asset network links producers of natural gas and NGLs from some of the largest supply basins in the United States to domestic and international markets.

Our operations consist of two reportable operating segments: Refining & Marketing and Midstream. Each of these segments is organized and managed based upon the nature of the products and services it offers.

- Refining & Marketing – refines crude oil and other feedstocks 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, through long-term supply contracts with direct dealers who operate locations mainly under the ARCO® brand and to approximately 3,800 Speedway locations.
- Midstream – transports, stores, distributes and markets crude oil and refined products principally for the Refining & Marketing segment via refining logistics assets, pipelines, terminals, towboats and barges; gathers, processes and transports natural gas; and gathers, transports, fractionates, stores and markets NGLs. The Midstream segment primarily reflects the results of MPLX LP (“MPLX”). MPLX is a diversified, large-cap master limited partnership (“MLP”) formed in 2012 that owns and operates midstream energy infrastructure and logistics assets and provides fuels distribution services. As of December 31, 2020, we owned the general partner of MPLX and approximately 62 percent of the outstanding MPLX common units.

Corporate History and Structure

MPC was incorporated in Delaware on November 9, 2009 in connection with an internal restructuring of Marathon Oil Corporation (“Marathon Oil”). On May 25, 2011, the Marathon Oil board of directors approved the spinoff of its Refining, Marketing & Transportation Business into an independent, publicly traded company, MPC, through the distribution of MPC common stock to the stockholders of Marathon Oil on June 30, 2011. Our common stock trades on the NYSE under the ticker symbol “MPC.”

On October 1, 2018, we acquired Andeavor. Andeavor shareholders received in the aggregate approximately 239.8 million shares of MPC common stock valued at \$19.8 billion and \$3.5 billion in cash. Andeavor was a highly integrated marketing, logistics and refining company operating primarily in the Western and Mid-Continent United States. Our acquisition of Andeavor in 2018 substantially increased our geographic diversification and the scale of our assets, which provides increased opportunities to optimize our system.

Recent Developments

Strategic Actions to Enhance Shareholder Value

Speedway Sale

On August 2, 2020, we entered into a definitive agreement to sell Speedway, our company-owned and operated retail transportation fuel and convenience store business, to 7-Eleven for \$21 billion in cash,

[Table of Contents](#)

subject to certain adjustments based on the levels of cash, debt and working capital at closing and certain other items. The taxable transaction is targeted to close by the end of the first quarter of 2021, subject to customary closing conditions and the receipt of regulatory approvals. This transaction is expected to result in after-tax cash proceeds of approximately \$16.5 billion. We expect to use the proceeds from the sale to strengthen the balance sheet and return capital to shareholders.

In connection with the agreement to sell Speedway, we have agreed to enter into certain ancillary agreements, including a 15-year fuel supply agreement associated with 7-Eleven or its subsidiaries, depending on the fuel demand of Speedway and other factors to be set forth in the fuel supply agreement. Further, we expect incremental opportunities over time to supply 7-Eleven's remaining business as 7-Eleven's existing arrangements mature and as new locations are added in connection with its announced U.S. and Canada growth strategy.

As a result of the agreement to sell Speedway, its results are reported separately as discontinued operations in our consolidated statements of income for all periods presented and its assets and liabilities have been reclassified in our consolidated balance sheets to assets and liabilities held for sale. Prior to presentation of Speedway as discontinued operations, Speedway and our retained direct dealer business were the two reporting units within our Retail segment. Beginning with the third quarter of 2020, the direct dealer business is managed as part of the Refining & Marketing segment. The results of the Refining & Marketing segment have been retrospectively adjusted to include the results of the direct dealer business in all periods presented.

As a result of our agreement to sell Speedway, the following changes in our basis of presentation have occurred:

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

Midstream Review

On March 18, 2020, we announced that MPC's board of directors unanimously decided to maintain MPC's current midstream structure, with MPC remaining, through a wholly owned subsidiary, the general partner of MPLX. This decision concluded a comprehensive evaluation, led by a special committee of the board, that included extensive input from multiple external advisors and significant feedback from investors.

OUR OPERATIONS

Our operations consist of two reportable operating segments: Refining & Marketing and Midstream.

REFINING & MARKETING

Refineries

We currently own and operate refineries in the Gulf Coast, Mid-Continent and West Coast regions of the United States with an aggregate crude oil refining capacity of 2,874 mbpcd. During 2020, our refineries processed 2,418 mbpd of crude oil and 165 mbpd of other charge and blendstocks. During 2019, our refineries processed 2,902 mbpd of crude oil and 210 mbpd of other charge and blendstocks.

Our refineries include crude oil atmospheric and vacuum distillation, fluid catalytic cracking, hydrocracking, catalytic reforming, coking, desulfurization and sulfur recovery units. The refineries process a wide variety of condensate and light and heavy crude oils purchased from various domestic and foreign suppliers. We produce numerous refined products, ranging from transportation fuels, such as reformulated gasolines, blend-grade gasolines intended for blending with ethanol and ULSD fuel, to heavy fuel oil and asphalt. Additionally, we manufacture aromatics, propane, propylene and sulfur. See the Refined Product Marketing section for further information about the products we produce.

[Table of Contents](#)

Our refineries are integrated with each other via pipelines, terminals and barges to maximize operating efficiency. The transportation links that connect our refineries allow the movement of intermediate products between refineries to optimize operations, produce higher margin products and efficiently utilize our processing capacity. Also, shipping intermediate products between facilities during partial refinery shutdowns allows us to utilize processing capacity that is not directly affected by the shutdown work.

Following is a description of each of our refineries and their capacity by region.

Gulf Coast Region (1,171 mbpcd)

Galveston Bay, Texas City, Texas Refinery (593 mbpcd)

Our Galveston Bay refinery is a world-class refining complex resulting from the combination of our former Texas City refinery and Galveston Bay refinery. The refinery is located on the Texas Gulf Coast approximately 30 miles southeast of Houston, Texas and can process a wide variety of crude oils into gasoline, distillates, feedstocks, petrochemicals, propane and heavy fuel oil. The refinery has access to the export market and multiple options to sell refined products. Our cogeneration facility, which supplies the Galveston Bay refinery, currently has 1,055 megawatts of electrical production capacity and can produce 4.3 million pounds of steam per hour. Approximately 49 percent of the power generated in 2020 was used at the refinery, with the remaining electricity being sold into the electricity grid.

Garyville, Louisiana Refinery (578 mbpcd)

Our Garyville refinery, which is one of the largest refineries in the U.S., is located along the Mississippi River in southeastern Louisiana between New Orleans, Louisiana and Baton Rouge, Louisiana. The Garyville refinery is configured to process a wide variety of crude oils into gasoline, distillates, petrochemicals, feedstocks, asphalt, propane and heavy fuel oil. The refinery has access to the export market and multiple options to sell refined products. Our Garyville refinery has earned designation as an OSHA VPP Star site.

Mid-Continent Region (1,153 mbpcd)

Catlettsburg, Kentucky Refinery (291 mbpcd)

Our Catlettsburg refinery is located in northeastern Kentucky on the western bank of the Big Sandy River, near the confluence with the Ohio River. The Catlettsburg refinery processes sweet and sour crude oils, including production from the nearby Utica Shale, into gasoline, distillates, asphalt, petrochemicals, heavy fuel oil, propane and feedstocks. Our Catlettsburg refinery has earned designation as an OSHA VPP Star site.

Robinson, Illinois Refinery (253 mbpcd)

Our Robinson refinery is located in southeastern Illinois. The Robinson refinery processes sweet and sour crude oils into gasoline, distillates, feedstocks, propane, petrochemicals and heavy fuel oil. The Robinson refinery has earned designation as an OSHA VPP Star site.

Detroit, Michigan Refinery (140 mbpcd)

Our Detroit refinery is located in southwest Detroit. It is the only petroleum refinery currently operating in Michigan. The Detroit refinery processes sweet and heavy sour crude oils into gasoline, distillates, asphalt, feedstocks, petrochemicals, propane and heavy fuel oil. Our Detroit refinery has earned designation as an OSHA VPP Star site.

El Paso, Texas Refinery (131 mbpcd)

Our El Paso refinery is located approximately three miles east of downtown El Paso, Texas. The El Paso refinery processes sweet and sour crudes into gasoline, distillates, asphalt, heavy fuel oil, propane and petrochemicals.

St. Paul Park, Minnesota Refinery (104 mbpcd)

Our St. Paul Park refinery is located along the Mississippi River southeast of St. Paul Park, Minnesota. The St. Paul Park refinery processes sweet and heavy sour crude and manufactures gasoline, distillates, asphalt, petrochemicals, propane, heavy fuel oil and feedstocks.

Canton, Ohio Refinery (97 mbpcd)

Our Canton refinery is located approximately 60 miles south of Cleveland, Ohio. The Canton refinery processes sweet and sour crude oils, including production from the nearby Utica Shale, into gasoline,

Table of Contents

distillates, asphalt, propane, petrochemicals, heavy fuel oil and feedstocks. The Canton refinery has earned designation as an OSHA VPP Star site.

Mandan, North Dakota Refinery (71 mbpcd)

The Mandan refinery processes primarily sweet domestic crude oil from North Dakota and manufactures gasoline, distillates, propane, heavy fuel oil and petrochemicals.

Salt Lake City, Utah Refinery (66 mbpcd)

Our Salt Lake City refinery is now the largest in Utah. The Salt Lake City refinery processes crude oil from Utah, Colorado, Wyoming and Canada to manufacture gasoline, distillates, propane, heavy fuel oil, feedstocks and petrochemicals.

West Coast Region (550 mbpcd)

Los Angeles, California Refinery (363 mbpcd)

Our Los Angeles refinery is located in Los Angeles County, near the Los Angeles Harbor. The Los Angeles refinery is the largest refinery on the West Coast and is a major producer of clean fuels. The Los Angeles refinery processes heavy crude from California's San Joaquin Valley and Los Angeles Basin as well as crudes from the Alaska North Slope, South America, West Africa and other international sources and manufactures cleaner-burning CARB gasoline and CARB diesel fuel, as well as conventional gasoline, distillates, feedstocks, petrochemicals, heavy fuel oil and propane.

Anacortes, Washington Refinery (119 mbpcd)

Our Anacortes refinery is located about 70 miles north of Seattle on Puget Sound. The Anacortes refinery processes Canadian crude, domestic crude from North Dakota and Alaska North Slope and international crudes to manufacture gasoline, distillates, heavy fuel oil, feedstocks, propane and petrochemicals.

Kenai, Alaska Refinery (68 mbpcd)

Our Kenai refinery is located on the Cook Inlet, 60 miles southwest of Anchorage. The Kenai refinery processes mainly Alaska domestic crude, domestic crude from North Dakota, along with limited international crude and manufactures distillates, gasoline, heavy fuel oil, feedstocks, asphalt, propane and petrochemicals.

Planned maintenance activities, or turnarounds, requiring temporary shutdown of certain refinery operating units, are periodically performed at each refinery. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations for additional detail.

Refined Product Yields

The following table sets forth our refinery production by product group for each of the last three years including production from the refineries acquired in the Andeavor acquisition from October 1, 2018 forward.

<i>(mbpd)</i>	2020	2019	2018
Gasoline	1,314	1,560	1,107
Distillates	905	1,087	773
Feedstocks and petrochemicals	244	315	288
Asphalt	81	87	69
Propane	51	55	41
Heavy fuel oil	28	49	38
Total	2,623	3,153	2,316

[Table of Contents](#)

Crude Oil Supply

We obtain the crude oil we refine through negotiated term contracts and purchases or exchanges on the spot market. Our term contracts generally have market-related pricing provisions. The following table provides information on our sources of crude oil for each of the last three years. It includes crude sourced for the refineries acquired in the Andeavor acquisition from October 1, 2018 forward. The crude oil sourced outside of North America was acquired from various foreign national oil companies, production companies and trading companies.

<i>(mbpd)</i>	2020	2019	2018
United States	1,650	1,962	1,319
Canada	442	541	465
Middle East and other international	326	399	297
Total	2,418	2,902	2,081

Our refineries receive crude oil and other feedstocks and distribute our refined products through a variety of channels, including pipelines, trucks, railcars, ships and barges.

Renewable Fuels

During 2020, we completed the conversion of our Dickinson, North Dakota refinery into an approximately 184 million gallons per year renewable diesel facility.

We also progressed activities associated with the conversion of the Martinez refinery to a renewable diesel facility, including applying for permits, advancing discussions with feedstock suppliers, and beginning detailed engineering activities. As envisioned, the Martinez facility would start producing approximately 260 million gallons per year of renewable diesel by the second half of 2022, with a potential to build to full capacity of approximately 730 million gallons per year by the end of 2023. On February 24, 2021, MPC's board of directors approved these plans.

We own a biofuel production facility in Cincinnati, Ohio that produces biodiesel, glycerin and other by-products. The capacity of the plant is approximately 91 million gallons per year.

Our wholly owned subsidiary, Virent, is an advanced biofuels facility in Madison, Wisconsin that is working to commercialize a process for converting biobased feedstocks into renewable fuels and chemicals.

We hold an ownership interest in ethanol production facilities in Albion, Michigan; Logansport, Indiana; Greenville, Ohio and Denison, Iowa. These plants have a combined ethanol production capacity of approximately 475 million gallons per year and are managed by our joint venture partner, The Andersons.

Refined Product Marketing

Our refined products are sold to independent retailers, wholesale customers, our brand jobbers and direct dealers. In addition, we sell refined products for export to international customers. As of December 31, 2020, there were 7,090 branded outlets in 35 states, the District of Columbia and Mexico where independent entrepreneurs primarily maintain Marathon-branded outlets. We also have long-term supply contracts for 1,093 direct dealer locations primarily in Southern California, largely under the ARCO® brand. We believe we are one of the largest wholesale suppliers of gasoline and distillates to resellers and consumers within our 41-state market area.

Table of Contents

The following table sets forth our refined product sales volumes by product group for each of the last three years including sales from the refineries acquired in the Andeavor acquisition from October 1, 2018 forward.

<i>(mbpd)</i>	2020	2019	2018
Gasoline	1,669	1,967	1,416
Distillates	1,040	1,205	847
Feedstocks and petrochemicals	323	345	289
Asphalt	86	93	70
Propane	69	72	44
Heavy fuel oil	35	53	37
Total	3,222	3,735	2,703

Refined Product Sales Destined for Export

We sell gasoline, distillates and asphalt for export, primarily out of our Garyville, Galveston Bay, Anacortes, Los Angeles and Kenai refineries. The following table sets forth our refined product sales destined for export by product group for the past three years including sales from the refineries acquired in the Andeavor acquisition from October 1, 2018 forward.

<i>(mbpd)</i>	2020	2019	2018
Gasoline	110	131	117
Distillates	187	215	193
Other	43	51	24
Total	340	397	334

Gasoline and Distillates

We sell gasoline, gasoline blendstocks and distillates (including No. 1 and No. 2 fuel oils, jet fuel, kerosene and diesel fuel) to wholesale customers, Marathon-branded jobbers, direct dealers and in the spot market. In addition, we sell diesel fuel and gasoline for export to international customers. The demand for gasoline and distillates is seasonal in many of our markets, with demand typically at its highest levels during the summer months.

Feedstocks and Petrochemicals

We are a producer and marketer of feedstocks and petrochemicals. Product availability varies by refinery and includes, among others, propylene, naphtha, butane, xylene, benzene, alkylate, cumene, raffinate, toluene and platformate. We market these products domestically to customers in the chemical, agricultural and fuel-blending industries. In addition, we produce fuel-grade coke at our Garyville, Detroit, Galveston Bay and Los Angeles refineries, which is used for power generation and in miscellaneous industrial applications, and anode-grade coke at our Los Angeles and Robinson refineries, in addition to calcined coke at our Los Angeles refinery, which are both used to make carbon anodes for the aluminum smelting industry.

Asphalt

We have refinery-based asphalt production capacity of up to 139 mbpcd, which includes asphalt cements, polymer-modified asphalt, emulsified asphalt, industrial asphalts and roofing flux. We have a broad customer base, including asphalt-paving contractors, resellers, government entities (states, counties, cities and townships) and asphalt roofing shingle manufacturers. We sell asphalt in the domestic and export wholesale markets via rail, barge and vessel.

Propane

We produce propane at all of our refineries. Propane is primarily used for home heating and cooking, as a feedstock within the petrochemical industry, for grain drying and as a fuel for trucks and other vehicles. Our propane sales are split approximately 80 percent and 20 percent between the home heating market and petrochemical consumers, respectively.

Heavy Fuel Oil

We produce and market heavy residual fuel oil or related components, including slurry, at all of our refineries. Heavy residual fuel oil is primarily used in the utility and ship bunkering (fuel) industries, though there are other more specialized uses of the product.

Terminals and Transportation

We transport, store and distribute crude oil, feedstocks and refined products through pipelines, terminals and marine fleets owned by MPLX and third parties in our market areas.

We own a fleet of transport trucks and trailers for the movement of refined products and crude oil. In addition, we maintain a fleet of leased and owned railcars for the movement and storage of refined products.

The locations and detailed information about our Refining & Marketing assets are included under Item 2. Properties and are incorporated herein by reference.

Competition, Market Conditions and Seasonality

The downstream petroleum business is highly competitive, particularly with regard to accessing crude oil and other feedstock supply and the marketing of refined products. We compete with a number of other companies to acquire crude oil for refinery processing and in the distribution and marketing of a full array of refined products. Based upon company data as reported in the “The Oil & Gas Journal 2020 Worldwide Refinery Survey,” we ranked first among U.S. petroleum companies on the basis of U.S. crude oil refining capacity.

We compete in four distinct markets for the sale of refined products—wholesale, including exports, spot, branded and retail distribution. Our marketing operations compete with numerous other independent marketers, integrated oil companies and high-volume retailers. We compete with companies in the sale of refined products to wholesale marketing customers, including private-brand marketers and large commercial and industrial consumers; companies in the sale of refined products in the spot market; and refiners or marketers in the supply of refined products to refiner-branded independent entrepreneurs. In addition, we compete with producers and marketers in other industries that supply alternative forms of energy and fuels to satisfy the requirements of our industrial, commercial and retail consumers.

Market conditions in the oil and gas industry are cyclical and subject to global economic and political events and new and changing governmental regulations. Our operating results are affected by price changes in crude oil, natural gas and refined products, as well as changes in competitive conditions in the markets we serve. Price differentials between sweet and sour crude oils, ANS, WTI and LLS crude oils and other market structure impacts also affect our operating results.

Demand for gasoline, diesel fuel and asphalt is higher during the spring and summer months than during the winter months in most of our markets, primarily due to seasonal increases in highway traffic and construction. As a result, the operating results for our Refining & Marketing segment for the first and fourth quarters may be lower than for those in the second and third quarters of each calendar year.

MIDSTREAM

The Midstream segment primarily includes the operations of MPLX, our sponsored MLP, and certain related operations retained by MPC.

MPLX

MPLX owns and operates a network of crude oil, natural gas and refined product pipelines and has joint ownership interests in other crude oil and refined products pipelines. MPLX also owns and operates light products terminals, storage assets and maintains a fleet of owned and leased towboats and barges. MPLX’s assets also include natural gas gathering systems and natural gas processing and NGL fractionation complexes.

[Table of Contents](#)

MPC-Retained Midstream Assets and Investments

We have ownership interests in several crude oil and refined products pipeline systems and pipeline companies and have indirect ownership interests in two ocean vessel joint ventures through our investment in Crowley Coastal Partners.

The locations and detailed information about our Midstream assets are included under Item 2. Properties and are incorporated herein by reference.

Competition, Market Conditions and Seasonality

Our Midstream operations face competition for natural gas gathering, crude oil transportation and in obtaining natural gas supplies for our processing and related services; in obtaining unprocessed NGLs for gathering, transportation and fractionation; and in marketing our products and services. Competition for natural gas supplies is based primarily on the location of gas gathering facilities and gas processing plants, operating efficiency and reliability, residue gas and NGL market connectivity, the ability to obtain a satisfactory price for products recovered and the fees charged for the services supplied to the customer. Competition for oil supplies is based primarily on the price and scope of services, location of gathering/transportation and storage facilities and connectivity to the best priced markets. Competitive factors affecting our fractionation services include availability of fractionation capacity, proximity to supply and industry marketing centers, the fees charged for fractionation services and operating efficiency and reliability of service. Competition for customers to purchase our natural gas and NGLs is based primarily on price, credit and market connectivity. In addition, certain of our Midstream operations are subject to rate regulation, which affects the rates that our common carrier pipelines can charge for transportation services and the return we obtain from such pipelines.

Our Midstream segment can be affected by seasonal fluctuations in the demand for natural gas and NGLs and the related fluctuations in commodity prices caused by various factors such as changes in transportation and travel patterns and variations in weather patterns from year to year.

REGULATORY MATTERS

Our operations are subject to numerous laws and regulations, including those relating to the protection of the environment. Such laws and regulations include, among others, the Clean Air Act (“CAA”) with respect to air emissions, the Clean Water Act (“CWA”) with respect to water discharges, the Resource Conservation and Recovery Act (“RCRA”) with respect to solid and hazardous waste treatment, storage and disposal, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) with respect to releases and remediation of hazardous substances and the Oil Pollution Act of 1990 (“OPA-90”) with respect to oil pollution and response. In addition, many states where we operate have similar laws. New laws are being enacted and regulations are being adopted on a continuing basis, and the costs of compliance with such new laws and regulations are very difficult to estimate until finalized.

For a discussion of environmental capital expenditures and costs of compliance, see Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations-Environmental Matters and Compliance Costs. For additional information regarding regulatory risks, see Item 1A. Risk Factors.

Air

Greenhouse Gas Emissions

We believe it is likely that the scientific and political attention to greenhouse gas emissions, climate change, and climate adaptation will continue, with the potential for further regulations that could affect our operations. Currently, legislative and regulatory measures to address greenhouse gas emissions are in various phases of review, discussion or implementation. Reductions in greenhouse gas emissions could result in increased costs to (i) operate and maintain our facilities, (ii) install new emission controls at our facilities, (iii) capture the emissions from our facilities and (iv) administer and manage any greenhouse gas emissions programs, including acquiring emission credits or allotments.

In January 2021, President Biden announced that the United States was rejoining the 2015 Paris UN Climate Change Conference Agreement, effective February 19, 2021. President Biden also issued an Executive Order on climate change in which he announced putting the U.S. on a path to achieve net-zero carbon emissions, economy-wide, by 2050. The Executive Order also calls for the federal government to pause oil and gas leasing on federal lands, reduce methane emissions from the oil and gas sector as quickly as possible, and requires federal permitting decisions to consider the effects of greenhouse gas emissions

Table of Contents

and climate change. In a second Executive Order, President Biden reestablished a working group to develop the social cost of carbon and the social cost of methane. The social cost of carbon and social cost of methane can be used to weigh the costs and benefits of proposed regulations. A higher social cost of carbon could support more stringent greenhouse gas emission regulation.

States are becoming active in regulating greenhouse gas emissions. These measures may include state actions to develop statewide or regional programs to impose emission reductions. These measures may also include low-carbon fuel standards, such as the California program, or a state carbon tax. These measures could result in increased costs to operate and maintain our facilities, capital expenditures to install new emission controls and costs to administer any carbon trading or tax programs implemented. For example, the California state legislature enacted AB 398, which provides direction and parameters on utilizing cap and trade after 2020 to meet the 40 percent reduction target from 1990 levels by 2030 specified in SB 32. Compliance with the cap and trade program is demonstrated through a market-based credit system. Much of the compliance costs associated with these California regulations are ultimately passed on to the consumer in the form of higher fuel costs. States are increasingly announcing aspirational goals to be net-zero carbon emissions by a certain date through both legislation and executive orders. To date, these states have not provided significant details as to achievement of these goals; however, meeting these aspirations will require a reduction in fossil fuel combustion and/or a mechanism to capture greenhouse gases from the atmosphere. As a result, we cannot currently predict the impact of these potential regulations on our liquidity, financial position, or results of operations.

Other Air Emissions

In 2015, United States Environmental Protection Agency (“EPA”) finalized a revision to the National Ambient Air Quality Standards (“NAAQS”) for ozone. The EPA lowered the primary ozone NAAQS from 75 ppb to 70 ppb. In December 2020, the EPA published a rule maintaining this standard. Designation as a nonattainment area could result in increased costs associated with, or result in cancellation or delay of, capital projects at our facilities, or could require nitrogen oxide (“NOx”) and/or volatile organic compound (“VOC”) reductions that could result in increased costs to our facilities.

In California, the Board for the South Coast Air Quality Management District (“SCAQMD”) passed amendments to the Regional Clean Air Incentives Market (“RECLAIM”) that became effective in 2016, requiring a staged reduction of nitrogen oxide emissions through 2022. In 2017, the State of California passed AB 617, which requires implementation of best available retrofit control technology (“BARCT”) on specific facilities, including facilities subject to RECLAIM. In response to AB 617, the SCAQMD is currently working to identify BARCT and determine whether to “sunset” the existing RECLAIM program. A “sunset” of the RECLAIM program and application of BARCT is expected to result in increased costs to operate and maintain our Los Angeles refinery.

Water

We maintain numerous discharge permits as required under the National Pollutant Discharge Elimination System program of the CWA and have implemented systems to oversee our compliance with these permits. In addition, we are regulated under OPA-90, which, among other things, requires the owner or operator of a tank vessel or a facility to maintain an emergency plan to respond to releases of oil or hazardous substances. OPA-90 also requires the responsible company to pay resulting removal costs and damages and provides for civil penalties and criminal sanctions for violations of its provisions. We operate tank vessels and facilities from which spills of oil and hazardous substances could occur. We have implemented emergency oil response plans for all of our components and facilities covered by OPA-90 and we have established Spill Prevention, Control and Countermeasures plans for all facilities subject to such requirements. Some coastal states in which we operate have passed state laws similar to OPA-90, but with expanded liability provisions, that include provisions for cargo owner responsibility as well as ship owner and operator responsibility.

On October 22, 2019, the EPA and the United States Army Corps of Engineers (“Army Corps”) published a final rule to repeal the 2015 “Clean Water Rule: Definition of Waters of the United States” (“2015 Rule”), which amended portions of the Code of Federal Regulations (“CFR”) to restore the regulatory text that existed prior to the 2015 Rule, effective December 23, 2019. The rule repealing the 2015 Clean Water Rule has been challenged in multiple federal courts. On April 21, 2020, the EPA and the Army Corps promulgated the Navigable Waters Protection Rule (“2020 Rule”) to define “waters of the United States.” The 2020 Rule has been challenged in court. The Biden administration has signaled its intent to revisit the definition of “waters of the United States,” and replace it with a definition consistent with the 2015 Rule. A

[Table of Contents](#)

broader definition could result in increased cost of compliance or increased capital costs for construction of new facilities or expansion of existing facilities.

In April 2020, the U.S. District Court in Montana vacated Nationwide Permit 12 (“NWP 12”), which authorizes the placement of fill material in “waters of the United States” for utility line activities as long as certain best management practices are implemented. The decision was ultimately appealed to the United States Supreme Court, which partially reversed the district court’s decision, temporarily reinstating NWP 12 for all projects except the Keystone XL oil pipeline. The United States Army Corps of Engineers subsequently reissued its nationwide permit authorizations on January 13, 2021, by dividing the NWP that authorizes utility line activities (NWP 12) into three separate NWPs that address the differences in how different utility line projects are constructed, the substances they convey, and the different standards and best management practices that help ensure those NWPs authorize only those activities that have no more than minimal adverse environmental effects. The 2021 authorization may be challenged in court or the Biden Administration may repeal or replace the 2021 authorization in a subsequent rulemaking. Repeal or replacement of the rule could impact pipeline maintenance activities.

As part of our emergency response activities, we have used aqueous film forming foam (“AFFF”) containing per- and polyfluoroalkyl substances (“PFAS”) chemicals as a fire suppressant. At this time, AFFFs containing PFAS are the only proven foams that can prevent and control most flammable petroleum-based liquid fires.

In May 2016, the EPA issued lifetime health advisories (“HAs”) and health effects support documents for two PFAS substances - Perfluorooctanoic Acid (“PFOA”) and Perfluorooctane Sulfonate (“PFOS”). Then, in February 2019, EPA issued a PFAS Action Plan identifying actions the EPA is planning to take to study and regulate various PFAS chemicals. The EPA identified that it would evaluate, among other actions, (1) proposing national drinking water standards for PFOA and PFOS, (2) develop cleanup recommendations for PFOA and PFOS, (3) evaluate listing PFOA and PFOS as hazardous substances under CERCLA, and (4) conduct toxicity assessments for other PFAS chemicals. To date EPA has not issued any further regulations for PFAS under the Trump administration; however, the Biden Administration has indicated its intent to issue proposed rules to regulate PFAS, which could include the designation of variants of PFAS as CERCLA hazardous substances and/or establish national drinking water standards. Congress may also take further action to regulate PFAS. We cannot currently predict the impact of potential statutes or regulations on our operations or remediation costs.

In addition, many states are actively proposing and adopting legislation and regulations relating to the use of AFFF. Additionally, some states are adopting and proposing state-specific drinking water and cleanup standards for various PFAS. We cannot currently predict the impact of these regulations on our liquidity, financial position, or results of operations.

Solid Waste

We continue to seek methods to minimize the generation of hazardous wastes in our operations. RCRA establishes standards for the management of solid and hazardous wastes. Besides affecting waste disposal practices, RCRA also addresses the environmental effects of certain past waste disposal operations, the recycling of wastes and the regulation of USTs containing regulated substances.

Remediation

We own or operate, or have owned or operated, certain convenience stores and other locations where, during the normal course of operations, releases of refined products from USTs have occurred. Federal and state laws require that contamination caused by such releases at these sites be assessed and remediated to meet applicable standards. Penalties or other sanctions may be imposed for noncompliance. The enforcement of the UST regulations under RCRA has been delegated to the states, which administer their own UST programs. Our obligation to remediate such contamination varies, depending on the extent of the releases and the applicable state laws and regulations. A portion of these remediation costs may be recoverable from the appropriate state UST reimbursement funds once the applicable deductibles have been satisfied. We also have ongoing remediation projects at a number of our current and former refinery, terminal and pipeline locations.

Claims under CERCLA and similar state acts have been raised with respect to the clean-up of various waste disposal and other sites. CERCLA is intended to facilitate the clean-up of hazardous substances without regard to fault. Potentially responsible parties for each site include present and former owners and operators of, transporters to and generators of the hazardous substances at the site. Liability is strict and can be joint

[Table of Contents](#)

and several. Because of various factors including the difficulty of identifying the responsible parties for any particular site, the complexity of determining the relative liability among them, the uncertainty as to the most desirable remediation techniques and the amount of damages and clean-up costs and the time period during which such costs may be incurred, we are unable to reasonably estimate our ultimate cost of compliance with CERCLA; however, we do not believe such costs will be material to our business, financial condition, results of operations or cash flows.

Renewable Fuels and Other Fuels Requirements

The U.S. Congress passed the Energy Independence and Security Act of 2007 (“EISA”), which, among other things, set a target of 35 miles per gallon for the combined fleet of cars and light trucks in the United States by model year 2020. In March 2020, the EPA and the National Highway Traffic Safety Administration (“NHTSA”) released the final Safer Affordable Fuel-Efficient (“SAFE”) Vehicles Rule setting corporate average fuel economy (“CAFE”) and carbon dioxide (“CO₂”) standards for model years 2021-2026 passenger cars and light trucks. The final rule increases the stringency of CAFE and CO₂ emission standards by 1.5 percent each year from model years 2021 through 2026. The rule has been challenged in court and could be revised by the Biden Administration through notice and comment rulemaking. Higher CAFE standards for cars and light trucks have the potential to reduce demand for our transportation fuels.

In addition, the NHTSA and the EPA issued rules providing that the Energy Policy and Conservation Act (“EPCA”) preempts state regulations of tailpipe carbon dioxide emissions, withdrew the waiver granted to California for its Advanced Clean Car program and determined that the Clean Air Act permits other states to adopt only those California standards that are designed to control traditional “criteria pollutants.” California may establish per its Clean Air Act waiver authority different standards that could apply in multiple states. California’s governor issued an executive order requiring sales of all new passenger vehicles in the state be zero-emission by 2035. Other states have issued, or may issue, zero emission vehicle mandates. The Biden Administration could reinstate the California waiver and may take federal action to incentivize or mandate zero emission vehicle production.

Pursuant to the Energy Policy Act of 2005 and the EISA, the EPA has promulgated a Renewable Fuel Standard (“RFS”) program that requires certain volumes of renewable fuel be blended with our products. By November 30 of each year, the EPA is required to promulgate the annual renewable fuel standards for the following compliance year. In a legal challenge to the 2014-2016 volumes, the D.C. Circuit Court of Appeals vacated the total renewable volume for 2016 and remanded to the EPA for reconsideration consistent with the court’s opinion. A rule that increases the total renewable volume for any compliance year to make up for the 2016 shortfall could increase our cost of compliance with the RFS program, require us to use carryover RINs and be detrimental to the RIN market.

The EPA has finalized the annual renewable fuel standards for the year 2020. For the first time, the EPA has proposed to reallocate to non-exempt obligated parties the renewable volume obligations of the refiners that were granted a small refinery exemption. Also, the Tenth Circuit Court of Appeals held that a small refinery is eligible for an exemption from the RFS only if it is applying for an extension of its original exemption. According to the EPA’s data, seven refineries were granted the small refinery exemption in 2015. The United States Supreme Court has granted certiorari in the 10th Circuit case. If the 10th Circuit decision is upheld, EPA’s reallocation of volumes could be greater than the actual volumes exempted in 2020. The reallocation of volumes under the 2020 rule or the invalidation of past small refinery exemptions granted to us or other refiners could result in a decrease in the RIN bank, an increase in the price of RINs or an increase in the amount of renewable fuel we are required to blend, any of which could increase MPC’s RFS cost of compliance. Further, the EPA has failed to promulgate timely the annual renewable fuel standards for 2021.

The RFS is satisfied primarily with ethanol blended into gasoline. Vehicle, regulatory and infrastructure constraints limit the blending of significantly more than 10 percent ethanol into gasoline (“E10”). Since 2016, the volume requirements have resulted in the ethanol content of gasoline exceeding the E10 blendwall, which will require obligated parties to either sell E15 or ethanol flex fuel at levels that exceed historical levels or retire carryover RINs.

There is currently no regulatory method for verifying the validity of the RINs sold on the open market. We have developed a RIN integrity program to vet the RINs that we purchase, and we incur costs to audit RIN generators. Nevertheless, if any of the RINs that we purchase and use for compliance are found to be invalid, we could incur costs and penalties for replacing the invalid RINs.

[Table of Contents](#)

In addition to the federal Renewable Fuel Standards, certain states have, or are considering, promulgation of state renewable or low carbon fuel standards. For example, California began implementing its Low Carbon Fuel Standard (“LCFS”) in January 2011. In September 2015, the CARB approved the re-adoption of the LCFS, which became effective on January 1, 2016, to address procedural deficiencies in the way the original regulation was adopted. The LCFS was amended again in 2018 with the current version targeting a 20 percent reduction in fuel carbon intensity from a 2010 baseline by 2030. We incur costs to comply with the California LCFS, and these costs may increase if the cost of LCFS credits increases.

In sum, the RFS has required, and may in the future continue to require, additional capital expenditures or expenses by us to accommodate increased renewable fuels use. We may experience a decrease in demand for refined products due to an increase in combined fleet mileage or due to refined products being replaced by renewable fuels. Demand for our refined products also may decrease as a result of low carbon fuel standard programs or electric vehicle mandates.

Safety Matters

We are subject to oversight pursuant to the federal Occupational Safety and Health Act, as amended (“OSHA”), as well as comparable state statutes that regulate the protection of the health and safety of workers. We believe that we have conducted our operations in substantial compliance with OSHA requirements, including general industry standards, record-keeping requirements and monitoring of occupational exposure to regulated substances.

We are also subject at regulated facilities to the OSHA’s Process Safety Management (“PSM”) and EPA’s Risk Management Program requirements, which are intended to prevent or minimize the consequences of catastrophic releases of toxic, reactive, flammable or explosive chemicals. The application of these regulations can result in increased compliance expenditures.

In general, we expect industry and regulatory safety standards to become stricter over time, resulting in increased compliance expenditures. While these expenditures cannot be accurately estimated at this time, we do not expect such expenditures will have a material adverse effect on our results of operations.

The DOT has adopted safety regulations with respect to the design, construction, operation, maintenance, inspection and management of our pipeline assets. These regulations contain requirements for the development and implementation of pipeline integrity management programs, which include the inspection and testing of pipelines and the correction of anomalies. These regulations also require that pipeline operation and maintenance personnel meet certain qualifications and that pipeline operators develop comprehensive spill response plans.

Tribal Lands

Various federal agencies, including the EPA and the Department of the Interior, along with certain Native American tribes, promulgate and enforce regulations pertaining to oil and gas operations on Native American tribal lands where we operate. These regulations include such matters as lease provisions, drilling and production requirements, and standards to protect environmental quality and cultural resources. In addition, each Native American tribe is a sovereign nation having the right to enforce certain laws and regulations and to grant approvals independent from federal, state and local statutes and regulations. These laws and regulations may increase our costs of doing business on Native American tribal lands and impact the viability of, or prevent or delay our ability to conduct, our operations on such lands.

TRADEMARKS, PATENTS AND LICENSES

Our Marathon and ARCO trademarks are material to the conduct of our refining and marketing operations, and our Speedway trademark is material to the conduct of our retail operations. We currently hold a number of U.S. and foreign patents and have various pending patent applications. Although in the aggregate our patents and licenses are important to us, we do not regard any single patent or license or group of related patents or licenses as critical or essential to our business as a whole. In general, we depend on our technological capabilities and the application of know-how rather than patents and licenses in the conduct of our operations.

HUMAN CAPITAL

We believe our employees are our greatest source of strength, and our culture reflects the quality of individuals across our workforce. Our collaborative efforts to foster an inclusive environment, provide

[Table of Contents](#)

broad-based development and mentorship opportunities, recognize and reward accomplishments, and offer benefits that support the well-being of our employees and their families contribute to increased engagement and fulfilling careers. Empowering our people and prioritizing accountability also are key components for developing MPC's high-performing culture, which is critical to achieving our strategic vision.

Employee Profile

As of December 31, 2020, we employed approximately 57,900 people in full-time and part-time roles. Excluding employees of Speedway, which is targeted to be sold in the first quarter of 2021, we employ approximately 18,600 people in full-time and part-time roles. Many of these employees provide services to MPLX, for which we are reimbursed in accordance with employee service agreements. Approximately 3,770 of the 18,600 employees are covered by collective bargaining agreements.

Talent Management

Executing our strategic vision requires that we attract and retain the best talent. Recruiting and retention success requires that we effectively nurture new employees, providing opportunities for long-term engagement and career advancement. We also appropriately reward high-performers and offer competitive benefits. Our Talent Acquisition team consists of three segments: Executive Recruiting, Experienced Recruiting and University Recruiting. The specialization within each group allows us to specifically address MPC's broad range of current and future talent needs, as well as devote time and attention to candidates during the hiring process. We value diverse perspectives in the workforce, and accordingly we seek candidates with a variety of backgrounds and experience. Our primary source of full-time, entry-level new hires is our intern/co-op program. Through our university recruiters, we offer college students who have completed their freshman year the opportunity to participate in our hands-on programs focused in areas of finance and accounting, marketing, engineering and IT.

We provide a broad range of leadership training opportunities to support the development of leaders at all levels. Our programs, which are offered across the organization are a blended approach of business and leadership content, with many featuring external faculty. We utilize various learning modalities, such as visual, audio, print, tactile, interactive, kinesthetic, experiential and leader-teaching-leader to address and engage different learning styles. We believe networking and access to our executive team are a key leadership success factor, and we incorporate these opportunities into all of our programs.

Compensation and Benefits

To ensure we are offering competitive pay packages in our recruitment and retention efforts, we annually benchmark compensation, including base salaries, bonus levels and equity targets. Our annual bonus program is a critical component of our compensation, as it provides individual reward for MPC's achievement against preset financial and sustainability goals, encouraging a sense of employee ownership. Employees in our officer-level pay grades, as well as senior leaders and most mid-level leaders, are eligible to receive long-term equity incentive awards as part of their compensation.

We offer comprehensive benefits, including medical, dental and vision insurance for our employees, their spouses or domestic partners, and their dependents. We also provide retirement programs, life insurance, education assistance, family assistance, short-term disability and paid vacation and sick time. Following our acquisition of Andeavor, we enhanced several of our benefits programs to reflect our larger, coast-to-coast organization. We increased the maximum accrual cap for vacation banks and doubled the number of college and trade school scholarships offered to the high school senior children of our employees through the Marathon Petroleum Scholars Program. In addition, we increased our paid parental leave benefit to eight weeks for birth mothers and four weeks for nonbirth parents, including adoptive and foster parents. Both full-time and part-time employees are eligible for this benefit. Parents who both work for the company are each eligible for a parental pay benefit.

Inclusion

Our company-wide Diversity and Inclusion ("D&I") program is managed by a dedicated D&I Office team and supported by leadership. Our program is based on our three-pillar D&I strategy, of building awareness, increasing representation and ensuring success. The strategy focuses on understanding the benefits of diverse perspectives, increasing diversity across the organization and recognizing that cultural inclusion is an ongoing process. We have employee networks focusing on six populations: Asian, Black, Hispanic, Veterans, Women and LGBTQ+. Our employee networks have approximately 60 chapters across the company and all networks encourage ally membership. This broad support extends also to our leaders throughout MPC, with each employee network represented by two active executive sponsors. The sponsors

[Table of Contents](#)

form several counsels that meet regularly to share updates, gain alignment, build deeper connections across networks and pursue collaboration ideas. Our employee networks not only provide opportunities for our employees to make meaningful and supportive connections, but they also serve a significant role in our D&I strategy.

Safety

We are committed to safe operations to protect the health and safety of our employees, contractors and communities. Our commitment to safe operations is reflected in our safety systems design, our well-maintained equipment and by learning from our incidents. Part of our effort to promote safety includes a management system based on the principles of RC14001®, the Plan-Do-Check-Act continual improvement cycle, and our Operational Excellence Management System. Together, these components of our safety management system provide us with a comprehensive approach to managing risks and preventing incidents, illnesses and fatalities. Additionally, our annual cash bonus program metrics includes several employee, process and environmental safety metrics.

The COVID-19 pandemic has underscored for us the importance of keeping our employees safe and healthy. In March 2020, MPC activated its Corporate Emergency Response Team to ensure a consistent and aggressive response across all facets of our company. The safety and health of our employees, including our essential personnel, were our top priorities. As part of our existing pandemic plan, we had a central inventory of N95 respirators, surgical masks, and nitrile gloves to supply to our employees and contractors when the pandemic began. We implemented a number of protective measures to ensure employee and contractor safety as they continued to keep our critical operations running safely. We continue to monitor the situation and adapt our practices as appropriate.

Information about our Executive and Corporate Officers

The executive and corporate officers of MPC are as follows:

Name	Age as of February 1, 2021	Position with MPC
Michael J. Hennigan	61	President, Chief Executive Officer and Director
Maryann T. Mannen	58	Executive Vice President and Chief Financial Officer
Timothy T. Griffith	51	President, Speedway LLC
Raymond L. Brooks	60	Executive Vice President, Refining
Brian C. Davis	55	Executive Vice President and Chief Commercial Officer
Suzanne Gagle	55	General Counsel and Senior Vice President, Government Affairs
Fiona C. Laird*	59	Chief Human Resources Officer and Senior Vice President, Communications
Ehren D. Powell*	41	Chief Digital Officer and Senior Vice President
C. Tracy Case*	60	Senior Vice President, Western Refining Operations
David R. Heppner*	54	Senior Vice President, Strategy and Business Development
Richard A. Hernandez*	61	Senior Vice President, Eastern Refining Operations
Rick D. Hessling*	54	Senior Vice President, Global Feedstocks
Thomas Kaczynski	59	Senior Vice President, Finance, and Treasurer
Brian K. Partee*	47	Senior Vice President, Global Clean Products
John J. Quaid	49	Senior Vice President and Controller
James R. Wilkins*	54	Senior Vice President, Health, Environment, Safety and Security
Molly R. Benson*	54	Vice President, Chief Securities, Governance & Compliance Officer and Corporate Secretary
Kristina A. Kazarian*	38	Vice President, Investor Relations
D. Rick Linhardt*	62	Vice President, Tax
Glenn M. Plumby*	61	Executive Vice President and Chief Operating Officer, Speedway LLC

* Corporate officer.

[Table of Contents](#)

Mr. Hennigan was appointed President and Chief Executive Officer effective March 2020, and as a member of the Board of Directors effective April 2020. He also has served as Chief Executive Officer of MPLX since November 2019 and as President since June 2017. Before joining MPLX, Mr. Hennigan was President, Crude, NGL and Refined Products, of the general partner of Energy Transfer Partners L.P., an energy service provider. He was President and Chief Executive Officer of Sunoco Logistics Partners L.P., an oil and gas transportation, terminalling and storage company, from 2012 to 2017, President and Chief Operating Officer beginning in 2010, and Vice President, Business Development, beginning in 2009.

Ms. Mannen was appointed Executive Vice President and Chief Financial Officer effective January 25, 2021. Before joining MPC, she served as Executive Vice President and Chief Financial Officer of TechnipFMC (a successor to FMC Technologies, Inc.), a global leader in subsea, onshore/offshore, and surface projects for the energy industry, since 2017, having previously served as Executive Vice President and Chief Financial Officer of FMC Technologies, Inc. since 2014, Senior Vice President and Chief Financial Officer since 2011, and in various positions of increasing responsibility with FMC Technologies, Inc. since 1986.

Mr. Griffith was appointed President, Speedway LLC, effective July 2019. Prior to this appointment, he served as Senior Vice President and Chief Financial Officer beginning in 2015, Vice President, Finance and Investor Relations, and Treasurer beginning in 2014, and Vice President of Finance and Treasurer beginning in 2011.

Mr. Brooks was appointed Executive Vice President, Refining, effective October 2018. Prior to this appointment, he served as Senior Vice President, Refining, beginning in March 2016, General Manager of the Galveston Bay refinery beginning in 2013, General Manager of the Robinson refinery beginning in 2010, and General Manager of the St. Paul Park, Minnesota refinery beginning in 2006.

Mr. Davis was appointed Executive Vice President and Chief Commercial Officer effective February 1, 2021. Before joining MPC, he spent 32 years with Royal Dutch Shell, a multinational oil and gas company, in roles spanning the full oil and gas value chain, including most recently as Global Vice President, Energy Solutions, from 2016 to 2020. Previous positions with Royal Dutch Shell include service as Group Vice President, Corporate Strategy, from 2014 to 2016, Global Vice President, Base Chemicals, from 2011 to 2014, Global Vice President, Downstream Strategy, from 2009 to 2011 and General Manager, Refining and Supply Strategy, from 2005 to 2009.

Ms. Gagle was appointed General Counsel and Senior Vice President, Government Affairs, effective February 24, 2021. Prior to this appointment, she served as General Counsel beginning in March 2016, Assistant General Counsel, Litigation and Human Resources, beginning in 2011, Senior Group Counsel, Downstream Operations, beginning in 2010, and Group Counsel, Litigation, beginning in 2003.

Ms. Laird was appointed Chief Human Resources Officer and Senior Vice President, Communications, effective February 24, 2021. Prior to this appointment, she served as Chief Human Resources Officer beginning in October 2018, having previously served as Chief Human Resources Officer at Andeavor beginning in February 2018. Before joining Andeavor, Ms. Laird was Chief Human Resources and Communications Officer for Newell Brands, a global consumer goods company, beginning in May 2016 and Executive Vice President, Human Resources, for Unilever, a global consumer goods company, beginning in 2011.

Mr. Powell was appointed Chief Digital Officer and Senior Vice President effective July 20, 2020. Before joining MPC, he served as Vice President and Chief Information Officer (“CIO”) at GE Healthcare, a segment of General Electric Company (“GE”) that provides medical technologies and services, beginning in April 2018, having previously served as Senior Vice President and CIO, Services, of GE, a multinational conglomerate, since January 2017 and CIO, Power Services, with GE Power since 2014, and in various positions of increasing responsibility with GE and its subsidiaries since 2000.

Mr. Case was appointed Senior Vice President, Western Refining Operations, effective October 2018. Prior to this appointment, he served as General Manager of the Garyville refinery beginning in 2014, and General Manager of the Detroit refinery beginning in 2010.

Mr. Heppner was appointed Senior Vice President, Strategy and Business Development, effective February 24, 2021. Prior to this appointment, he served as Vice President, Commercial and Business Development, beginning in October 2018, Senior Vice President of Engineering Services and Corporate Support of Speedway LLC beginning in 2014, and Director, Wholesale Marketing, beginning in 2010.

[Table of Contents](#)

Mr. Hernandez was appointed Senior Vice President, Eastern Refining Operations, effective October 2018. Prior to this appointment, he served as General Manager of the Galveston Bay refinery beginning in February 2016, and General Manager of the Catlettsburg refinery beginning in 2013.

Mr. Hessling was appointed Senior Vice President, Global Feedstocks, effective February 24, 2021. Prior to this appointment, he served as Senior Vice President, Crude Oil Supply and Logistics, beginning in October 2018, Manager, Crude Oil & Natural Gas Supply and Trading, beginning in 2014, and Crude Oil Logistics & Analysis Manager beginning in 2011.

Mr. Kaczynski was appointed Senior Vice President, Finance, and Treasurer effective February 24, 2021. Prior to this appointment, he served as Vice President, Finance, and Treasurer since 2015. Before joining MPC, Mr. Kaczynski was Vice President and Treasurer of Goodyear Tire and Rubber Company, one of the world's largest tire manufacturers, beginning in 2014, and Vice President, Investor Relations, beginning in 2013.

Mr. Partee was appointed Senior Vice President, Global Clean Products, effective February 24, 2021. Prior to this appointment, he served as Senior Vice President, Marketing, beginning in October 2018, Vice President, Business Development, beginning in February 2018, Director of Business Development beginning in January 2017, Manager of Crude Oil Logistics beginning in 2014, and Vice President, Business Development and Franchise, at Speedway beginning in 2012.

Mr. Quaid was appointed Senior Vice President and Controller effective April 1, 2020. Prior to this appointment, he served as Vice President and Controller beginning in 2014. Before joining MPC, Mr. Quaid was Vice President of Iron Ore at United States Steel Corporation, an integrated steel producer, beginning in 2014, and Vice President and Treasurer beginning in 2011.

Mr. Wilkins was appointed Senior Vice President, Health, Environment, Safety and Security, effective February 24, 2021. Prior to this appointment, he served as Vice President, Environment, Safety and Security, beginning in October 2018, Director, Environment, Safety, Security and Product Quality, beginning in February 2016, and Director, Refining Environmental, Safety, Security and Process Safety Management, beginning in 2013.

Ms. Benson was appointed Vice President, Chief Securities, Governance & Compliance Officer and Corporate Secretary effective June 2018, having previously served as Vice President, Chief Compliance Officer and Corporate Secretary since March 2016. Prior to her 2016 appointment, she served as Assistant General Counsel, Corporate and Finance, beginning in 2012, and Group Counsel, Corporate and Finance, beginning in 2011.

Ms. Kazarian was appointed Vice President, Investor Relations, effective April 2018. Before joining MPC, she was Managing Director and head of the MLP, Midstream and Refining Equity Research teams at Credit Suisse, a global investment bank and financial services company, beginning in September 2017. Previously, Ms. Kazarian was Managing Director of MLP, Midstream and Natural Gas Equity Research at Deutsche Bank, a global investment bank and financial services company, beginning in 2014, and an analyst specializing on various energy industry subsectors with Fidelity Management & Research Company, a privately held investment manager, beginning in 2005.

Mr. Linhardt was appointed Vice President, Tax, effective February 2018. Prior to this appointment, he served as Director of Tax beginning in June 2017, and Manager of Tax Compliance beginning in 2013.

Mr. Plumbly was appointed Executive Vice President and Chief Operating Officer, Speedway LLC, effective August 2019. Prior to this appointment, he served as Senior Vice President and Chief Operating Officer, Speedway LLC, beginning in January 2018, Senior Vice President of Operations, Speedway LLC, beginning in 2013, and Vice President of Operations, Speedway LLC, beginning in 2010.

Available Information

General information about MPC, including our Corporate Governance Principles, our Code of Business Conduct and our Code of Ethics for Senior Financial Officers, can be found at www.marathonpetroleum.com under the “Investors” tab by selecting “Corporate Governance.” In addition, our Code of Business Conduct and Code of Ethics for Senior Financial Officers are also available in this same location. We will post on our website any amendments to, or waivers from, either of our codes requiring disclosure under applicable rules within four business days of the amendment or waiver. Charters for the Audit Committee, Compensation and Organization Development Committee, Corporate Governance and Nominating Committee and Sustainability Committee are also available at this site under the “About” tab by selecting “Board of Directors.”

MPC uses its website, www.marathonpetroleum.com, as a channel for routine distribution of important information, including news releases, analyst presentations, financial information and market data. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website as soon as reasonably practicable after the reports are filed or furnished with the SEC. These documents are also available in hard copy, free of charge, by contacting our Investor Relations office. In addition, our website allows investors and other interested persons to sign up to automatically receive email alerts when we post news releases and financial information on our website. Information contained on our website is not incorporated into this Annual Report on Form 10-K or other securities filings.

ITEM 1A. RISK FACTORS

You should carefully consider each of the following risks and all the other information contained in this Annual Report on Form 10-K in evaluating us and our common stock. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. Our business, financial condition, results of operations and cash flows could be materially and adversely affected by these risks, and, as a result, the trading price of our common stock could decline.

Business and Operational Risks

The COVID-19 pandemic resulted in a significant decrease in demand for the petroleum products that we manufacture, sell, transport and store, which has had, and may continue to have, a material and adverse effect on our business and on general economic, financial and business conditions.

The COVID-19 pandemic continues to negatively impact worldwide economic and commercial activity. Travel restrictions, business and school closures, increased remote work, stay-at-home orders and other actions taken by individuals, governments and the private sector to stem the spread of the virus have significantly reduced global economic activity, significantly reduced demand for the petroleum products that we manufacture, sell, transport and store, and contributed to increased market and oil price volatility. Our refinery utilization and operating margins and other aspects of our business have been adversely impacted by these developments.

During 2020, there were significant variations in the market prices of products held in our inventories. In each quarter of 2020, these variations required us to record either inventory valuation charges or benefits to reflect the valuation of our inventories at the lower of cost or market.

Depending on future movements of refined product prices, future inventory valuation adjustments could have a negative or positive effect on our financial performance. In addition, a sustained period of low crude oil prices may also result in significant financial constraints on certain producers from which we acquire our crude oil, which could result in long term crude oil supply constraints for our business. Such conditions could also result in an increased risk that our customers and other counterparties may be unable to fully fulfill their obligations in a timely manner, or at all.

Resurgences in COVID-19 infections could result in the imposition of new stay-at-home orders or other restrictions to slow the spread of the virus, which could further weaken demand for the petroleum products we manufacture, sell, transport and store, and could contribute to increased market and oil price volatility.

A prolonged period of economic slowdown or recession, or a protracted period of depressed prices for crude oil or refined petroleum products, could continue to have significant and adverse consequences for our financial condition and the financial condition of our customers, suppliers and other counterparties, and

[Table of Contents](#)

could diminish our liquidity, trigger additional impairments and negatively affect our ability to obtain adequate crude oil volumes and to market certain of our products at favorable prices, or at all.

The ultimate extent to which COVID-19 will continue to negatively affect us and our customers, suppliers and other counterparties will depend largely on the length and severity of the pandemic; actions taken by individuals, governments and the private sector to stem the spread of the virus; general economic conditions; and the availability and widespread distribution and use of safe and effective vaccines, all of which cannot be predicted with certainty.

Our financial results are affected by volatile refining margins, which are dependent on factors beyond our control.

Our operating results, cash flows, future rate of growth, the carrying value of our assets and our ability to execute share repurchases and continue the payment of our base dividend are highly dependent on the margins we realize on our refined products. Historically, refining and marketing margins have been volatile, and we believe they will continue to be volatile. Our margins from the sale of gasoline and other refined products are influenced by a number of conditions, including the price of crude oil. The price of crude oil and the price at which we can sell our refined products may fluctuate independently due to a variety of regional and global market factors that are beyond our control, including:

- worldwide and domestic supplies of and demand for crude oil and refined products;
- transportation infrastructure availability, local market conditions and operation levels of other refineries in our markets;
- natural gas and electricity supply costs incurred by refineries;
- political instability, threatened or actual terrorist incidents, armed conflict or other global political conditions;
- local weather conditions;
- seasonality of demand in our marketing areas due to increased highway traffic in the spring and summer months;
- natural disasters such as hurricanes and tornadoes;
- domestic and foreign governmental regulations and taxes; and
- local, regional, national and worldwide economic conditions.

Some of these factors can vary by region and may change quickly, adding to market volatility, while others may have longer-term effects. The longer-term effects of these and other factors on refining and marketing margins are uncertain. We purchase our crude oil and other refinery feedstocks weeks before we refine them and sell the refined products. Price level changes during the period between purchasing feedstocks and selling the refined products from these feedstocks can have a significant effect on our financial results. We also purchase refined products manufactured by others for resale to our customers. Price changes during the periods between purchasing and reselling those refined products can have a material and adverse effect on our business, financial condition, results of operations and cash flows.

Lower refining and marketing margins have in the past, and may in the future, lead us to reduce the amount of refined products we produce, which may reduce our revenues, income from operations and cash flows. Significant reductions in refining and marketing margins could require us to reduce our capital expenditures, impair the carrying value of our assets (such as property, plant and equipment, inventory or goodwill), and require us to re-evaluate practices regarding our repurchase activity and dividends.

Legal, technological, political and scientific developments regarding emissions and fuel efficiency may decrease demand for transportation fuels.

Developments aimed at reducing greenhouse gas emissions or increasing vehicle efficiency may decrease the demand or increase the cost for our transportation fuels. In March 2020, the U.S. Environmental Protection Agency (the “EPA”) and the U.S. Department of Transportation’s National Highway Traffic Safety Administration (“NHTSA”) released the final Safer Affordable Fuel-Efficient (“SAFE”) Vehicles Rule setting corporate average fuel economy (“CAFE”) and carbon dioxide (“CO₂”) standards for model years 2021 through 2026 passenger cars and light trucks. The final rule increases the stringency of CAFE and CO₂ emission standards by 1.5 percent each year from model years 2021 through 2026. The rule has been challenged in court and could be revised by the Biden Administration through notice and comment rulemaking. In addition, California’s governor issued an executive order requiring sales of all new passenger vehicles in the state be zero-emission by 2035. Other states have, or may issue, zero-emission

[Table of Contents](#)

vehicle mandates. Future developments involving climate change and environmental laws and regulations may require heightened fuel efficiency standards.

Government efforts to steer the public toward non-petroleum-based fuel dependent modes of transportation may foster a negative perception toward transportation fuels or increase costs for our products. New technologies that increase fuel efficiency or offer alternative vehicle power sources and the proliferation of alternative-fuel vehicles (i.e., vehicles that do not use petroleum-based transportation fuels or that are powered by hybrid engines) may result in decreased demand for petroleum-based transportation fuel. These developments could have a material and adverse effect on our business, financial condition, results of operations and cash flows.

Our operations are subject to business interruptions and casualty losses, which could materially and adversely affect our operations, financial condition, results of operations and cash flows.

Our operations are subject to business interruptions, such as scheduled and unscheduled refinery turnarounds, unplanned maintenance, explosions, fires, refinery or pipeline releases, power outages, severe weather, labor disputes, acts of terrorism, or other natural or man-made disasters. The inability to operate one or more of our facilities due to any of these events could significantly impair our ability to manufacture our products.

Explosions, fires, refinery or pipeline releases, product quality or other incidents may result in serious personal injury or loss of human life, significant damage to property and equipment, environmental pollution, impairment of operations and substantial losses to us. We have experienced certain of these incidents in the past. For assets located near populated areas, the level of damage resulting from these risks could be greater.

In addition, we operate in and adjacent to environmentally sensitive waters where tanker, pipeline, rail car and refined product transportation and storage operations are closely regulated by federal, state and local agencies and monitored by environmental interest groups. Certain of our refineries receive crude oil and other feedstocks by tanker or barge. MPLX operates a fleet of boats and barges to transport light products, heavy oils, crude oil, renewable fuels, chemicals and feedstocks to and from refineries and terminals owned by MPC. Transportation and storage of crude oil, other feedstocks and refined products over and adjacent to water involves inherent risk and subjects us to the provisions of the OPA-90 and state laws in U.S. coastal and Great Lakes states and states bordering inland waterways on which we operate, as well as international laws in the jurisdictions in which we operate. If we are unable to promptly and adequately contain any accident or discharge involving tankers, pipelines, rail cars or above ground storage tanks transporting or storing crude oil, other feedstocks or refined products, we may be subject to substantial liability. In addition, the service providers contracted to aid us in a discharge response may be unavailable due to weather conditions, governmental regulations or other local or global events.

Damages resulting from an incident involving any of our assets or operations may result in our being named as a defendant in one or more lawsuits asserting potentially substantial claims or in our being assessed potentially substantial fines by governmental authorities.

We rely on the performance of our information technology systems, and the interruption or failure of any information technology system, including an interruption or failure due to a cybersecurity breach, could have an adverse effect on our business, financial condition, results of operations and cash flows.

We are heavily dependent on our information technology systems (and those of our third-party business partners, whether cloud-based or hosted on proprietary servers), including our network infrastructure and cloud applications, for the safe and effective operation of our business. We rely on such systems to process, transmit and store electronic information, including financial records and personally identifiable information such as employee, customer, investor and payroll data, and to manage or support a variety of business processes, including our supply chain, pipeline operations, gathering and processing operations, retail sales, credit card payments and authorizations at our retail outlets, financial transactions, banking and numerous other processes and transactions. Our systems and infrastructure are subject to damage or interruption from a number of potential sources including natural disasters, malware, power failures, cyber-attacks and other events. We also face various other cybersecurity threats from criminal hackers and employee malfeasance, including threats to gain unauthorized access to our computer network and systems or render data or systems unusable.

[Table of Contents](#)

Our cybersecurity protections, infrastructure protection technologies, disaster recovery plans and employee training may not be sufficient to defend us against all unauthorized attempts to access our information. We have been and may in the future be subject to attempts to gain unauthorized access to our computer network and systems. To date, the impacts of prior events have not had a material adverse effect on us.

Any cybersecurity incident involving our information technology systems or those of our third-party business partners could result in theft, destruction, loss, misappropriation or release of confidential financial and other data, intellectual property, customer awards or loyalty points; give rise to remediation or other expenses; expose us to liability under federal and state laws; reduce our customers' willingness to do business with us; disrupt the services we provide to customers; and subject us to litigation and legal liability under federal and state laws. Any of such results could have a material and adverse effect on our reputation, business, financial condition, results of operations and cash flows.

Competition in our industry is intense, and very aggressive competition could adversely impact our business.

We compete with a broad range of refining and marketing companies, including certain multinational oil companies. Competitors with integrated operations with exploration and production resources and broader access to resources may be better able to withstand volatile market conditions and to bear the risks inherent in the refining industry. For example, competitors that engage in exploration and production of crude oil may be better positioned to withstand periods of depressed refining margins or feedstock shortages.

We have agreed to sell Speedway to 7-Eleven. Nevertheless, pending closing of the Speedway sale, which remains subject to customary closing conditions and the receipt of regulatory approvals, we still face strong competition in the market for the retail sale of transportation fuels and merchandise. Our competitors include outlets owned or operated by fully integrated major oil companies or their dealers or jobbers, and other well-recognized national or regional retail outlets, often selling transportation fuels and merchandise at very competitive prices. Non-traditional transportation fuel retailers, such as supermarkets, club stores and mass merchants, may be better able to withstand volatile market conditions or levels of low or no profitability in the retail segment of the market. These retailers may use promotional pricing or discounts, both at the pump and in the store, to encourage in-store merchandise sales, which could in turn pressure us to offer similar discounts. Additionally, the loss of market share by our convenience stores to these and other retailers relating to either transportation fuels or merchandise could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are subject to interruptions of supply and increased costs as a result of our reliance on third-party transportation of crude oil and refined products.

We utilize the services of third parties to transport crude oil and refined products to and from our refineries. In addition to our own operational risks, we could experience interruptions of supply or increases in costs to deliver refined products to market if the ability of the pipelines, railways or vessels to transport crude oil or refined products is disrupted because of weather events, accidents, governmental regulations or third-party actions.

In particular, pipelines or railroads provide a nearly exclusive form of transportation of crude oil to, or refined products from, some of our refineries. A prolonged interruption, material reduction or cessation of service of such a pipeline or railway, whether due to private party or governmental action or other reason, or any other prolonged disruption of the ability of the trucks, pipelines, railways or vessels to transport crude oil or refined products to or from one or more of our refineries, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

A significant decrease in oil and natural gas production in MPLX's areas of operation may adversely affect MPLX's business, financial condition, results of operations and cash available for distribution to its unitholders, including MPC.

A significant portion of MPLX's operations is dependent on the continued availability of natural gas and crude oil production. The production from oil and natural gas reserves and wells owned by its producer customers will naturally decline over time, which means that MPLX's cash flows associated with these wells will also decline over time. To maintain or increase throughput levels and the utilization rate of MPLX's facilities, MPLX must continually obtain new oil, natural gas, NGL and refined product supplies, which depend in part on the level of successful drilling activity near its facilities, its ability to compete for volumes from successful new wells and its ability to expand its system capacity as needed.

Table of Contents

We have no control over the level of drilling activity in the areas of MPLX's operations, the amount of reserves associated with the wells or the rate at which production from a well will decline. In addition, we have no control over producers or their production decisions, which are affected by demand, prevailing and projected energy prices, drilling costs, operational challenges, access to downstream markets, the level of reserves, geological considerations, governmental regulations and the availability and cost of capital. Reductions in exploration or production activity in MPLX's areas of operations could lead to reduced throughput on its pipelines and utilization rates of its facilities.

Decreases in energy prices can decrease drilling activity, production rates and investments by third parties in the development of new oil and natural gas reserves. The prices for oil, natural gas and NGLs depend upon factors beyond our control, including global and local demand, production levels, changes in interstate pipeline gas quality specifications, imports and exports, seasonality and weather conditions, economic and political conditions domestically and internationally and governmental regulations. Sustained periods of low prices could result in producers deciding to limit their oil and gas drilling operations, which could substantially delay the production and delivery of volumes of oil, natural gas and NGLs to MPLX's facilities and adversely affect their revenues and cash available for distribution to us.

This impact may also be exacerbated due to the extent of MPLX's commodity-based contracts, which are more directly impacted by changes in natural gas and NGL prices than its fee-based contracts due to frac spread exposure and may result in operating losses when natural gas becomes more expensive on a Btu equivalent basis than NGL products. In addition, the purchase and resale of natural gas and NGLs in the ordinary course exposes our Midstream operations to volatility in natural gas or NGL prices due to the potential difference in the time of the purchases and sales and the potential difference in the price associated with each transaction, and direct exposure may also occur naturally as a result of production processes. Also, the significant volatility in natural gas, NGL and oil prices could adversely impact MPLX's unit price, thereby increasing its distribution yield and cost of capital. Such impacts could adversely impact MPLX's ability to execute its long-term organic growth projects, satisfy obligations to its customers and make distributions to unitholders at intended levels, and may also result in non-cash impairments of long-lived assets or goodwill or other-than-temporary non-cash impairments of our equity method investments.

Severe weather events and other climate conditions may adversely affect our facilities and ongoing operations.

Our facilities are subject to potential acute physical risks, such as floods, hurricane-force winds, wildfires and snowstorms, and potential chronic physical risks, such as sea-level rise or water shortages. If any such events were to occur, they could have an adverse effect on our assets and operations. We have incurred and will continue to incur additional costs to protect our assets and operations from such physical risks and employ the evolving technologies and processes available to mitigate such risks. To the extent such severe weather events or other climate conditions increase in frequency and severity, we may be required to modify operations and incur costs that could materially and adversely affect our business, financial condition, results of operations and cash flows.

We are subject to risks arising from our operations outside the United States and generally to worldwide political and economic developments.

We operate and sell some of our products outside the United States, particularly in Mexico, South America and Asia. Our business, financial condition, results of operations and cash flows could be negatively impacted by disruptions in any of these markets, including economic instability, restrictions on the transfer of funds, duties and tariffs, transportation delays, difficulty in enforcing contractual provisions, import and export controls, changes in governmental policies, labor unrest, security issues involving key personnel and changing regulatory and political environments. Global outbreaks of infectious diseases, such as the current COVID-19 pandemic, could affect demand for refined products and economic conditions generally. In addition, if trade relationships deteriorate with these countries, if existing trade agreements are modified or terminated, if new economic sanctions relevant to such jurisdictions are passed or if taxes, border adjustments or tariffs make trading with these countries more costly, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are required to comply with U.S. and international laws and regulations, including those involving anti-bribery, anti-corruption and anti-money laundering. For example, the Foreign Corrupt Practices Act and similar laws and regulations prohibit improper payments to foreign officials for the purpose of obtaining or retaining business or gaining any business advantage. Our compliance policies and programs mandate

[Table of Contents](#)

compliance with all applicable anti-corruption laws but may not be completely effective in ensuring our compliance. Our training and compliance program and our internal control policies and procedures may not always protect us from violations committed by our employees or agents. Actual or alleged violations of these laws could disrupt our business and cause us to incur significant legal expenses, and could result in a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

More broadly, political and economic factors in global markets could impact crude oil and other feedstock supplies and could have a material adverse effect on us in other ways. Hostilities in the Middle East or the occurrence or threat of future terrorist attacks could adversely affect the economies of the U.S. and other developed countries. A lower level of economic activity could result in a decline in energy consumption, which could cause our revenues and margins to decline and limit our future growth prospects. These risks could lead to increased volatility in prices for refined products, NGLs and natural gas. Additionally, these risks could increase instability in the financial and insurance markets and make it more difficult or costly for us to access capital and to obtain the insurance coverage that we consider adequate. Additionally, tax policy, legislative or regulatory action and commercial restrictions could reduce our operating profitability. For example, the U.S. government could prevent or restrict exports of refined products, NGLs, natural gas or the conduct of business in or with certain foreign countries. In addition, foreign countries could restrict imports, investments or commercial transactions.

Our investments in joint ventures could be adversely affected by our reliance on our joint venture partners and their financial condition, and our joint venture partners may have interests or goals that are inconsistent with ours.

We conduct some of our operations through joint ventures in which we share control over certain economic and business interests with our joint venture partners. Our joint venture partners may have economic, business or legal interests or goals that are inconsistent with our goals and interests or may be unable to meet their obligations. Failure by us, or an entity in which we have an interest, to adequately manage the risks associated with any acquisitions or joint ventures could have a material adverse effect on the financial condition or results of operations of our joint ventures and adversely affect our reputation, business, financial condition, results of operations and cash flows.

Terrorist attacks aimed at our facilities or that impact our customers or the markets we serve could adversely affect our business.

Refining, gathering and processing, pipeline and terminal infrastructure, and other energy assets, may be future targets of terrorist organizations. Any terrorist attack on our facilities, those of our customers and, in some cases, those of other energy assets, could have a material adverse effect on our business. Similarly, any future terrorist attacks that severely disrupt the markets we serve could materially and adversely affect our results of operations, financial position and cash flows.

Financial Risks

We have significant debt obligations; therefore, our business, financial condition, results of operations and cash flows could be harmed by a deterioration of our credit profile or downgrade of our credit ratings, a decrease in debt capacity or unsecured commercial credit available to us, or by factors adversely affecting credit markets generally.

At December 31, 2020, our total debt obligations for borrowed money and finance lease obligations were \$32.17 billion, including \$20.54 billion of obligations of MPLX and its subsidiaries and \$130 million of obligations of Speedway. We may incur substantial additional debt obligations in the future.

Our indebtedness may impose various restrictions and covenants on us that could have material adverse consequences, including:

- increasing our vulnerability to changing economic, regulatory and industry conditions;
- limiting our ability to compete and our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to pay dividends to our stockholders;
- limiting our ability to borrow additional funds; and
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for working capital, capital expenditures, acquisitions, share repurchases, dividends and other purposes.

[Table of Contents](#)

A decrease in our debt or commercial credit capacity, including unsecured credit extended by third-party suppliers, or a deterioration in our credit profile could increase our costs of borrowing money and limit our access to the capital markets and commercial credit. Our credit rating is determined by independent credit rating agencies. We cannot provide assurance that any of our credit ratings will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. The planned Speedway sale could be a factor causing or contributing to a future determination by one or more of the rating agencies to lower our credit rating. Any changes in our credit capacity or credit profile could materially and adversely affect our business, financial condition, results of operations and cash flows.

We have a trade receivables securitization facility that provides liquidity of up to \$750 million depending on the amount of eligible domestic trade accounts receivables outstanding. In periods of lower prices, we may not have sufficient eligible accounts receivables to support full availability of this facility.

Our working capital, cash flows and liquidity can be significantly affected by decreases in commodity prices.

Payment terms for our crude oil purchases are generally longer than the terms we extend to our customers for refined product sales. As a result, the payables for our crude oil purchases are proportionally larger than the receivables for our refined product sales. Due to this net payables position, a decrease in commodity prices generally results in a use of working capital, and given the significant volume of crude oil that we purchase the impact can materially affect our working capital, cash flows and liquidity.

The expected phase out of LIBOR could impact the interest rates paid on our variable rate indebtedness and could cause our interest expense to increase.

A portion of our borrowing capacity and outstanding indebtedness bears interest at a variable rate based on LIBOR. The ICE Benchmark Administration Limited (“ICE”) announced that it will cease calculating and publishing all USD LIBOR tenors on June 30, 2023 and cease calculating and publishing certain USD LIBOR tenors on December 31, 2021. Further, U.K. and U.S. regulatory authorities have recently issued statements encouraging banks to cease entering into new USD LIBOR based loans as soon as possible and by no later than December 31, 2021 and to continue to transition away from USD LIBOR based loans in preparation of ICE ceasing to calculate and public LIBOR based rates on June 30, 2023. These developments may cause fluctuations in LIBOR rates and pricing of USD LIBOR based loans that are not transitioned to a new benchmark rate.

The agreements that govern our variable rate indebtedness contain customary transition and fallback provisions in contemplation of the cessation of LIBOR. Nevertheless, at this time, it is not possible to predict the effect that these developments, any discontinuance, modification or other reforms to LIBOR or any other reference rate, or the establishment of alternative reference rates may have on LIBOR, other benchmarks or floating rate indebtedness. Uncertainty as to the nature of such potential discontinuance, modification, alternative reference rates or other reforms may materially adversely affect the trading market for securities linked to such benchmarks. Furthermore, the use of alternative reference rates or other reforms could cause the market value of, the applicable interest rate on and the amount of interest paid on our floating rate indebtedness to be materially different than expected and could materially adversely impact our ability to refinance such floating rate indebtedness or raise future indebtedness on a cost effective basis.

We may incur losses and additional costs as a result of our forward-contract activities and derivative transactions.

We currently use commodity derivative instruments, and we expect to continue their use in the future. If the instruments we use to hedge our exposure to various types of risk are not effective, we may incur losses. Derivative transactions involve the risk that counterparties may be unable to satisfy their obligations to us. The risk of counterparty default is heightened in a poor economic environment. In addition, we may be required to incur additional costs in connection with future regulation of derivative instruments to the extent it is applicable to us.

We do not insure against all potential losses, and, therefore, our business, financial condition, results of operations and cash flows could be adversely affected by unexpected liabilities and increased costs.

We maintain insurance coverage in amounts we believe to be prudent against many, but not all, potential liabilities arising from operating hazards. Uninsured liabilities arising from operating hazards such as explosions, fires, refinery or pipeline releases, cybersecurity breaches or other incidents involving our

Table of Contents

assets or operations, could reduce the funds available to us for capital and investment spending and could have a material adverse effect on our business, financial condition, results of operations and cash flows. Historically, we also have maintained insurance coverage for physical damage and resulting business interruption to our major facilities, with significant self-insured retentions. In the future, we may not be able to maintain insurance of the types and amounts we desire at reasonable rates.

We have recorded goodwill and other intangible assets that could become further impaired and result in material non-cash charges to our results of operations.

We accounted for the Andeavor and other acquisitions using the acquisition method of accounting, which requires that the assets and liabilities of the acquired business be recorded to our balance sheet at their respective fair values as of the acquisition date. Any excess of the purchase consideration over the fair value of the acquired net assets is recognized as goodwill.

As of December 31, 2020, our balance sheet reflected \$8.3 billion and \$2.4 billion of goodwill and other intangible assets, respectively. In 2020, we recorded approximately \$7.4 billion and \$177 million in goodwill and other intangible asset impairment expense, respectively. To the extent the value of goodwill or intangible assets becomes further impaired, we may be required to incur additional material non-cash charges relating to such impairment. Our operating results may be significantly impacted from both the impairment and the underlying trends in the business that triggered the impairment.

Large capital projects can take years to complete, and market conditions could deteriorate significantly between the project approval date and the project startup date, negatively impacting project returns.

We have several large capital projects underway, including the activities associated with the conversion of the Martinez refinery to a renewable diesel facility. Delays in completing capital projects or making required changes or upgrades to our facilities could subject us to fines or penalties as well as affect our ability to supply certain products we produce. Such delays or cost increases may arise as a result of unpredictable factors, many of which are beyond our control, including:

- denials of, delays in receiving, or revocations of requisite regulatory approvals or permits;
- unplanned increases in the cost of construction materials or labor;
- disruptions in transportation of components or construction materials;
- adverse weather conditions, natural disasters or other events (such as equipment malfunctions, explosions, fires or spills) affecting our facilities, or those of vendors or suppliers;
- shortages of sufficiently skilled labor, or labor disagreements resulting in unplanned work stoppages;
- market-related increases in a project's debt or equity financing costs;
- nonperformance by, or disputes with, vendors, suppliers, contractors or subcontractors; and
- delays due to citizen, state or local political or activist pressure.

Any one or more of these factors could have a significant impact on our ongoing capital projects. If we were unable to make up the delays associated with such factors or to recover the related costs, or if market conditions change, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

Legal and Regulatory Risks

We expect to continue to incur substantial capital expenditures and operating costs to meet the requirements of evolving environmental or other laws or regulations. Future environmental laws and regulations may impact our current business plans and reduce demand for our products.

Our business is subject to numerous environmental laws and regulations. These laws and regulations continue to increase in both number and complexity and affect our business. Laws and regulations expected to become more stringent relate to the following:

- the emission or discharge of materials into the environment,
- solid and hazardous waste management,
- the regulatory classification of materials currently or formerly used in our business,
- pollution prevention,
- greenhouse gas emissions,
- climate change,

Table of Contents

- characteristics and composition of transportation fuels, including the quantity of renewable fuels that must be blended into transportation fuels,
- public and employee safety and health,
- permitting,
- inherently safer technology, and
- facility security.

The specific impact of laws and regulations, and their enforcement, on us and our competitors may vary depending on a number of factors, including the age and location of operating facilities, marketing areas, crude oil and feedstock sources, production processes and subsequent judicial interpretation of such laws and regulations. We have incurred and will continue to incur substantial capital, operating and maintenance, and remediation expenditures to modify operations, install pollution control equipment, perform site cleanups or curtail operations. We may also face liability for personal injury, property damage, natural resource damage or clean-up costs due to alleged contamination and/or exposure to chemicals or other regulated materials, such as various perfluorinated compounds, including perfluorooctanoate, perfluorooctane sulfonate, perfluorohexane sulfonate, or other per- and polyfluoroalkyl substances, benzene, MTBE and petroleum hydrocarbons, at or from our facilities. Such expenditures could materially and adversely affect our business, financial condition, results of operations and cash flows.

Increased regulation of hydraulic fracturing and other oil and gas production activities could result in reductions or delays in U.S. production of crude oil and natural gas, which could adversely affect our results of operations and financial condition.

While we do not conduct hydraulic fracturing operations, we do provide gathering, processing and fractionation services with respect to natural gas and natural gas liquids produced by our customers as a result of such operations. Our refineries are also supplied in part with crude oil produced from unconventional oil shale reservoirs. A range of federal, state and local laws and regulations currently govern or, in some cases, prohibit, hydraulic fracturing in some jurisdictions. Stricter laws, regulations and permitting processes may be enacted in the future. For example, President Biden has suspended new oil and gas permitting on public lands and properties, and has proposed modifying royalties to account for climate costs. If these or other federal, state and local legislation and regulatory initiatives relating to hydraulic fracturing or other oil and gas production activities are enacted or expanded, such efforts could impede oil and gas production, increase producers' cost of compliance, and result in reduced volumes available for our midstream assets to gather, process and fractionate.

Climate change and greenhouse gas emission regulation could affect our operations, energy consumption patterns and regulatory obligations, any of which could affect our results of operations and financial condition.

Currently, multiple legislative and regulatory measures to address greenhouse gas (including carbon dioxide, methane and nitrous oxides) and other emissions are in various phases of consideration, promulgation or implementation. These include actions to develop international, federal, regional or statewide programs, which could require reductions in our greenhouse gas or other emissions, establish a carbon tax and decrease the demand for refined products. Requiring reductions in these emissions could result in increased costs to (i) operate and maintain our facilities, (ii) install new emission controls at our facilities and (iii) administer and manage any emissions programs, including acquiring emission credits or allotments.

For example, in 2017, the California state legislature adopted AB 398, which provides direction and parameters on utilizing cap and trade after 2020 to meet the 40 percent reduction target from 1990 levels by 2030 specified in SB 32. Compliance with the cap and trade program is demonstrated through a market-based credit system. Additionally, the CARB is now exploring the potential for additional greenhouse gas reductions by 2045 via a yet undefined carbon neutrality standard. Other states are proposing, or have already promulgated, low carbon fuel standards or similar initiatives to reduce emissions from the transportation sector. If we are unable to pass the costs of compliance on to our customers, sufficient credits are unavailable for purchase, we have to pay a significantly higher price for credits, or if we are otherwise unable to meet our compliance obligation, our financial condition and results of operations could be adversely affected.

Regional and state climate change and air emissions goals and regulatory programs are complex, subject to change and considerable uncertainty due to a number of factors including technological feasibility, legal challenges and potential changes in federal policy. Increasing concerns about climate change and carbon

[Table of Contents](#)

intensity have also resulted in societal concerns and a number of international and national measures to limit greenhouse gas emissions. Additional stricter measures and investor pressure can be expected in the future and any of these changes may have a material adverse impact on our business or financial condition.

International climate change-related efforts, such as the 2015 United Nations Conference on Climate Change, which led to the creation of the Paris Agreement, may impact the regulatory framework of states whose policies directly influence our present and future operations. Though the United States had withdrawn from the Paris Agreement, President Biden issued an executive order recommitting the United States to the Paris Agreement on January 20, 2021. President Biden also issued an Executive Order on climate change in which he announced putting the U.S. on a path to achieve net-zero carbon emissions, economy-wide, by 2050. The Executive Order also calls for the federal government to pause oil and gas leasing on federal lands, reduce methane emissions from the oil and gas sector as quickly as possible, and requires federal permitting decisions to consider the effects of greenhouse gas emissions and climate change. In a second Executive Order, President Biden reestablished a working group to develop the social cost of carbon and the social cost of methane. The social cost of carbon and social cost of methane can be used to weigh the costs and benefits of proposed regulations. A higher social cost of carbon could support more stringent greenhouse gas emission regulation.

The scope and magnitude of the changes to U.S. climate change strategy under the Biden administration and future administrations, however, remain subject to the passage of legislation and interpretation and action of federal and state regulatory bodies; therefore, the impact to our industry and operations due to greenhouse gas regulation is unknown at this time.

Energy assets and companies are subject to increasing environmental and climate-related litigation.

Governmental and other entities in various U.S. states have filed lawsuits against coal, gas, oil and petroleum companies, including us. The lawsuits allege damages as a result of climate change and the plaintiffs are seeking unspecified damages and abatement under various tort theories. Similar lawsuits may be filed in other jurisdictions. Additionally, private plaintiffs and government parties have undertaken efforts to shut down energy assets by challenging operating permits, the validity of easements or the compliance with easement conditions. For example, the Dakota Access Pipeline, in which MPLX has a minority interest, has been subject to litigation in which plaintiffs have challenged the validity of an easement necessary for the operation of the pipeline and demanded a permanent shutdown of the pipeline. There remains a high degree of uncertainty regarding the ultimate outcome of these types of proceedings, as well as their potential effect on our business, financial condition, results of operation and cash flows.

We are subject to risks associated with societal and political pressures and other forms of opposition to the development, transportation and use of carbon-based fuels. Such risks could adversely impact our business and ability to realize certain growth strategies.

We operate and develop our business with the expectation that regulations and societal sentiment will continue to enable the development, transportation and use of carbon-based fuels. However, policy decisions relating to the production, refining, transportation, storage and marketing of carbon-based fuels are subject to political pressures and the influence and protests of environmental and other special interest groups.

The approval process for storage and transportation projects has become increasingly challenging, due in part to state and local concerns related to pipelines, negative public perception regarding the oil and gas industry, and concerns regarding greenhouse gas emissions downstream of pipeline operations. In addition, government disruptions may delay or halt the granting and renewal of permits, licenses and other items required by us and our customers to conduct our business. Our expansion or construction projects may not be completed on schedule (or at all), or at the budgeted cost. We also may be required to incur additional costs and expenses in connection with the design and installation of our facilities due to their location and the surrounding terrain. We may be required to install additional facilities, incur additional capital and operating expenditures, or experience interruptions in or impairments of our operations to the extent that the facilities are not designed or installed correctly.

Moreover, our revenues may not increase immediately upon the expenditure of funds on a particular project. For instance, if we build a new pipeline, the construction will occur over an extended period of time and we may not receive any material increases in revenues until after completion of the project, if at all. Delays or cost increases related to capital spending programs involving engineering, procurement and construction of facilities (including improvements and repairs to our existing facilities) could adversely

affect our ability to achieve forecasted internal rates of return and operating results, thereby limiting our ability to grow and generate cash flows.

Regulatory and other requirements concerning the transportation of crude oil and other commodities by rail may cause increases in transportation costs or limit the amount of crude oil that we can transport by rail.

We rely on a variety of systems to transport crude oil, including rail. Rail transportation is regulated by federal, state and local authorities. New regulations or changes in existing regulations could result in increased compliance expenditures. For example, in 2015, the U.S. Department of Transportation issued new standards and regulations applicable to crude-by-rail transportation (Enhanced Tank Car Standards and Operational Controls for High-Hazard Flammable Trains). These or other regulations that require the reduction of volatile or flammable constituents in crude oil that is transported by rail, change the design or standards for rail cars used to transport the crude oil we purchase, change the routing or scheduling of trains carrying crude oil, or require any other changes that detrimentally affect the economics of delivering North American crude oil by rail could increase the time required to move crude oil from production areas to our refineries, increase the cost of rail transportation and decrease the efficiency of shipments of crude oil by rail within our operations. Any of these outcomes could have a material adverse effect on our business and results of operations.

Historic or current operations could subject us to significant legal liability or restrict our ability to operate.

We currently are defending litigation and anticipate we will be required to defend new litigation in the future. Our operations, including those of MPLX, and those of our predecessors could expose us to litigation and civil claims by private plaintiffs for alleged damages related to contamination of the environment or personal injuries caused by releases of hazardous substances from our facilities, products liability, consumer credit or privacy laws, product pricing or antitrust laws or any other laws or regulations that apply to our operations. While an adverse outcome in most litigation matters would not be expected to be material to us, in class-action litigation, large classes of plaintiffs may allege damages relating to extended periods of time or other alleged facts and circumstances that could increase the amount of potential damages. Attorneys general and other government officials have in the past and may in the future pursue litigation in which they seek to recover civil damages from companies on behalf of a state or its citizens for a variety of claims, including violation of consumer protection and product pricing laws or natural resources damages. We are defending litigation of that type and anticipate that we will be required to defend new litigation of that type in the future. If we are not able to successfully defend such litigation, it may result in liability to our company that could materially and adversely affect our business, financial condition, results of operations and cash flows. In addition to substantial liability, plaintiffs in litigation may also seek injunctive relief which, if imposed, could have a material adverse effect on our future business, financial condition, results of operations and cash flows.

A portion of our workforce is unionized, and we may face labor disruptions that could materially and adversely affect our business, financial condition, results of operations and cash flows.

Approximately 3,771 of our employees are covered by collective bargaining agreements. Of these employees, approximately 192 employees at our St. Paul Park refinery are covered by a collective bargaining agreement which expired on December 31, 2020. Approximately 231 employees at our El Paso refinery are covered by a collective bargaining agreement scheduled to expire in April 2021. Approximately 2,390 employees at our Anacortes, Canton, Catlettsburg, Galveston Bay, Los Angeles, Mandan, Martinez and Salt Lake City refineries are covered by collective bargaining agreements that are due to expire on February 1, 2022. The remaining 958 hourly represented employees are covered by collective bargaining agreements with expiration dates ranging from 2021 to 2024. These agreements may be renewed at an increased cost to us. In addition, we have experienced in the past, and may experience in the future, work stoppages as a result of labor disagreements. For example, approximately 192 workers at our St. Paul Park refinery have been on strike since January 21, 2021. Any prolonged work stoppages disrupting operations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, California requires refinery owners to pay prevailing wages to contract craft workers and restricts refiners' ability to hire qualified employees to a limited pool of applicants. Legislation or changes in regulations could result in labor shortages, higher labor costs, and an increased risk that contract workers become joint employees, which could trigger bargaining issues, and wage and benefit consequences, especially during critical maintenance and construction periods.

One of our subsidiaries acts as the general partner of a master limited partnership, which may expose us to certain legal liabilities.

One of our subsidiaries acts as the general partner of MPLX, a master limited partnership. Our control of the general partner of MPLX may increase the possibility of claims of breach of fiduciary duties, including claims of conflicts of interest. Any liability resulting from such claims could have a material adverse effect on our future business, financial condition, results of operations and cash flows.

If foreign investment in us or MPLX exceeds certain levels, MPLX could be prohibited from operating inland river vessels, which could adversely affect MPLX's business, financial condition, results of operations and cash available for distribution to its unitholders, including MPC.

The Shipping Act of 1916 and Merchant Marine Act of 1920 (collectively, the "Maritime Laws"), generally require that vessels engaged in U.S. coastwise trade be owned by U.S. citizens. Among other requirements to establish citizenship, entities that own such vessels must be owned at least 75 percent by U.S. citizens. If we fail to maintain compliance with the Maritime Laws, MPLX would be prohibited from operating vessels in the U.S. inland waters. Such a prohibition could materially and adversely affect our business, financial condition, results of operations and cash flows.

Our operations could be disrupted if we are unable to maintain or obtain real property rights required for our business.

We do not own all of the land on which certain of our assets are located, particularly our midstream assets, but rather obtain the rights to construct and operate such assets on land owned by third parties and governmental agencies for a specific period of time. Therefore, we are subject to the possibility of more burdensome terms and increased costs to retain necessary land use if our leases, rights-of-way or other property rights lapse, terminate or are reduced or it is determined that we do not have valid leases, rights-of-way or other property rights. Any loss of or reduction in these rights, including loss or reduction due to legal, governmental or other actions or difficulty renewing leases, right-of-way agreements or permits on satisfactory terms or at all, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Certain of our facilities are located on Native American tribal lands and are subject to various federal and tribal approvals and regulations, which may increase our costs and delay or prevent our efforts to conduct planned operations.

Various federal agencies within the U.S. Department of the Interior, particularly the Bureau of Indian Affairs, Bureau of Land Management, and the Office of Natural Resources Revenue, along with each Native American tribe, regulate natural gas and oil operations on Native American tribal lands, including drilling and production requirements and environmental standards. In addition, each Native American tribe is a sovereign nation having the right to enforce laws and regulations and to grant approvals independent from federal, state and local statutes and regulations. These tribal laws and regulations include various taxes, fees, requirements to employ Native American tribal members and other conditions that apply to operators and contractors conducting operations on Native American tribal lands. Persons conducting operations on tribal lands are generally subject to the Native American tribal court system. In addition, if our relationships with any of the relevant Native American tribes were to deteriorate, we could face significant risks to our ability to continue operations on Native American tribal lands. One or more of these factors may increase our cost of doing business on Native American tribal lands and impact the viability of, or prevent or delay our ability to conduct operations on such lands.

The Court of Chancery of the State of Delaware will be, to the extent permitted by law, the sole and exclusive forum for substantially all disputes between us and our shareholders.

Our Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for:

- any derivative action or proceeding brought on behalf of MPC;
- any action asserting a claim of breach of a fiduciary duty owed by any director or officer of MPC to MPC or its stockholders
- any action asserting a claim against MPC arising pursuant to any provision of the General Corporation Law of the State of Delaware, MPC's Restated Certificate of Incorporation, any Preferred Stock Designation or the Bylaws of MPC; or
- any other action asserting a claim against MPC or any Director or officer of MPC that is governed by or subject to the internal affairs doctrine for choice of law purposes.

[Table of Contents](#)

The forum selection provision may restrict a stockholder's ability to bring a claim against us or directors or officers of MPC in a forum that it finds favorable, which may discourage stockholders from bringing such claims at all. Alternatively, if a court were to find the forum selection provision contained in our Restated Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in another forum, which could materially adversely affect our business, financial condition and results of operations. However, the forum selection provision does not apply to any claims, actions or proceedings arising under the Securities Act or the Exchange Act.

Provisions in our corporate governance documents could operate to delay or prevent a change in control of our company, dilute the voting power or reduce the value of our capital stock or affect its liquidity.

The existence of some provisions within our restated certificate of incorporation and amended and restated bylaws could discourage, delay or prevent a change in control of us that a stockholder may consider favorable. These include provisions:

- providing that our board of directors fixes the number of members of the board;
- providing for the division of our board of directors into three classes with staggered terms;
- providing that only our board of directors may fill board vacancies;
- limiting who may call special meetings of stockholders;
- prohibiting stockholder action by written consent, thereby requiring stockholder action to be taken at a meeting of the stockholders;
- establishing advance notice requirements for nominations of candidates for election to our board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings;
- establishing supermajority vote requirements for certain amendments to our restated certificate of incorporation;
- providing that our directors may only be removed for cause;
- authorizing a large number of shares of common stock that are not yet issued, which would allow our board of directors to issue shares to persons friendly to current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of us; and
- authorizing the issuance of "blank check" preferred stock, which could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt.

Our restated certificate of incorporation also authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over our common stock respecting dividends and distributions, as our board of directors generally may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, we could grant holders of preferred stock the right to elect some number of our board of directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred stock could affect the residual value of our common stock.

Finally, to facilitate compliance with the Maritime Laws, our restated certificate of incorporation limits the aggregate percentage ownership by non-U.S. citizens of our common stock or any other class of our capital stock to 23 percent of the outstanding shares. We may prohibit transfers that would cause ownership of our common stock or any other class of our capital stock by non-U.S. citizens to exceed 23 percent. Our restated certificate of incorporation also authorizes us to effect any and all measures necessary or desirable to monitor and limit foreign ownership of our common stock or any other class of our capital stock. These limitations could have an adverse impact on the liquidity of the market for our common stock if holders are unable to transfer shares to non-U.S. citizens due to the limitations on ownership by non-U.S. citizens. Any such limitation on the liquidity of the market for our common stock could adversely impact the market price of our common stock.

Strategic Transaction Risks

Our pending sale of Speedway to 7-Eleven is subject to conditions, including certain conditions that may not be satisfied or completed on a timely basis, if at all. Failure to complete the Speedway sale could have a material and adverse effect on us. Even if completed, the Speedway sale may not achieve the intended benefits.

We have announced our agreement to sell Speedway, our company-owned and operated retail transportation fuel and convenience store business, to 7-Eleven. The sale, which is targeted for completion in the first quarter of 2021, is subject to customary conditions. We and 7-Eleven may be unable to satisfy such conditions to the closing of the sale in a timely manner or at all and, accordingly, the Speedway sale may be delayed or may not be completed. Failure to complete the Speedway sale could have a material and adverse effect on us, including by delaying our strategic and other objectives relating to the separation of Speedway and adversely affecting our plans to use the proceeds from the sale to strengthen our balance sheet and return capital to our shareholders. Even if the sale is completed, we may not realize some or all the expected benefits. For example, we may be unable to utilize the proceeds from the sale as anticipated or capture the value we expect from our plans to strengthen our balance sheet and return capital to our shareholders. Executing the Speedway sale will require significant time and attention from management, which could divert attention from the management of our operations and the pursuit of our business strategies. If the proposed Speedway sale is completed, our diversification of revenue sources will diminish, and it is possible that our business, financial condition, results of operations and cash flows may be subject to increased volatility as a result.

General Risk Factors

Significant stockholders may attempt to effect changes at our company or acquire control over our company, which could impact the pursuit of business strategies and adversely affect our results of operations and financial condition.

Our stockholders may from time to time engage in proxy solicitations, advance stockholder proposals or otherwise attempt to effect changes or acquire control over our company. Campaigns by stockholders to effect changes at publicly traded companies are sometimes led by investors seeking to increase short-term stockholder value through actions such as financial restructuring, increased debt, special dividends, stock repurchases or sales of assets or the entire company. Responding to proxy contests and other actions by activist stockholders can be costly and time-consuming and could divert the attention of our board of directors and senior management from the management of our operations and the pursuit of our business strategies. As a result, stockholder campaigns could adversely affect our results of operations and financial condition.

Future acquisitions will involve the integration of new assets or businesses and may present substantial risks that could adversely affect our business, financial conditions, results of operations and cash flows.

Future transactions involving the addition of new assets or businesses will present potential risks, which may include, among others:

- inaccurate assumptions about future synergies, revenues, capital expenditures and operating costs;
- an inability to successfully integrate, or a delay in the successful integration of, assets or businesses we acquire;
- a decrease in our liquidity resulting from using a portion of our available cash or borrowing capacity under our revolving credit agreement to finance transactions;
- a significant increase in our interest expense or financial leverage if we incur additional debt to finance transactions;
- the assumption of unknown environmental and other liabilities, losses or costs for which we are not indemnified or for which our indemnity is inadequate;
- the diversion of management's attention from other business concerns;
- the loss of customers or key employees from the acquired business; and
- the incurrence of other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

[Table of Contents](#)

Compliance with and changes in tax laws could materially and adversely impact our financial condition, results of operations and cash flows.

We are subject to extensive tax liabilities, including federal and state income taxes and transactional taxes such as excise, sales and use, payroll, franchise, withholding and property taxes. New tax laws and regulations and changes in existing tax laws and regulations could result in increased expenditures by us for tax liabilities in the future and could materially and adversely impact our financial condition, results of operations and cash flows.

Additionally, many tax liabilities are subject to periodic audits by taxing authorities, and such audits could subject us to interest and penalties.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We believe that our properties and facilities are adequate for our operations and that our facilities are adequately maintained. See the following sections for details of our assets by segment.

REFINING & MARKETING

The table below sets forth the location and crude oil refining capacity for each of our refineries as of December 31, 2020. Refining throughput can exceed crude oil refining capacity due to the processing of other charge and blendstocks in addition to crude oil and the timing of planned turnaround and major maintenance activity.

Refinery	Crude Oil Refining Capacity (mbpcd)
<i>Gulf Coast Region</i>	
Galveston Bay, Texas City, Texas	593
Garyville, Louisiana	578
Subtotal Gulf Coast region	1,171
<i>Mid-Continent Region</i>	
Catlettsburg, Kentucky	291
Robinson, Illinois	253
Detroit, Michigan	140
El Paso, Texas	131
St. Paul Park, Minnesota	104
Canton, Ohio	97
Mandan, North Dakota	71
Salt Lake City, Utah	66
Subtotal Mid-Continent region	1,153
<i>West Coast Region</i>	
Los Angeles, California	363
Anacortes, Washington	119
Kenai, Alaska	68
Subtotal West Coast region	550
	2,874

[Table of Contents](#)

The following table sets forth the location and capacity of our renewable fuel production facilities as of December 31, 2020.

Location	Capacity (gallons per year)
Dickinson, North Dakota	184 million
Cincinnati, Ohio	91 million

The company also progressed activities associated with the conversion of the Martinez refinery to a renewable diesel facility. The full capacity of the Martinez facility would be approximately 730 million gallons per year.

[Table of Contents](#)

The following table sets forth the approximate number of locations where jobbers maintain branded outlets, marketing fuels under the Marathon, Shell, ARCO, Mobil, Tesoro and other brands, as of December 31, 2020.

Location	Number of Branded Outlets
Alabama	392
Alaska	44
Arizona	95
California	98
Colorado	12
District of Columbia	2
Florida	668
Georgia	365
Idaho	100
Illinois	201
Indiana	642
Iowa	4
Kentucky	515
Louisiana	37
Maryland	53
Mexico	261
Michigan	779
Minnesota	295
Mississippi	105
Nevada	13
New Mexico	36
New York	49
North Carolina	203
North Dakota	113
Ohio	819
Oregon	45
Pennsylvania	88
South Carolina	116
South Dakota	30
Tennessee	409
Texas	3
Utah	96
Virginia	160
Washington	67
West Virginia	107
Wisconsin	63
Wyoming	5
Total	7,090

[Table of Contents](#)

The Refining & Marketing segment sells transportation fuels through long-term fuel supply contracts to direct dealer locations, primarily under the ARCO brand. The following table sets forth the number of direct dealer locations by state as of December 31, 2020.

Location	Number of Locations
Arizona	72
California	944
Nevada	63
New Mexico	12
Texas	1
Washington	1
Total	1,093

The following table sets forth details about our Refining & Marketing owned and operated terminals as of December 31, 2020. See the Midstream - MPLX section for information with respect to MPLX owned and operated terminals.

Owned and Operated Terminals	Number of Terminals	Tank Storage Capacity (thousand barrels)
Light Products Terminals:		
Alaska	1	206
New York	1	328
Ohio	1	125
Subtotal light products terminals	3	659
Asphalt Terminals:		
Florida	1	263
Indiana	1	120
Kentucky	4	548
Louisiana	1	54
Michigan	1	12
New York	1	417
Ohio	4	1,006
Pennsylvania	1	355
Tennessee	2	483
Subtotal asphalt terminals	16	3,258
Total owned and operated terminals	19	3,917

[Table of Contents](#)

MIDSTREAM - MPLX

The following tables set forth certain information relating to MPLX's crude oil, refined products and water pipeline and gathering systems and storage assets as of December 31, 2020.

Pipeline System or Storage Asset	Diameter (<i>inches</i>)	Length (<i>miles</i>)	Capacity ^(a)
Total crude oil pipeline systems ^{(b)(c)(d)}	2" - 48"	8,125	Various
Total refined products pipeline systems ^{(b)(e)(f)}	4" - 36"	5,655	Various
Water pipeline systems:			
Belfield water system	3" - 6"	106	Various
Green River water system	4" - 8"	11	Various
Total		117	
Barge Docks (<i>thousand barrels</i>)			2,490
Storage assets (<i>thousand barrels</i>):			
Refinery Logistics - tank storage ^(g)			96,357
Mt. Airy Terminal			5,307
Tank Farms			32,911
Caverns			4,375

^(a) All capacities reflect 100 percent of the pipeline systems' and barge docks' average capacity in thousands of barrels per day and 100 percent of the available storage capacity of our caverns and tank farms in thousands of barrels.

^(b) Includes pipelines leased from third parties.

^(c) Includes approximately 1,916 miles of pipeline in which MPLX has a 9.2 percent ownership interest, 168 miles of pipeline in which MPLX has a 35.0 percent ownership interest, 48 miles of pipeline in which MPLX has a 40.7 percent ownership interest, 57 miles of pipeline in which MPLX has a 58.5 percent ownership interest, 107 miles of pipeline in which MPLX has a 67.0 percent ownership interest and 975 miles of pipeline in which MPLX has a 17.0 percent ownership interest.

^(d) Includes approximately 696 miles of inactive pipeline.

^(e) Includes approximately 1,830 miles of pipeline in which MPLX has a 24.5 percent ownership interest, 87 miles of pipeline in which MPLX has a 65.16 percent ownership interest and 43 miles of refined product pipeline in which MPLX has a 25 percent interest.

^(f) Includes approximately 247 miles of inactive pipeline.

^(g) Refining logistics assets also include rail racks, truck racks and docks.

[Table of Contents](#)

The following table sets forth details about MPLX owned and operated terminals as of December 31, 2020. Additionally, MPLX operates one leased terminal and has partial ownership interest in one terminal.

Owned and Operated Terminals	Number of Terminals	Tank Storage Capacity (thousand barrels)
Refined Products Terminals:		
Alabama	2	443
Alaska	3	1,510
California	8	3,421
Florida	4	3,407
Georgia	4	982
Idaho	3	998
Illinois	4	1,221
Indiana	6	3,229
Kentucky	6	2,587
Louisiana	1	97
Michigan	8	2,440
Minnesota	1	13
New Mexico	3	711
North Carolina	3	1,508
North Dakota	1	1
Ohio	12	3,218
Pennsylvania	1	390
South Carolina	1	371
Tennessee	4	1,149
Texas	1	72
Utah	1	47
Washington	4	908
West Virginia	2	1,587
Subtotal light products terminals	83	30,310
Asphalt Terminals		
Arizona	3	538
California	3	701
Minnesota	1	529
Nevada ^(a)	1	273
New Mexico	1	38
Texas	1	193
Subtotal asphalt terminals	10	2,272
Total owned and operated terminals	93	32,582

^(a) MPLX accounts for as an equity method investment.

The following table sets forth details about MPLX barges and towboats as of December 31, 2020.

Class of Equipment	Number in Class	Capacity (thousand barrels)
Inland tank barges ^(a)	300	7,931
Inland towboats	23	N/A

^(a) All of our barges are double-hulled.

Table of Contents

The following tables set forth certain information relating to MPLX's consolidated and operated joint venture gas processing facilities, fractionation facilities, natural gas gathering systems, NGL pipelines and natural gas pipelines as of December 31, 2020. All throughputs and utilizations included are weighted-averages for days in operation.

Gas Processing Complexes	Design Throughput Capacity (MMcf/d)	Natural Gas Throughput (MMcf/d) ^(a)	Utilization of Design Capacity ^(a)
Marcellus Shale	6,172	5,629	91 %
Utica Shale	1,325	578	44 %
Southern Appalachia	620	231	37 %
Southwest ^(b)	2,067	1,361	68 %
Bakken	190	136	72 %
Rockies	1,472	502	34 %
Total	11,846	8,437	72 %

^(a) Natural gas throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.

^(b) Centrahoma Processing LLC's processing capacity of 550 MMcf/d and actual throughput of 176 MMcf/d are not included in this table as MPLX owns a non-operating 40 percent interest in this joint venture.

Fractionation & Condensate Stabilization Complexes	Design Throughput Capacity (mbpd)	NGL Throughput (mbpd) ^(a)	Utilization of Design Capacity ^(a)
Marcellus Shale	427	310	82 %
Utica Shale	23	12	52 %
Southern Appalachia	24	12	50 %
Southwest	11	7	64 %
Bakken	34	25	74 %
Rockies	61	4	7 %
Total	580	370	69 %

^(a) NGL throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.

De-ethanization Complexes	Design Throughput Capacity (mbpd)	NGL Throughput (mbpd) ^(a)	Utilization of Design Capacity ^(a)
Marcellus Shale	273	187	68 %
Utica Shale	40	6	15 %
Southwest	18	11	61 %
Total	331	204	62 %

^(a) NGL throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.

[Table of Contents](#)

Natural Gas Gathering Systems	Design Throughput Capacity (MMcf/d)	Natural Gas Throughput (MMcf/d) ^(a)	Utilization of Design Capacity ^(a)
Marcellus Shale	1,547	1,349	87 %
Utica Shale	3,183	1,818	57 %
Southwest	2,770	1,483	54 %
Bakken	194	137	71 %
Rockies	1,486	544	37 %
Total	9,180	5,331	58 %

^(a) Natural gas throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.

The following tables set forth certain information relating to MPLX's NGL pipelines as of December 31, 2020.

NGL Pipelines	Diameter (inches)	Length (miles)	Design Throughput Capacity (mbpd)
Marcellus Shale	4" - 20"	442	Various
Utica Shale	4" - 12"	119	Various
Southern Appalachia	6" - 8"	138	35
Southwest ^(a)	6"	50	39
Bakken	8" - 12"	84	80
Rockies	8"	10	15

^(a) Includes 38 miles of inactive pipeline.

MIDSTREAM - MPC-RETAINED ASSETS AND INVESTMENTS

The following tables set forth certain information related to our crude oil and refined products pipeline systems not owned by MPLX.

As of December 31, 2020, we had partial ownership interests in the following pipeline companies.

Pipeline Company	Diameter (inches)	Length (miles)	Ownership Interest	Operated by MPL
Crude oil pipeline companies:				
Capline Pipeline Company LLC	40"	644	33 %	Yes
Gray Oak Pipeline, LLC	8"-30"	850	25 %	No
LOOP ^(a)	48"	48	10 %	No
Total		1,494		
Refined products pipeline companies:				
Ascension Pipeline Company LLC	12"	32	50 %	No
Centennial Pipeline LLC ^(b)	24"-26"	796	50 %	Yes
Muskegon Pipeline LLC	10"-12"	170	60 %	Yes
Wolverine Pipe Line Company	6"-18"	798	6 %	No
Total		1,796		

^(a) Represents interest retained by MPC and excludes MPLX's 40.7 percent ownership interest in LOOP. Pipeline mileage is excluded from total as it is included with MPLX assets.

^(b) All system pipeline miles are inactive.

Table of Contents

As of December 31, 2020, we had a partial ownership interest in the following crude oil terminal.

Terminal	Ownership Interest	Tank Storage Capacity (million barrels)
South Texas Gateway Terminal LLC ^(a)	25%	8.6

^(a) The tank storage capacity represents the capacity when the terminal is fully operational.

The following table sets forth details about the assets held by two ocean vessel joint ventures in which we hold a 50% interest as of December 31, 2020.

Class of Equipment	Number in Class	Capacity (thousand barrels)
Jones Act product tankers ^(a)	4	1,320
750 Series ATB vessels ^(b)	3	990

^(a) Represents ownership through our indirect noncontrolling interest in Crowley Ocean Partners.

^(b) Represents ownership through our indirect noncontrolling interest in Crowley Blue Water Partners.

[Table of Contents](#)**DISCONTINUED OPERATIONS**

Speedway sells transportation fuels and merchandise through convenience stores it owns and operates, primarily under the Speedway brand. The following table sets forth the number of company-owned convenience stores by state as of December 31, 2020.

Location	Number of Convenience Stores
Alabama	5
Alaska	31
Arizona	92
California	489
Colorado	12
Connecticut	1
Delaware	4
Florida	197
Georgia	9
Idaho	5
Illinois	129
Indiana	307
Kentucky	147
Massachusetts	108
Michigan	306
Minnesota	193
Nevada	9
New Hampshire	12
New Jersey	64
New Mexico	118
New York	328
North Carolina	264
Ohio	488
Oregon	12
Pennsylvania	110
Rhode Island	19
South Carolina	47
South Dakota	1
Tennessee	53
Texas	31
Utah	30
Virginia	59
Washington	30
West Virginia	57
Wisconsin	69
Wyoming	3
Total	3,839

ITEM 3. LEGAL PROCEEDINGS

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. While it is possible that an adverse result in one or more of the lawsuits or proceedings in which we are a defendant could be material to us, based upon current information and our experience as a defendant in other matters, we believe that these lawsuits and proceedings, individually or in the aggregate, will not have a material adverse effect on our consolidated results of operations, financial position or cash flows.

Litigation

Climate Change

Governmental and other entities in various states have filed lawsuits against energy companies, including MPC. The lawsuits allege damages as a result of climate change and the plaintiffs are seeking unspecified damages and abatement under various tort theories. Similar lawsuits may be filed in other jurisdictions. The names of the courts in which the proceedings are pending and the dates instituted are as follows:

Plaintiff	Date Instituted	Name of Court(s) where pending
County of San Mateo, California	July 17, 2017	U.S. District Court (Northern District of California); U.S. Court of Appeals for the Ninth Circuit; U.S. Supreme Court
County of Marin, California	July 17, 2017	U.S. District Court (Northern District of California); U.S. Court of Appeals for the Ninth Circuit; U.S. Supreme Court
City of Imperial Beach, California	July 17, 2017	U.S. District Court (Northern District of California); U.S. Court of Appeals for the Ninth Circuit; U.S. Supreme Court
County of Santa Cruz, California	December 20, 2017	U.S. District Court (Northern District of California); U.S. Court of Appeals for the Ninth Circuit; U.S. Supreme Court
City of Santa Cruz, California	December 20, 2017	U.S. District Court (Northern District of California); U.S. Court of Appeals for the Ninth Circuit; U.S. Supreme Court
City of Richmond, California	January 22, 2018	U.S. District Court (Northern District of California); U.S. Court of Appeals for the Ninth Circuit; U.S. Supreme Court
State of Rhode Island	July 2, 2018	Superior Court of Providence County; U.S. Supreme Court
Mayor and City Council of Baltimore, Maryland	July 20, 2018	Circuit Court of Baltimore City; U.S. Supreme Court
Pacific Coast Federation of Fishermen's Associations, Inc.	November 14, 2018	U.S. District Court (Northern District of California)
City and County of Honolulu, Hawaii	March 9, 2020	U.S. District Court (District of Hawaii)
City of Charleston, South Carolina	September 9, 2020	U.S. District Court (District of South Carolina)
State of Delaware	September 10, 2020	U.S. District Court (District of Delaware)
County of Maui, Hawaii	October 12, 2020	U.S. District Court (District of Hawaii)
City of Annapolis, Maryland	February 22, 2021	Circuit Court for Anne Arundel County, Maryland

Dakota Access Pipeline

In connection with MPLX's 9.19 percent indirect interest in a joint venture ("Dakota Access") that owns and operates the Dakota Access Pipeline and Energy Transfer Crude Oil Pipeline projects, (collectively the "Bakken Pipeline system" or "DAPL"), MPLX has entered into a Contingent Equity Contribution Agreement whereby MPLX LP, along with the other joint venture owners in the Bakken Pipeline system, has agreed to make equity contributions to the joint venture upon certain events occurring to allow the entities that own and operate the Bakken Pipeline system to satisfy their senior note payment obligations. The senior notes were issued to repay amounts owed by the pipeline companies to fund the cost of construction of the Bakken Pipeline system.

Table of Contents

In March 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 conduct a full environmental impact statement (“EIS”), and further requested briefing on whether an easement necessary for the operation of the Bakken Pipeline system should be vacated while the EIS is being prepared.

On July 6, 2020, the D.D.C. ordered vacatur of the easement to cross Lake Oahe during the pendency of an EIS and further ordered a shut down of the pipeline by August 5, 2020. The D.D.C. denied a motion to stay that order. Dakota Access and the Army Corps appealed the D.D.C.’s order to the U.S. Court of Appeals for the District of Columbia Circuit (the “Court of Appeals”). On July 14, 2020, the Court of Appeals issued an administrative stay while the court considered Dakota Access and the Army Corps’ emergency motion for stay pending appeal. On August 5, 2020, the Court of Appeals stayed the D.D.C.’s injunction that required the pipeline be shutdown and emptied of oil by August 5, 2020. The Court of Appeals denied a stay of the D.D.C.’s March order, which required the EIS, and further denied a stay of the D.D.C.’s July order, which vacated the easement. On January 26, 2021, the Court of Appeals upheld the D.D.C.’s order vacating the easement while the Army Corps prepares the EIS. The Court of Appeals reversed the D.D.C.’s order to the extent it directed that the pipeline be shutdown and emptied of oil. In the D.D.C., briefing has been completed for a renewed request for an injunction. The pipeline remains operational.

If the pipeline is temporarily shut down pending completion of the EIS, MPLX would have to contribute its 9.19 percent pro rata share of funds required to pay interest accruing on the notes and any portion of the principal that matures while the pipeline is shutdown. It is also expected that MPLX would contribute its 9.19 percent pro rata share of any costs to remediate any deficiencies to reinstate the permit and/or return the pipeline into operation. If the vacatur of the easement permit results in a permanent shutdown of the pipeline, MPLX would have to contribute its 9.19 percent pro rata share of the cost to redeem the bonds (including the one percent redemption premium required pursuant to the indenture governing the notes) and any accrued and unpaid interest. As of December 31, 2020, our maximum potential undiscounted payments under the Contingent Equity Contribution Agreement were approximately \$230 million and we had an investment of \$465 million in MarEn Bakken Company LLC, which includes our 9.19 percent direct interest in Dakota Access.

Tesoro High Plains Pipeline

In early July 2020, 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 covered the rights of way for 23 tracts of land and demanded the immediate cessation of pipeline operations. The notification also assessed trespass damages of approximately \$187 million. MPLX appealed this determination, which triggered an automatic stay of the requested pipeline shutdown and payment. On October 29, the Assistant Secretary - Indian Affairs issued an order vacating the BIA’s trespass order and requiring the Regional Director for the BIA Great Plains Region to issue a new decision on or before December 15 covering all 34 tracts at issue. On December 15, the Regional Director of the BIA issued a new trespass notice to THPP consistent with the Assistant Secretary of Indian Affairs order vacating the prior trespass order. The new order found that THPP was in trespass and assessed trespass damages of approximately \$4MM (including interest). The order also required THPP to immediately cease and desist use of the portion of the pipeline that crosses the property at issue. The new order was appealed, and was upheld by the Assistant Secretary - Indian Affairs. THPP has complied with the Regional Director’s December 15, 2020 notice. On February 12, 2021, landowners filed suit in the U.S. District Court for the District of North Dakota, requesting, among other things, that decisions by the Assistant Secretary - Indian Affairs and the Interior Board of Indian Appeals be vacated as to the award of damages to plaintiffs.

MPLX continues to work towards a settlement of this matter with holders of the property rights at issue.

Environmental Proceedings

Item 103 of Regulation S-K promulgated by the SEC requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions, unless we reasonably believe that the matter will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$300,000. The following matters are disclosed in accordance with that requirement. We do not currently believe that the eventual outcome of any such matters, individually or in the aggregate, could have a material adverse effect on our business, financial condition, results of operations or cash flows.

[Table of Contents](#)

Martinez Refinery

We are currently negotiating the settlement of 141 NOVs received from the Bay Area Air Quality Management District (“BAAQMD”). The NOVs were issued from 2011 to 2019 and allege violations of air quality regulations and the idled Martinez refinery’s air permit. While we are negotiating a settlement of the allegations with the BAAQMD through two separate enforcement actions, we cannot currently estimate the timing of the resolution of these matters.

On July 18, 2016, the U.S. Department of Justice (“DOJ”) lodged a complaint on behalf of the EPA and a Consent Decree in the U.S. Court for the Western District of Texas. Among other things, the Consent Decree required that the Martinez refinery meet certain annual emission limits for NOx by July 1, 2018. In February 2018, TRMC informed the EPA that it would need additional time to satisfy requirements of the Consent Decree. In the fourth quarter of 2019, TRMC and the United States entered into an agreement to amend the Consent Decree to resolve these issues. In light of the actions to strategically reposition the Martinez refinery to a renewable diesel facility, we are renegotiating the Consent Decree modification. Subject to final approval by the court, we expect that the renegotiated Consent Decree modification will no longer require the installation of a Selective Catalytic Reduction system to control NOx emissions from the now-idled fluid catalytic cracking unit, but will result in an increased civil penalty.

Gathering and Processing

In November 2020, we received an offer from the EPA to settle multiple alleged violations of the National Emission Standards for Hazardous Air Pollutants by the Chapita, Coyote Wash, Island, River Bend and Wonsits Valley Compressor Stations in Utah. The proposed settlement consists of an injunctive relief package, mitigation project and proposed penalty in excess of \$300,000. We continue to negotiate a settlement of the allegations and cannot currently estimate the timing of the resolution of this matter.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock is listed on the NYSE and traded under the symbol "MPC." As of February 12, 2021, there were 30,210 registered holders of our common stock.

Issuer Purchases of Equity Securities

The following table sets forth a summary of our purchases during the quarter ended December 31, 2020, of equity securities that are registered by MPC pursuant to Section 12 of the Securities Exchange Act of 1934, as amended:

<u>Period</u>	<u>Total Number of Shares Purchased^(a)</u>	<u>Average Price Paid per Share^(b)</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs^(c)</u>
10/01/2020-10/31/2020	5,973	\$ 28.19	—	\$ 2,954,604,016
11/01/2020-11/30/2020	256	30.18	—	2,954,604,016
12/01/2020-12/31/2020	35,811	40.76	—	2,954,604,016
Total	42,040	38.91	—	

(a) The amounts in this column include 5,973, 256 and 35,811 shares of our common stock delivered by employees to MPC, upon vesting of restricted stock, to satisfy tax withholding requirements in October, November and December, respectively.

(b) Amounts in this column reflect the weighted average price paid for shares tendered to us in satisfaction of employee tax withholding obligations upon the vesting of restricted stock granted under our stock plans.

(c) On April 30, 2018, we announced that our board of directors had approved a \$5 billion share repurchase authorization in addition to the remaining authorization pursuant to the May 31, 2017 announcement. These share purchase authorizations have no expiration date. The share repurchase authorization announced on April 30, 2018, together with prior authorizations, results in a total of \$18 billion of share repurchase authorizations since January 1, 2012.

ITEM 6. SELECTED FINANCIAL DATA

The following table should be read in conjunction with Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations and Item 8. Financial Statements and Supplementary Data.

<i>(In millions, except per share data)</i>	Year Ended December 31,				
	2020	2019	2018 ^(a)	2017 ^(b)	2016
Statements of Income Data					
Sales and other operating revenue ^{(c)(d)}	\$ 69,779	\$ 111,148	\$ 86,086	\$ 67,009	\$ 55,641
Income (loss) from continuing operations	(12,247)	4,462	4,690	3,265	1,623
Income (loss) from continuing operations per share:					
Basic	\$ (16.99)	\$ 2.78	\$ 4.06	\$ 5.29	\$ 0.80
Diluted	(16.99)	2.76	4.00	5.24	0.80
Dividends per share	2.32	2.12	1.84	1.52	1.36

<i>(In millions)</i>	December 31,				
	2020	2019	2018 ^(a)	2017	2016
Balance Sheet Data					
Total assets	\$ 85,158	\$ 98,556	\$ 92,940	\$ 49,047	\$ 44,413
Long-term debt ^(e)	31,584	28,724	27,420	12,946	10,572

^(a) On October 1, 2018, we acquired Andeavor. The financial results for these operations are included in our consolidated results from the date of acquisition, excluding the results reclassified to discontinued operations due to the planned Speedway sale.

^(b) Earnings for 2017 include a tax benefit of approximately \$1.5 billion, or \$2.93 per diluted share, as a result of re-measuring certain net deferred tax liabilities using the lower corporate tax rate enacted in the fourth quarter of 2017.

^(c) As a result of the agreement to sell Speedway, its results are reported separately as discontinued operations for all periods presented. Refining & Marketing intersegment sales to Speedway that were previously eliminated in consolidation are reported as third party sales as we will continue to supply fuel to Speedway following its disposition.

^(d) The 2020, 2019 and 2018 periods reflect an election to present certain taxes on a net basis concurrent with our adoption of ASU 2014-09, Revenue - Revenue from Contracts with Customers (“ASC 606”).

^(e) Includes amounts due within one year. Excludes debt obligations of Speedway, which have been reclassified as liabilities held for sale.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

All statements in this section, other than statements of historical fact, are forward-looking statements that are inherently uncertain. See "Disclosures Regarding Forward-Looking Statements" and Item 1A. Risk Factors for a discussion of the factors that could cause actual results to differ materially from those projected in these statements. The following information concerning our business, results of operations and financial condition should also be read in conjunction with the information included under Item 1. Business, Item 1A. Risk Factors, Item 6. Selected Financial Data and Item 8. Financial Statements and Supplementary Data.

EXECUTIVE SUMMARY

Business Update

The outbreak of COVID-19 and its development into a pandemic in March 2020 have resulted in significant economic disruption globally. Actions taken by various governmental authorities, individuals and companies around the world to prevent the spread of COVID-19 through social distancing have restricted travel, many business operations, public gatherings and the overall level of individual movement and in-person interaction across the globe.

This has in turn significantly reduced global economic activity, including a dramatic reduction in airline flights and a decrease in motor vehicle use. As a result, there has been a decline in the demand for the refined petroleum products that we manufacture and sell, which coupled with a decline in the price of crude oil for most of 2020 resulted in a significant decrease in the price and volume of our production and sales of refined petroleum products.

During 2020, there were significant variations in the market prices of products held in our inventories. In each quarter of 2020, these variations required us to record either inventory valuation charges or benefits to reflect the valuation of our inventories at the lower of cost or market.

We have been and continue to actively respond to the impacts that these matters are having on our business. Our response has focused on establishing three strategic short-term priorities:

Strengthen Competitive Position of Assets

We are committed to positioning our assets so that we are a leader in operational, financial, and sustainability performance and are evaluating the strength and fit of assets in our portfolio. Our goal is that each individual asset generates free-cash-flow back to the business and contributes to shareholder returns. With our investments we are focused on high returning projects that we believe will enhance the competitiveness of our portfolio, including our investments in sustainable fuels and technologies that lower our carbon intensity as the global energy mix evolves.

Improve Commercial Performance

We are focused on leveraging advantaged raw material selection, new approaches in the commercial space to be more dynamic amidst changing market conditions, and achieving technology improvements to advance our commercial performance.

Lower Cost Structure

We are committed to achieving operational excellence by reducing costs, improving efficiency, and driving operational improvements. In response to the pandemic, in March of 2020, we committed to immediately reducing our capital spending and operating expenses. We accomplished our goal of significantly reducing our capital spending levels by over \$1.4 billion from our initial 2020 plans. We also reduced our 2020 forecasted operating expenses by more than our target of \$950 million.

In connection with these three strategic short-term priorities, in the third quarter of 2020 we announced strategic actions to lay a foundation for long-term success, including plans to optimize our assets and structurally lower costs in 2021 and beyond. These actions included indefinitely idling the Gallup refinery, initiating actions to strategically reposition the Martinez refinery to a renewable diesel facility and the approval of an involuntary workforce reduction plan. In connection with these strategic actions, we recorded restructuring expenses of \$367 million for the year ended December 31, 2020.

[Table of Contents](#)

In addition to these measures to address our operations, throughout the year we took action to address our liquidity as outlined below:

- Share repurchases were temporarily suspended. The timing and amount of future repurchases will depend upon several factors, including market and business conditions.
- On April 27, 2020, we entered into an additional \$1.0 billion 364-day revolving credit facility, which expires in 2021, to provide incremental liquidity and financial flexibility during the commodity price and demand downturn. In February 2021, we elected to terminate this credit agreement as we no longer believe the facility is necessary as an additional source for liquidity, and we do not intend to replace it.
- On April 27, 2020, we closed on the issuance of \$2.5 billion of senior notes. Proceeds from the senior notes were used to pay down certain amounts outstanding on the five-year revolving credit facility.
- During June 2020, we repaid the remaining amounts outstanding on the five-year revolving credit facility.
- On September 23, 2020, we entered into a 364-day revolving credit agreement, which provides for a \$1.0 billion unsecured revolving credit facility that matures in September 2021, and which replaced a similar 364-day revolving credit agreement that expired on September 28, 2020.
- At December 31, 2020, we had \$6.73 billion available on our variable credit facilities, net of commercial paper borrowings of \$1.02 billion.

Many uncertainties remain with respect to COVID-19, including its resulting economic effects, and we are unable to predict the ultimate economic impacts from COVID-19 and how quickly national economies can recover once the pandemic ultimately subsides. However, the adverse impact of the economic effects on MPC has been and will likely continue to be significant. We believe we have proactively addressed many of the known impacts of COVID-19 to the extent possible and will strive to continue to do so, but there can be no guarantee the measures will be fully effective.

Other Strategic Updates

The Dickinson, North Dakota, renewable fuels facility began ramping operations at the end of 2020 and is on-track to reach full production by the end of the first quarter of 2021. At full capacity, the facility is expected to produce 184 million gallons per year of renewable diesel from corn and soybean oil. MPC intends to sell the renewable diesel into the California market to comply with the California Low Carbon Fuel Standard.

During the fourth quarter of 2020, we also progressed activities associated with the conversion of the Martinez refinery to a renewable diesel facility, including applying for permits, advancing discussions with feedstock suppliers, and beginning detailed engineering activities. As envisioned, the Martinez facility would start producing approximately 260 million gallons per year of renewable diesel by the second half of 2022, with a potential to build to full capacity of approximately 730 million gallons per year by the end of 2023. On February 24, 2021, MPC's board of directors approved these plans.

On November 2, 2020, MPLX announced the authorization of a unit repurchase program for the repurchase of up to \$1 billion of its outstanding common units held by the public. MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, tender offers, accelerated unit repurchases or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of repurchases will depend upon several factors, including market and business conditions, and repurchases may be initiated, suspended or discontinued at any time. The repurchase authorization has no expiration date.

During the year ended December 31, 2020, 1,473,843 MPLX common units were repurchased at an average cost per unit of \$22.29. Total cash paid for units repurchased during the year was \$33 million and \$967 million of repurchase authorization remained outstanding on the program as of December 31, 2020.

[Table of Contents](#)

Results

Select results for continuing operations for 2020 and 2019 are reflected in the following table.

<i>(In millions)</i>	2020	2019
Income (loss) from continuing operations by segment		
Refining & Marketing ^(a)	\$ (5,189)	\$ 2,856
Midstream	3,708	3,594
Corporate ^(b)	(800)	(833)
Items not allocated to segments:		
Impairments ^(c)	(9,741)	(1,239)
Restructuring expense ^(d)	(367)	—
Litigation	84	(22)
Gain on sale of assets	66	—
Transaction-related costs ^(e)	(8)	(153)
Equity method investment restructuring gains ^(c)	—	259
Income (loss) from continuing operations	(12,247)	4,462
Net interest and other financial costs	1,365	1,229
Income (loss) from continuing operations before income taxes	(13,612)	3,233
Provision (benefit) for income taxes on continuing operations	(2,430)	784
Income (loss) from continuing operations, net of tax	\$ (11,182)	\$ 2,449

^(a) Includes LIFO liquidation charge of \$561 million for 2020.

^(b) Reflects corporate costs of \$26 million and \$28 million for 2020 and 2019, respectively, that are no longer allocated to Speedway under discontinued operations accounting.

^(c) 2020 reflects impairments of goodwill, equity method investments and long-lived assets. 2019 reflects impairments of goodwill and equity method investments.

^(d) 2020 restructuring expense include \$195 million for exit costs related to the Martinez and Gallup refineries and \$172 million of employee separation costs.

^(e) 2020 and 2019 include costs incurred in connection with the Midstream strategic review and other related efforts. 2019 includes employee severance, retention and other costs related to the acquisition of Andeavor. Effective October 1, 2019, we discontinued reporting Andeavor transaction-related costs as one year has passed since the acquisition and these costs are immaterial. Costs incurred in connection with the Speedway separation are included in discontinued operations.

Select results for discontinued operations are reflected in the following table.

<i>(In millions)</i>	2020	2019
Income from discontinued operations		
Speedway ^(a)	\$ 1,701	\$ 1,121
Transaction-related costs ^(b)	(114)	(7)
Income from discontinued operations	1,587	1,114
Net interest and other financial costs	20	18
Income from discontinued operations before income taxes	1,567	1,096
Provision for income taxes on discontinued operations	362	290
Income from discontinued operations, net of tax	\$ 1,205	\$ 806

^(a) As of August 2, 2020, MPC ceased recording depreciation and amortization for Speedway. Asset write-offs and retirement charges, which totaled \$7 million for the fourth quarter of 2020, are presented as depreciation and amortization in our financial statements. Speedway depreciation and amortization was \$244 million and \$413 million for the twelve months ended December 31, 2020 and 2019, respectively.

^(b) Costs related to the Speedway separation.

Table of Contents

The following table includes net income (loss) per diluted share data.

Net income (loss) per diluted share	2020	2019
Continuing operations	\$ (16.99)	\$ 2.76
Discontinued operations	1.86	1.21
Net income (loss) attributable to MPC	\$ (15.13)	\$ 3.97

During 2020, actions taken by various governmental authorities, individuals and companies to prevent the spread of COVID-19 through social distancing restricted travel, many business operations, public gatherings and the overall level of individual movement and in-person interaction in the areas where we operate which impacted demand for our products. Net income attributable to MPC decreased \$12.46 billion, or \$19.10 per diluted share, in 2020 compared to 2019 primarily due to a loss in our Refining & Marketing segment, goodwill and long-lived asset impairment charges of \$8.43 billion and impairments of equity method investments of \$1.32 billion during the period primarily driven by the effects of COVID-19 and the decline in commodity prices, and restructuring expenses of \$367 million related to the idling of the Martinez and Gallup refineries and costs related to our announced workforce reduction.

The loss from operations in our Refining & Marketing segment is primarily due to decreases in refined product sales volumes, prices and margins during 2020 and includes a charge of \$561 million for the twelve months ended December 31, 2020 to reflect a LIFO liquidation for our crude oil and refined product inventories. The costs of inventories in the historical LIFO layers which were liquidated were higher than current costs, which resulted in increased cost of revenues and decreased income from operations. These results were partially offset by increased income from discontinued operations, which relates to Speedway, in 2020 compared to 2019 largely due to higher fuel margins partially offset by lower fuel volumes. In addition, as of August 2, 2020, MPC ceased recording depreciation and amortization for Speedway. See Item 8. Financial Statements and Supplementary Data – Note 5 for additional information on discontinued operations.

Refer to the Results of Operations section for a discussion of financial results by segment for the three years ended December 31, 2020.

MPLX

We received limited partner distributions of \$1.79 billion and \$1.82 billion from MPLX and Andeavor Logistics LP (“ANDX”) during 2020 and 2019, respectively.

We owned approximately 647 million MPLX common units at December 31, 2020 with a market value of \$14.02 billion based on the December 31, 2020 closing unit price of \$21.65. On January 28, 2021, MPLX declared a quarterly cash distribution of \$0.6875 per common unit, which was paid February 12, 2021. As a result, MPLX made distributions totaling \$714 million to its common unitholders. MPC’s portion of this distribution was approximately \$445 million.

On July 31, 2020, Western Refining Southwest, Inc. (now known as Western Refining Southwest LLC) (“WRSW”), a wholly owned subsidiary of MPC, entered into a Redemption Agreement (the “Redemption Agreement”) with MPLX, pursuant to which MPLX transferred to WRSW all of the outstanding membership interests in Western Refining Wholesale, LLC, (“WRW”) in exchange for the redemption of MPLX common units held by WRSW. The transaction effected the transfer to MPC of the Western wholesale distribution business that MPLX acquired as a result of its acquisition of ANDX. Beginning in the third quarter of 2020, the results of these operations are presented in MPC’s Refining & Marketing segment.

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

See Item 8. Financial Statements and Supplementary Data – Note 6 for additional information on MPLX.

Liquidity

Our liquidity, excluding MPLX, totaled \$7.3 billion at December 31, 2020 consisting of:

<i>(In millions)</i>	December 31, 2020		
	Total Capacity	Outstanding Borrowings	Available Capacity
Bank revolving credit facility ^(a)	\$ 5,000	\$ 1	\$ 4,999
364 day bank revolving credit facility	1,000	—	1,000
364 day bank revolving credit facility ^(b)	1,000	—	1,000
Trade receivables facility ^(c)	750	—	750
Commercial paper borrowings ^(d)	—	—	(1,024)
Total	\$ 7,750	\$ 1	\$ 6,725
Cash and cash equivalents ^(e)			540
Total liquidity			\$ 7,265

^(a) Outstanding borrowings include \$1 million in letters of credit outstanding under this facility. Excludes MPLX's \$3.5 billion bank revolving credit facility, which had \$175 million borrowings and no of letters of credit outstanding as of December 31, 2020.

^(b) In February 2021, we elected to cancel one of the \$1.0 B 364-day revolving credit agreements prior to its maturity in April 2021.

^(c) Availability under our \$750 million trade receivables facility is a function of eligible trade receivables, which will be lower in a sustained lower price environment for refined products.

^(d) We do not intend to have outstanding commercial paper borrowings in excess of available capacity under bank revolving credit facilities.

^(e) Includes cash and cash equivalents classified as assets held for sale of \$140 million (see Item 8. Financial Statements and Supplementary Data – Note 5) and excludes \$15 million of MPLX cash and cash equivalents.

On November 15, 2020, all of the \$650 million outstanding aggregate principal amount of 3.400% senior notes due December 2020 were redeemed at a price equal to par.

On October 1, 2020, all of the \$475 million outstanding aggregate principal amount of 5.375% senior notes due October 2022, including the portion of such notes for which Andeavor was the obligor, were redeemed at a price equal to par.

MPLX's liquidity totaled \$4.84 billion at December 31, 2020. As of December 31, 2020, MPLX had cash and cash equivalents of \$15 million, \$3.33 billion available under its \$3.5 billion revolving credit agreement and \$1.5 billion available through its intercompany loan agreement with MPC.

On December 29, 2020, MPLX announced the redemption of all the \$750 million outstanding aggregate principal amount of 5.250% senior notes due January 2025. The notes were redeemed on January 15, 2021 at a price equal to 102.625% of the principal amount. These notes are included in long-term debt due within one year in our consolidated balance sheet as of December 31, 2020.

See Item 8. Financial Statements and Supplementary Data – Note 22 for information on our new bank revolving credit facilities.

OVERVIEW OF SEGMENTS

Refining & Marketing

Refining & Marketing segment income from operations depends largely on our Refining & Marketing margin, refining operating costs, refining planned turnarounds, distribution costs, depreciation expenses and refinery throughputs. Our total refining capacity was 2,874 mbpcd, 3,067 mbpcd and 3,021 mbpcd as of December 31, 2020, 2019 and 2018, respectively.

Our Refining & Marketing margin is the difference between the prices of refined products sold and the costs of crude oil and other charge and blendstocks refined, including the costs to transport these inputs to our refineries and the costs of products purchased for resale. The crack spread is a measure of the difference between market prices for refined products and crude oil, commonly used by the industry as a proxy for the refining margin. Crack spreads can fluctuate significantly, particularly when prices of refined products do not move in the same relationship as the cost of crude oil. As a performance benchmark and a comparison

Table of Contents

with other industry participants, we calculate Gulf Coast, Mid-Continent and West Coast crack spreads that we believe most closely track our operations and slate of products. The following will be used for these crack-spread calculations:

- The Gulf Coast crack spread uses three barrels of LLS crude producing two barrels of USGC CBOB gasoline and one barrel of USGC ULSD;
- The Mid-Continent crack spread uses three barrels of WTI crude producing two barrels of Chicago CBOB gasoline and one barrel of Chicago ULSD; and
- The West Coast crack spread uses three barrels of ANS crude producing two barrels of LA CARBOB and one barrel of LA CARB Diesel.

Our refineries process a variety of sweet and sour grades of crude oil, which typically can be purchased at a discount to the crude oils referenced in our Gulf Coast, Mid-Continent and West Coast crack spreads. The amount of these discounts, which we refer to as the sweet differential and the sour differential, can vary significantly, causing our Refining & Marketing margin to differ from blended crack spreads. In general, larger sweet and sour differentials will enhance our Refining & Marketing margin.

Future crude oil differentials will be dependent on a variety of market and economic factors, as well as U.S. energy policy.

The following table provides sensitivities showing an estimated change in annual net income due to potential changes in market conditions.

(In millions, after-tax)

Blended crack spread sensitivity ^(a) (per \$1.00/barrel change)	\$	838
Sour differential sensitivity ^(b) (per \$1.00/barrel change)		396
Sweet differential sensitivity ^(c) (per \$1.00/barrel change)		381
Natural gas price sensitivity ^(d) (per \$1.00/MMBtu)		275

^(a) Crack spread based on 40 percent LLS, 40 percent WTI and 20 percent ANS with Gulf Coast, Mid-Continent and West Coast product pricing, respectively, and assumes all other differentials and pricing relationships remain unchanged.

^(b) Sour crude oil basket consists of the following crudes: ANS, Argus Sour Crude Index, Maya and Western Canadian Select. We expect approximately 51 percent of the crude processed at our refineries in 2021 will be sour crude.

^(c) Sweet crude oil basket consists of the following crudes: Bakken, Brent, LLS, WTI-Cushing and WTI-Midland. We expect approximately 49 percent of the crude processed at our refineries in 2021 will be sweet crude.

^(d) This is consumption based exposure for our Refining & Marketing segment and does not include the sales exposure for our Midstream segment.

In addition to the market changes indicated by the crack spreads, the sour differential and the sweet differential, our Refining & Marketing margin is impacted by factors such as:

- the selling prices realized for refined products;
- the types of crude oil and other charge and blendstocks processed;
- our refinery yields;
- the cost of products purchased for resale;
- the impact of commodity derivative instruments used to hedge price risk;
- the potential impact of LCM adjustments to inventories in periods of declining prices; and
- the potential impact of LIFO liquidation charges due to draw-downs from historic inventory levels.

Inventories are stated at the lower of cost or market. Costs of crude oil, refinery feedstocks and refined products are stated under the LIFO inventory costing method and aggregated on a consolidated basis for purposes of assessing if the cost basis of these inventories may have to be written down to market values. At December 31, 2020, market values for refined products exceed their cost basis and, therefore, there is no LCM inventory valuation reserve at the end of the year. Based on movements of refined product prices, future inventory valuation adjustments could have a negative effect to earnings. Such losses are subject to reversal in subsequent periods if prices recover.

Table of Contents

Refining & Marketing segment income from operations is also affected by changes in refining operating costs and refining planned turnaround costs in addition to committed distribution costs. Changes in operating costs are primarily driven by the cost of energy used by our refineries, including purchased natural gas, and the level of maintenance costs. Refining planned turnarounds, requiring temporary shutdown of certain refinery operating units, are periodically performed at each refinery. Distribution costs primarily include long-term agreements with MPLX, as discussed below, which are based on committed volumes and will negatively impact income from operations in periods when throughput or sales are lower or refineries are idled.

The following table lists the refineries that had significant planned turnaround and major maintenance activities for each of the last three years and only reflects the activity for the acquired refineries after October 1, 2018.

Year	Refinery
2020	Canton, Catlettsburg, El Paso, Galveston Bay, Garyville, Kenai, Los Angeles and Salt Lake City
2019	Catlettsburg, Gallup, Galveston Bay, Garyville, Los Angeles, Martinez, Robinson and St. Paul Park
2018	Canton, Detroit, Galveston Bay and Martinez

We have various long-term, fee-based commercial agreements with MPLX. Under these agreements, MPLX, which is reported in our Midstream segment, provides transportation, storage, distribution and marketing services to our Refining & Marketing segment. Certain of these agreements include commitments for minimum quarterly throughput and distribution volumes of crude oil and refined products and minimum storage volumes of crude oil, refined products and other products. Certain other agreements include commitments to pay for 100 percent of available capacity for certain marine transportation and refining logistics assets.

Midstream

Our Midstream segment transports, stores, distributes and markets crude oil and refined products, principally for our Refining & Marketing segment. The profitability of our pipeline transportation operations primarily depends on tariff rates and the volumes shipped through the pipelines. The profitability of our marine operations primarily depends on the quantity and availability of our vessels and barges. The profitability of our light product terminal operations primarily depends on the throughput volumes at these terminals. The profitability of our fuels distribution services primarily depends on the sales volumes of certain refined products. The profitability of our refining logistics operations depends on the quantity and availability of our refining logistics assets. A majority of the crude oil and refined product shipments on our pipelines and marine vessels and the refined product throughput at our terminals serve our Refining & Marketing segment and our refining logistics assets and fuels distribution services are used solely by our Refining & Marketing segment.

As discussed above in the Refining & Marketing section, MPLX, which is reported in our Midstream segment, has various long-term, fee-based commercial agreements related to services provided to our Refining & Marketing segment. Under these agreements, MPLX has received various commitments of minimum throughput, storage and distribution volumes as well as commitments to pay for all available capacity of certain assets. The volume of crude oil that we transport is directly affected by the supply of, and refiner demand for, crude oil in the markets served directly by our crude oil pipelines, terminals and marine operations. Key factors in this supply and demand balance are the production levels of crude oil by producers in various regions or fields, the availability and cost of alternative modes of transportation, the volumes of crude oil processed at refineries and refinery and transportation system maintenance levels. The volume of refined products that we transport, store, distribute and market is directly affected by the production levels of, and user demand for, refined products in the markets served by our refined product pipelines and marine operations. In most of our markets, demand for gasoline and distillate peaks during the summer driving season, which extends from May through September of each year, and declines during the fall and winter months. As with crude oil, other transportation alternatives and system maintenance levels influence refined product movements.

Our Midstream segment also gathers and processes natural gas and NGLs. NGL and natural gas prices are volatile and are impacted by changes in fundamental supply and demand, as well as market uncertainty, availability of NGL transportation and fractionation capacity and a variety of additional factors that are beyond our control. Our Midstream segment profitability is affected by prevailing commodity prices primarily as a result of processing or conditioning at our own or third-party processing plants, purchasing

[Table of Contents](#)

and selling or gathering and transporting volumes of natural gas at index-related prices and the cost of third-party transportation and fractionation services. To the extent that commodity prices influence the level of natural gas drilling by our producer customers, such prices also affect profitability.

RESULTS OF OPERATIONS

The following discussion includes comments and analysis relating to our results of operations for the years ended December 31, 2020, 2019 and 2018. These amounts include the results of Andeavor from the October 1, 2018 acquisition date forward. This discussion should be read in conjunction with Item 8. Financial Statements and Supplementary Data and is intended to provide investors with a reasonable basis for assessing our historical operations, but should not serve as the only criteria for predicting our future performance.

Consolidated Results of Operations

<i>(In millions)</i>	2020	2019	2020 vs. 2019 Variance	2018	2019 vs. 2018 Variance
Revenues and other income:					
Sales and other operating revenues ^(a)	\$ 69,779	\$ 111,148	\$ (41,369)	\$ 86,086	\$ 25,062
Income (loss) from equity method investments ^(b)	(935)	312	(1,247)	299	13
Net gain on disposal of assets	70	278	(208)	6	272
Other income	118	127	(9)	198	(71)
Total revenues and other income	<u>69,032</u>	<u>111,865</u>	<u>(42,833)</u>	<u>86,589</u>	<u>25,276</u>
Costs and expenses:					
Cost of revenues (excludes items below)	65,733	99,228	(33,495)	77,047	22,181
Impairment expense	8,426	1,197	7,229	—	1,197
Depreciation and amortization	3,375	3,225	150	2,170	1,055
Selling, general and administrative expenses	2,710	3,192	(482)	2,276	916
Restructuring expenses	367	—	367	—	—
Other taxes	668	561	107	406	155
Total costs and expenses	<u>81,279</u>	<u>107,403</u>	<u>(26,124)</u>	<u>81,899</u>	<u>25,504</u>
Income (loss) from continuing operations	<u>(12,247)</u>	<u>4,462</u>	<u>(16,709)</u>	<u>4,690</u>	<u>(228)</u>
Net interest and other financial costs	1,365	1,229	136	993	236
Income (loss) from continuing operations before income taxes	<u>(13,612)</u>	<u>3,233</u>	<u>(16,845)</u>	<u>3,697</u>	<u>(464)</u>
Provision (benefit) for income taxes on continuing operations	(2,430)	784	(3,214)	764	20
Income (loss) from continuing operations, net of tax	<u>(11,182)</u>	<u>2,449</u>	<u>(13,631)</u>	<u>2,933</u>	<u>(484)</u>
Income from discontinued operations, net of tax	1,205	806	399	673	133
Net income (loss)	<u>(9,977)</u>	<u>3,255</u>	<u>(13,232)</u>	<u>3,606</u>	<u>(351)</u>
Less net income (loss) attributable to:					
Redeemable noncontrolling interest	81	81	—	75	6
Noncontrolling interests	(232)	537	(769)	751	(214)
Net income (loss) attributable to MPC	<u>\$ (9,826)</u>	<u>\$ 2,637</u>	<u>\$ (12,463)</u>	<u>\$ 2,780</u>	<u>\$ (143)</u>

^(a) In accordance with discontinued operations accounting, Speedway sales to retail customers and net results are reflected in Income from discontinued operations, net of tax, and Refining & Marketing intercompany sales to Speedway are now presented as third-party sales for all periods presented.

^(b) 2020 includes \$1.32 billion of impairment expense. See Item 8. Financial Statements and Supplementary Data – Note 7 for further information.

2020 Compared to 2019

Net income (loss) attributable to MPC decreased \$12.46 billion in 2020 compared to 2019 primarily due to impairment expenses for goodwill and long-lived assets of \$8.43 billion, impairments of equity method investments of \$1.32 billion, decreased refined product sales volumes, prices and margin, a charge of \$561 million to reflect a LIFO liquidation in our crude oil and refined product inventories and restructuring expenses of \$367 million. These changes were partially offset by reduced operating costs and increased income from discontinued operations, which represents Speedway. See Segment Results for additional information.

Total revenues and other income decreased \$42.83 billion in 2020 compared to 2019 primarily due to:

- decreased sales and other operating revenues of \$41.37 billion primarily due to decreased Refining & Marketing segment refined product sales volumes, which decreased 513 mbpd, or 14 percent, and lower average refined product sales prices, which decreased \$0.55 per gallon, or 31 percent, largely due to reduced travel and business operations associated with the COVID-19 pandemic;
- decreased income from equity method investments of \$1.25 billion largely due to impairments of equity method investments of \$1.32 billion primarily driven by the effects of COVID-19 and the decline in commodity prices; and
- decreased net gain on disposal of assets of \$208 million mainly due to the absence of \$259 million of non-cash gains related to obtaining equity investments in Capline Pipeline Company LLC (“Capline LLC”) and The Andersons in exchange for contributing assets in 2019. This decrease was offset by net gains on disposal of assets in 2020 largely due to the sale of three asphalt terminals and other Refining & Marketing assets.

Total costs and expenses decreased \$26.12 billion in 2020 compared to 2019 primarily due to:

- decreased cost of revenues of \$33.50 billion primarily due to reduced travel and business operations associated with the COVID-19 pandemic, partially offset by increased cost of revenues of \$561 million to reflect LIFO liquidations for our crude oil and refined product inventories. The costs of inventories in the historical LIFO layers liquidated were higher than current costs, which resulted in the LIFO liquidation charge;
- impairment expense of \$8.43 billion recorded in 2020 for goodwill and long-lived assets of \$7.39 billion and \$1.03 billion, respectively, primarily driven by the effects of COVID-19 and the decline in commodity prices. It also includes impairment of long-lived assets primarily related to the repositioning of the Martinez refinery compared to impairment expense of \$1.20 billion recorded in 2019 primarily related to MPLX goodwill associated with the ANDX gathering and processing businesses acquired as part of the Andeavor acquisition;
- decreased selling, general and administrative expenses of \$482 million mainly due to decreases in salaries and employee-related expenses, transaction-related expenses, credit card processing fees for brand customers and contract services expenses;
- restructuring expense of \$367 million related to the idling of the Martinez and Gallup refineries and costs related to our announced workforce reduction. See See Item 8. Financial Statements and Supplementary Data – Note 4 for additional information; and
- increased other taxes of \$107 million primarily due to increased property and environmental taxes of approximately \$78 million and \$69 million, respectively. Property taxes increased in the current period mainly due to the absence of property tax refunds and tax exemptions received in 2019 and environmental taxes increased largely due to the reinstatement of the Oil Spill Tax in 2020, which was not in effect for all of 2019. These increases were offset by a state tax refund and reduced payroll tax expenses.

Net interest and other financial costs increased \$136 million largely due to increased MPC borrowings and foreign currency exchange losses and decreased interest income. We capitalized interest of \$129 million in 2020 and \$158 million in 2019. See Item 8. Financial Statements and Supplementary Data – Note 22 for further details.

Provision for income taxes decreased \$3.21 billion primarily due to decreased income before taxes of \$16.85 billion. The effective tax rate of 18 percent in 2020 is lower than the U.S. statutory rate of 21 percent, primarily due to a significant amount of our pre-tax loss consisting of non-tax deductible goodwill impairment charges, partially offset by the tax rate differential resulting from the expected net operating

[Table of Contents](#)

loss carryback provided under the Coronavirus Aid, Relief, and Economic Security Act. Additionally, our effective tax rate is generally benefited by our noncontrolling interest in MPLX, but this benefit was lower for the year ended December 31, 2020 due to goodwill and other impairment charges recorded by MPLX. The effective tax rate of 24 percent in 2019 is higher than the U.S. statutory rate of 21 percent, primarily due to permanent tax differences related to goodwill impairment and state and local tax expense, partially offset by permanent tax differences related to net income attributable to noncontrolling interests. See Item 8. Financial Statements and Supplementary Data – Note 15 for further details.

Noncontrolling interests decreased \$769 million mainly due to MPLX's net loss primarily resulting from impairment expense recognized during 2020.

2019 Compared to 2018

Net income attributable to MPC decreased \$143 million primarily due to impairment expense of \$1.20 billion and an increase in net interest and other financial costs, partially offset by a decrease in net income attributable to noncontrolling interests and increased income from discontinued operations in 2019. See Segment Results for additional information.

Total revenues and other income increased \$25.28 billion in 2019 compared to 2018 primarily due to:

- increased sales and other operating revenues of \$25.06 billion mainly due to an increase in our Refining & Marketing segment refined product sales volumes, which increased 1,032 mbpd largely due to the Andeavor acquisition on October 1, 2018, partially offset by lower average refined product sales prices, which decreased \$0.09 per gallon; and
- increased net gain on disposal of assets of \$272 million mainly due to \$259 million of non-cash gains related to obtaining equity investments in Capline LLC and The Andersons in exchange for contributing assets in 2019.

Total costs and expenses increased \$25.50 billion in 2019 compared to 2018 primarily due to:

- increased cost of revenues of \$22.18 billion primarily due to the inclusion of costs related to the Andeavor operations following the acquisition;
- increased impairment expense of \$1.20 billion primarily related to MPLX goodwill associated with the ANDX gathering and processing businesses acquired as part of the Andeavor acquisition;
- increased depreciation and amortization of \$1.06 billion, primarily due to the depreciation of the fair value of the assets acquired in connection with the Andeavor acquisition;
- increased selling, general and administrative expenses of \$916 million mainly due to the inclusion of costs related to Andeavor operations following the acquisition and reflecting MPC's classification of those costs and expenses; and
- increased other taxes of \$155 million primarily due to the inclusion of other taxes related to the acquired Andeavor operations.

Net interest and other financial costs increased \$236 million mainly due to debt assumed in the acquisition of Andeavor and increased MPLX borrowings, partially offset by a decrease in pension settlement losses of \$44 million. We capitalized interest of \$158 million in 2019 and \$80 million in 2018. See Item 8. Financial Statements and Supplementary Data – Note 22 for further details.

Provision for income taxes on continuing operations increased \$20 million primarily due to non-deductible goodwill impairments partially offset by decreased income from continuing operations \$464 million. The effective tax rate of 24 percent in 2019 is higher than the U.S. statutory rate of 21 percent, primarily due to permanent tax differences related to goodwill impairment and state and local tax expense, partially offset by permanent tax differences related to net income attributable to noncontrolling interests. The effective tax rate of 21 percent in 2018 is consistent with the U.S. statutory rate of 21 percent, as permanent benefit differences related to income attributable to noncontrolling interest were offset by state and local tax expense. See Item 8. Financial Statements and Supplementary Data – Note 15 for further details.

Noncontrolling interests decreased \$214 million mainly due lower MPLX net income primarily as a result of the \$1.2 billion goodwill impairment charge recorded in 2019.

Results of Discontinued Operations

The results of Speedway are presented as discontinued operations in our consolidated financial statements.

The following includes key financial and operating data for Speedway for the years ended December 31, 2020, 2019 and 2018.

Key Financial and Operating Data	2020	2019	2018
Speedway fuel sales (<i>millions of gallons</i>)	5,919	7,658	6,293
Speedway fuel margin (<i>dollars per gallon</i>) ^{(a)(b)}	\$ 0.3452	\$ 0.2434	\$ 0.2122
Merchandise sales (<i>in millions</i>)	\$ 6,384	\$ 6,305	\$ 5,232
Merchandise margin (<i>in millions</i>) ^{(b)(c)}	\$ 1,846	\$ 1,827	\$ 1,486
Same store gasoline sales volume (period over period) ^(d)	(20.0)%	(3.3)%	(1.5)%
Same store merchandise sales (period over period) ^{(d)(e)}	(0.2)%	5.4 %	4.2 %
Convenience stores at period-end	3,839	3,898	3,923

^(a) The price paid by consumers less the cost of refined products, excluding transportation, consumer excise taxes and bankcard processing fees (where applicable), divided by gasoline and distillate sales volume.

^(b) See “Non-GAAP Measures” section for reconciliation and further information regarding this non-GAAP measure.

^(c) The price paid by consumers less the cost of merchandise.

^(d) Same store comparison includes only locations owned at least 13 months.

^(e) Excludes cigarettes.

2020 Compared to 2019

Income from discontinued operations, net of tax, increased \$399 million primarily due to higher fuel margins partially offset by lower fuel volumes. Changes in fuel sales volumes were primarily due to the effects of the COVID-19 pandemic which resulted in restricted travel, social distancing and reduced business operations. In addition, fuel sales volumes decreased as a result of an agreement between Speedway and Pilot Travel Centers (“PTC”), effective October 1, 2019, in which PTC supplies, prices and sells diesel fuel at certain Speedway and PTC locations with both companies sharing in the diesel fuel margins.

Beginning August 2, 2020, in accordance with ASC 360, Property, Plant, and Equipment, we ceased recording depreciation and amortization for Speedway’s property, plant and equipment, finite-lived intangible assets and right of use lease assets. As a result, Speedway depreciation and amortization was \$244 million and \$413 million for the twelve months ended December 31, 2020 and 2019, respectively.

The Speedway fuel margin increased to 34.52 cents per gallon in 2020 compared with 24.34 cents per gallon in 2019.

2019 Compared to 2018

Income from discontinued operations, net of tax, increased \$133 million primarily due to higher fuel and merchandise margins largely related to the addition of the Andeavor retail operations. These increases were partially offset by increases in operating expenses and depreciation primarily related to the locations acquired from Andeavor.

The Speedway fuel margin increased to 24.34 cents per gallon in 2019 compared with 21.22 cents per gallon in 2018.

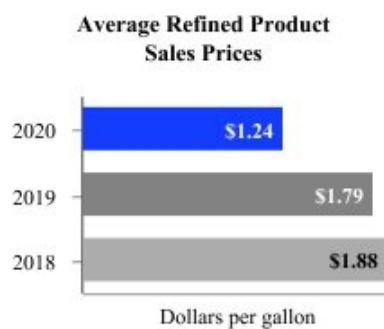
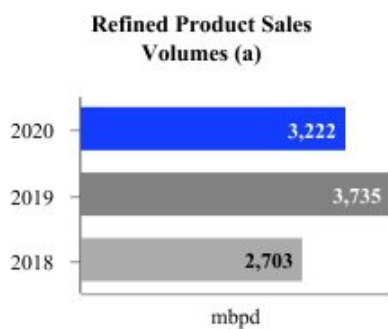
Segment Results

Our Refining & Marketing and Midstream segment income (loss) from continuing operations was approximately \$(1.48) billion, \$6.45 billion and \$5.41 billion for the years ended December 31, 2020, 2019 and 2018, respectively.

Refining & Marketing

Beginning with the third quarter of 2020, the direct dealer business is managed as part of the Refining & Marketing segment. The results of the Refining & Marketing segment have been retrospectively adjusted to include the results of the direct dealer business in all periods presented.

The following includes key financial and operating data for 2020, 2019 and 2018. Our results include the results of Andeavor from the October 1, 2018 acquisition date forward.



^(a) Includes intersegment sales to Midstream and sales destined for export.

[Table of Contents](#)

Refining & Marketing Operating Statistics	2020	2019	2018
Net refinery throughput (<i>mbpd</i>)	2,583	3,112	2,274
Refining & Marketing margin, excluding LIFO liquidation charge ^{(a)(b)(c)}	\$ 8.96	\$ 14.77	\$ 14.50
LIFO liquidation charge	(0.59)	—	—
Refining & Marketing margin per barrel ^{(a)(b)(c)}	8.37	14.77	14.50
Less:			
Refining operating costs per barrel ^(d)	5.68	5.66	4.99
Distribution costs per barrel ^(a)	5.37	4.52	4.24
Refining planned turnaround costs per barrel	0.88	0.65	0.80
Depreciation and amortization per barrel ^(a)	1.96	1.58	1.45
Plus:			
Biodiesel tax credit ^(e)	—	0.08	—
Other per barrel ^(f)	0.03	0.08	0.18
Refining & Marketing segment income (loss) per barrel	\$ (5.49)	\$ 2.52	\$ 3.20
Fees paid to MPLX included in distribution costs above	\$ 3.66	\$ 2.84	\$ 2.74

^(a) Includes direct dealer results due to our third quarter change in segment presentation.

^(b) Sales revenue less cost of refinery inputs and purchased products, divided by net refinery throughput.

^(c) See “Non-GAAP Measures” section for reconciliation and further information regarding this non-GAAP measure.

^(d) Includes refining operating and major maintenance costs. Excludes planned turnaround and depreciation and amortization expense.

^(e) Reflects a benefit of \$93 million in 2019 for the biodiesel tax credit attributable to volumes blended in 2018.

^(f) Includes income from equity method investments, net gain on disposal of assets and other income.

Table of Contents

The following table presents certain benchmark prices in our marketing areas and market indicators that we believe are helpful in understanding the results of our Refining & Marketing segment. The results of the Andeavor businesses are only included in our results from October 1, 2018 forward. The benchmark crack spreads below do not reflect the market cost of RINs necessary to meet EPA renewable volume obligations for attributable products under the Renewable Fuel Standard.

Benchmark spot prices (<i>dollars per gallon</i>)	2020	2019	2018
Chicago CBOB unleaded regular gasoline	\$ 1.07	\$ 1.67	\$ 1.86
Chicago ultra-low sulfur diesel	1.19	1.86	2.07
USGC CBOB unleaded regular gasoline	1.10	1.63	1.83
USGC ultra-low sulfur diesel	1.20	1.88	2.05
LA CARBOB	1.28	1.98	2.06
LA CARB diesel	1.30	2.01	2.14
Market Indicators (<i>dollars per barrel</i>)			
LLS	\$ 41.15	\$ 62.69	\$ 69.93
WTI	39.34	57.04	64.10
ANS	42.28	65.04	68.46
Crack Spreads			
USGC LLS 3-2-1	\$ 3.77	\$ 8.22	\$ 7.91
Mid-Continent WTI 3-2-1	5.34	14.61	14.02
West Coast ANS 3-2-1	9.26	17.30	11.66
Blended 3-2-1 ^(a)	5.64	12.83	10.62
Crude Oil Differentials			
Sweet	\$ (1.07)	\$ (2.35)	\$ (3.83)
Sour	(3.45)	(3.15)	(7.60)

^(a) The blended crack spread for the fourth quarter of 2020 is weighted 40 percent of the USGC crack spread, 40 percent of the Mid-Continent crack spread and 20 percent of the West Coast crack spread. The blended crack spreads for the first three quarters of 2020, all of 2019 and the fourth quarter of 2018 are weighted 38 percent of the USGC crack spread, 38 percent of the Mid-Continent crack spread and 24 percent of the West Coast crack spread. The blended crack spread for the first three quarters of 2018 reflects the average weighting of 60 percent of the USGC crack spread and 40 percent of the Mid-Continent crack spread. These blends are based on MPC's refining capacity by region in each period.

2020 Compared to 2019

Refining & Marketing segment revenues decreased \$41.16 billion primarily due to lower refined product sales volumes, which decreased 513 mbpd, and decreased average refined product sales prices of \$0.55 per gallon.

Refinery crude oil capacity utilization was 82 percent during 2020 and net refinery throughputs decreased 529 mbpd primarily due to reducing throughputs during the COVID-19 pandemic.

Refining & Marketing segment income from operations decreased \$8.05 billion primarily driven by lower blended crack spreads.

Refining & Marketing margin, excluding LIFO liquidation charge, was \$8.96 per barrel for 2020 compared to \$14.77 per barrel for 2019. Refining & Marketing margin is affected by the market indicators shown earlier, which use spot market values and an estimated mix of crude purchases and product sales. Based on the market indicators and our crude oil throughput, we estimate a net negative impact of \$9.75 billion on Refining & Marketing margin, primarily due to lower crack spreads. Our reported Refining & Marketing margin differs from market indicators due to the mix of crudes purchased and their costs, the effects of market structure on our crude oil acquisition prices, RIN prices on the crack spread and other items like refinery yields and other feedstock variances, direct dealer fuel margin, and for 2020, a LIFO liquidation charge of \$561 million. For 2019, the Refining & Marketing segment income from operations also reflects a benefit of \$93 million for the biodiesel tax credit attributable to volumes blended in 2018. These factors had an estimated net positive impact on Refining & Marketing segment income from operations of

Table of Contents

approximately \$800 million, including the LIFO liquidation charge, in 2020 compared to 2019 resulting in a capture rate of 102 percent in 2020 and 96 percent in 2019.

For the year ended December 31, 2020, refining operating costs, excluding depreciation and amortization, were \$5.37 billion. This was a decrease of \$1.06 billion, and a per barrel increase of \$0.02 due to lower refinery throughput, compared to the year ended December 31, 2019 as we took actions to reduce costs in response to the economic effects of COVID-19, including operating at lower throughput at our refineries and idling portions of our refining capacity. Net refinery throughput was 529 mbpd lower in 2020

Distribution costs, excluding depreciation and amortization, were \$5.08 billion and \$5.13 billion for 2020 and 2019, respectively, and include fees paid to MPLX of \$3.46 billion and \$3.22 billion for 2020 and 2019, respectively. On a per barrel basis, distribution costs, excluding depreciation and amortization, increased \$0.85 primarily due to lower throughput partially offset by a decrease in costs.

Refining planned turnaround costs increased \$92 million, or \$0.23 per barrel, due to the timing of turnaround activity and a decrease in throughput.

Depreciation and amortization per barrel increased by \$0.38, primarily due to a decrease in throughput and increased costs.

We purchase RINs to satisfy a portion of our RFS2 compliance. Our expenses associated with purchased RINs were \$606 million in 2020 and \$356 million in 2019 and are included in Refining & Marketing margin. The increase in 2020 was primarily due to higher weighted average RIN costs, partially offset by a decrease in our RIN obligations.

2019 Compared to 2018

Refining & Marketing segment revenues increased \$24.6 billion in 2019 compared to 2018 primarily due to higher refined product sales volumes, which increased 1,032 mbpd, largely due to the acquisition of Andeavor on October 1, 2018, partially offset by decreased average refined product sales prices of \$.09 per gallon.

Refinery crude oil capacity utilization was 96 percent during 2019 and net refinery throughputs increased 838 mbpd primarily due to the refineries acquired from Andeavor.

Refining & Marketing segment income from operations increased \$202 million primarily due to a full year of direct dealer sales and an increase in Refining & Marketing margin on a per barrel basis partially offset by higher operating, distribution and depreciation and amortization costs. The increases in costs and expenses were primarily due to increased sales and production volumes following the Andeavor acquisition.

Refining & Marketing margin was \$14.77 per barrel for 2019 compared to \$14.50 per barrel for 2018. Refining & Marketing margin is affected by the market indicators shown earlier, which use spot market values and an estimated mix of crude purchases and product sales. Based on the market indicators and our crude oil throughput, we estimate a net positive impact of \$4.46 billion on Refining & Marketing margin, primarily due to an approximate \$5.35 billion benefit from increased throughput volume, mainly attributed to the Andeavor acquisition, partially offset by narrower sour and sweet crude oil differentials. Our reported Refining & Marketing margin differs from market indicators due to the mix of crudes purchased and their costs, the effects of market structure on our crude oil acquisition prices, RIN prices on the crack spread and other items like refinery yields and other feedstock variances and direct dealer fuel margin. For 2019, the Refining & Marketing segment income from operations also reflects a benefit of \$93 million for the biodiesel tax credit attributable to volumes blended in 2018. These factors had an estimated net positive impact on Refining & Marketing segment income from operations of approximately \$370 million in 2019 compared to 2018 resulting in a capture rate of 96 percent in 2019 compared to 92 percent in 2018.

For the year ended December 31, 2019, refining operating costs, excluding depreciation and amortization, were \$6.42 billion. This was an increase of \$2.28 billion, and a per barrel increase of \$0.67. Distribution costs, excluding depreciation and amortization, were \$5.13 billion and \$3.52 billion, and include fees paid to MPLX of \$3.22 billion and \$2.28 billion, for 2019 and 2018, respectively. This was an increase of \$1.61 billion, or \$0.28 per barrel. Excluding depreciation and amortization, refining operating costs and distribution costs increased primarily due to the inclusion of costs for the refining operations acquired from Andeavor. The per barrel increases, among other items, reflect the addition of Andeavor's West Coast

[Table of Contents](#)

refineries, which generally have higher operating costs than other regions in which we operate due to specific geographical location and regulatory factors.

Refining planned turnaround costs decreased \$76 million, or \$0.15 per barrel, due to the timing of turnaround activity.

Depreciation and amortization per barrel increased by \$0.13, primarily due to the fair value of assets acquired from Andeavor as of October 1, 2018. During 2019, we recorded a \$0.01 per barrel adjustment to reduce depreciation and amortization, which reflects the cumulative effects related to a measurement period adjustment arising from the finalization of purchase accounting.

We purchase RINs to satisfy a portion of our RFS2 compliance. Our expenses associated with purchased RINs were \$356 million in 2019 and \$316 million in 2018. The increase in 2019 was primarily due to an increase in our RIN obligations resulting from the acquisition of Andeavor, partially offset by lower weighted average RIN costs.

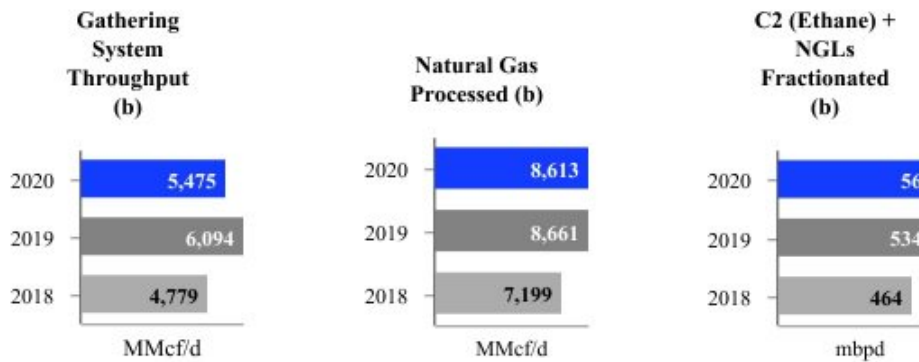
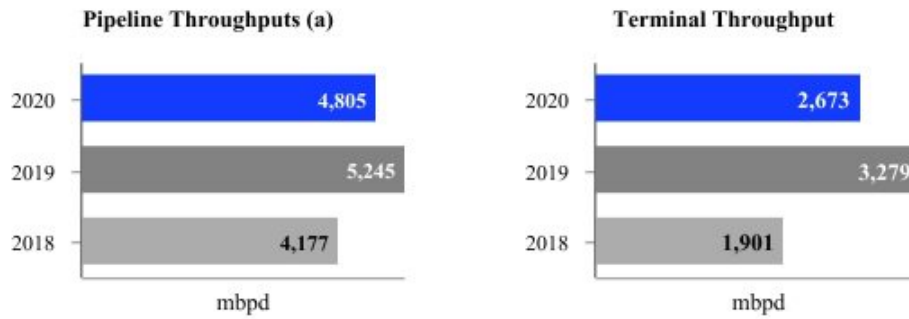
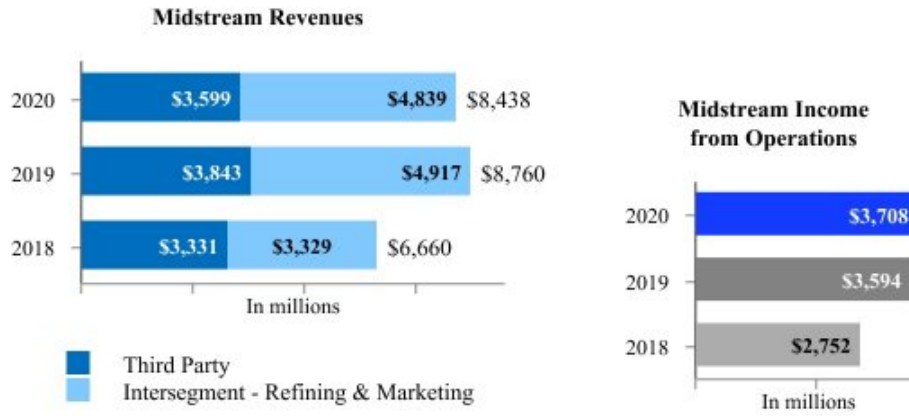
Supplemental Refining & Marketing Statistics

	2020	2019	2018
Refining & Marketing Operating Statistics			
Refined product export sales volumes (<i>mbpd</i>) ^(a)	340	397	334
Crude oil capacity utilization percent ^(b)	82	96	96
Refinery throughputs (<i>mbpd</i>):			
Crude oil refined	2,418	2,902	2,081
Other charge and blendstocks	165	210	193
Net refinery throughput	2,583	3,112	2,274
Sour crude oil throughput percent	49	48	52
Sweet crude oil throughput percent	51	52	48
Refined product yields (<i>mbpd</i>):			
Gasoline	1,314	1,560	1,107
Distillates	905	1,087	773
Feedstocks and petrochemicals	244	315	288
Asphalt	81	87	69
Propane	51	55	41
Heavy fuel oil	28	49	38
Total	2,623	3,153	2,316

^(a) Represents fully loaded export cargoes for each time period. These sales volumes are included in the total sales volumes amounts.

^(b) Based on calendar-day capacity, which is an annual average that includes down time for planned maintenance and other normal operating activities.

Midstream



^(a) On owned common-carrier pipelines, excluding equity method investments.
^(b) Includes amounts related to unconsolidated equity method investments on a 100 percent basis.

Table of Contents

Benchmark Prices	2020		2019		2018	
Natural Gas NYMEX HH (\$ per MMBtu)	\$	2.13	\$	2.53	\$	3.07
C2 + NGL Pricing (\$ per gallon) ^(a)	\$	0.43	\$	0.52	\$	0.78

^(a) C2 + NGL pricing based on Mont Belvieu prices assuming an NGL barrel of approximately 35 percent ethane, 35 percent propane, six percent Iso-Butane, 12 percent normal butane and 12 percent natural gasoline.

2020 Compared to 2019

Midstream segment revenue decreased \$322 million primarily due to decreased demand for the products that we produce and transport due to the current macro-economic conditions in addition to lower natural gas prices.

In 2020, Midstream segment income from operations increased \$114 million mainly due stable, fee-based earnings in the current business environment, contributions from organic growth projects and reduced operating expenses.

2019 Compared to 2018

Midstream segment revenue increased \$2.10 billion primarily due to the inclusion of ANDX revenues subsequent to the Andeavor acquisition on October 1, 2018. On July 30, 2019, MPLX acquired ANDX. In addition, 2019 reflects twelve months of fees charged for fuels distribution and refining logistics services provided to our Refining & Marketing segment following the February 1, 2018 dropdown to MPLX. MPLX revenues from refining logistics and fuels distribution services provided to MPC were \$1.48 billion and \$1.36 billion for the years ended December 31, 2019 and 2018, respectively.

In 2019, Midstream segment income from operations increased \$842 million largely due to contributions from ANDX in addition to growth across MPLX's businesses.

Corporate

Key Financial Information (in millions)	2020		2019		2018	
Corporate ^(a)	\$	(800)	\$	(833)	\$	(528)

^(a) Corporate and other unallocated items consists primarily of MPC's corporate administrative expenses and costs related to certain non-operating assets, except for corporate overhead expenses attributable to MPLX, which are included in the Midstream segment. Corporate overhead expenses are not allocated to the Refining & Marketing segment.

2020 Compared to 2019

Corporate expenses decreased \$33 million in 2020 compared to 2019 largely due to decreased salaries and contract services expenses, partially offset by increased expenses due to an information systems integration project. 2020 and 2019 corporate expenses include expenses of \$26 million and \$28 million, respectively, which are no longer allocable to Speedway due to discontinued operations accounting.

2019 Compared to 2018

Corporate expenses increased \$305 million in 2019 compared to 2018 largely due to the inclusion of costs and expenses related to Andeavor operations. 2019 and 2018 corporate expenses include expenses of \$28 million and \$26 million, respectively, which are no longer allocable to Speedway due to discontinued operations accounting.

[Table of Contents](#)

Items not Allocated to Segments

Our chief operating decision maker evaluates the performance of our segments using segment income from operations. Items identified in the table below are either believed to be non-recurring in nature or not believed to be allocable, controlled by the segment or are not tied to the operational performance of the segment.

Key Financial Information (<i>in millions</i>)	2020	2019	2018
Items not allocated to segments:			
Impairments	\$ (9,741)	\$ (1,239)	\$ 9
Restructuring expense	(367)	—	—
Litigation	84	(22)	—
Gain on sale of assets	66	—	—
Transaction-related costs ^(a)	(8)	(153)	(197)
Equity method investment restructuring gains	—	259	—

^(a) 2020 and 2019 includes costs incurred in connection with the Midstream strategic review and other related efforts. Both 2019 and 2018 include employee severance, retention and other costs related to the acquisition of Andeavor. Effective October 1, 2019, we have discontinued reporting Andeavor transaction-related costs as one year has passed since the acquisition and these costs are immaterial. Costs incurred in connection with the Speedway separation are included in discontinued operations.

2020 Compared to 2019

Unallocated items include impairment charges of \$9.74 billion which includes \$8.43 billion related to goodwill and long-lived assets and \$1.32 billion related to equity method investments. See Item 8. Financial Statements and Supplementary Data – Note 7 for additional information.

During 2020, we indefinitely idled our Gallup refinery, initiated actions to strategically reposition our Martinez refinery to a renewable diesel facility and approved an involuntary workforce reduction plan. In connection with these strategic actions, we recorded restructuring expenses of \$367 million for the year ended December 31, 2020. See Item 8. Financial Statements and Supplementary Data – Note 4 for additional information.

Other unallocated items in 2020 include a favorable litigation settlement of \$84 million and gain on sale of assets of \$66 million related to the sale of three asphalt terminals and certain other Refining & Marketing assets.

2019 Compared to 2018

Unallocated items in 2019 include \$259 million of non-cash gains related to obtaining equity investments in Capline LLC and The Andersons in exchange for contributing assets. See Item 8. Financial Statements and Supplementary Data – Note 17 for additional information.

In 2019, other unallocated items also include transaction-related costs of \$153 million and a litigation reserve adjustment of \$22 million. The transaction-related costs recognized during the year include the recognition of an obligation for vacation benefits provided to former Andeavor employees in the first quarter as well as employee retention, severance and other costs and the Midstream strategic review and other related efforts.

Impairment charges of \$1.24 billion in 2019 primarily relate to MPLX goodwill associated with the ANDX gathering and processing businesses acquired as part of the Andeavor acquisition. See Item 8. Financial Statements and Supplementary Data – Note 19 for additional information.

[Table of Contents](#)

Non-GAAP Financial Measures

Management uses certain financial measures to evaluate our operating performance that are calculated and presented on the basis of methodologies other than in accordance with GAAP. We believe these non-GAAP financial measures are useful to investors and analysts to assess our ongoing financial performance because, when reconciled to their most comparable GAAP financial measures, they provide improved comparability between periods through the exclusion of certain items that we believe are not indicative of our core operating performance and that may obscure our underlying business results and trends. These measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP, and our calculations thereof may not be comparable to similarly titled measures reported by other companies. The non-GAAP financial measures we use are as follows:

Refining & Marketing Margin

Refining margin is defined as sales revenue less the cost of refinery inputs and purchased products and excludes other items reflected in the table below.

Reconciliation of Refining & Marketing income from operations to Refining & Marketing gross margin and Refining & Marketing margin

<i>(In millions)</i>	2020	2019	2018
Refining & Marketing income (loss) from operations	\$ (5,189)	\$ 2,856	\$ 2,654
<i>Plus (Less):</i>			
Selling, general and administrative expenses	2,030	2,211	1,479
Income from equity method investments	(2)	(11)	(15)
Net gain on disposal of assets	(1)	(8)	(4)
Other income	(35)	(43)	(125)
Refining & Marketing gross margin	(3,197)	5,005	3,989
<i>Plus (Less):</i>			
Operating expenses (excluding depreciation and amortization)	9,694	10,710	7,406
Depreciation and amortization	1,857	1,780	1,207
Gross margin excluded from Refining & Marketing margin ^(a)	(365)	(621)	(506)
Other taxes included in Refining & Marketing margin	(79)	(11)	(61)
Biodiesel tax credit	—	(93)	—
Refining & Marketing margin	<u>\$ 7,910</u>	<u>\$ 16,770</u>	<u>\$ 12,035</u>

^(a) The gross margin, excluding depreciation and amortization, of operations that support Refining & Marketing such as biodiesel and ethanol ventures, power facilities and processing of credit card transactions.

Speedway Fuel Margin

Speedway fuel margin is defined as the price paid by consumers less the cost of refined products, including transportation, consumer excise taxes and bankcard processing fees (where applicable).

Speedway Merchandise Margin

Speedway merchandise margin is defined as the price paid by consumers less the cost of merchandise.

[Table of Contents](#)**Reconciliation of Speedway income from discontinued operations to Speedway gross margin and Speedway margin**

<i>(In millions)</i>	2020	2019	2018
Income from discontinued operations	\$ 1,587	\$ 1,114	\$ 881
<i>Plus (Less):</i>			
Operating, selling, general and administrative expenses	2,376	2,371	1,753
Income from equity method investments	(93)	(82)	(74)
Net gain on disposal of assets	(1)	(29)	(17)
Other income	(170)	(44)	(7)
Speedway gross margin	3,699	3,330	2,536
<i>Plus (Less):</i>			
Depreciation and amortization	244	413	320
Speedway margin	\$ 3,943	\$ 3,743	\$ 2,856
Speedway margin:			
Fuel margin	\$ 2,043	\$ 1,864	\$ 1,336
Merchandise margin	1,846	1,827	1,486
Other margin	54	52	34
Speedway margin	\$ 3,943	\$ 3,743	\$ 2,856

LIQUIDITY AND CAPITAL RESOURCES**Cash Flows**

Our cash and cash equivalents balance was \$415 million at December 31, 2020 compared to \$1.39 billion at December 31, 2019, excluding \$140 million and \$134 million, respectively, of cash and cash equivalents related to the discontinued operations of Speedway which are included in assets held for sale. Net cash provided by (used in) operating activities, investing activities and financing activities for the past three years is presented in the following table.

<i>(In millions)</i>	2020	2019	2018
Net cash provided by (used in):			
Operating activities	\$ 2,419	\$ 9,441	\$ 6,158
Investing activities	(3,257)	(6,261)	(7,670)
Financing activities	(135)	(3,376)	222
Total	\$ (973)	\$ (196)	\$ (1,290)

Net cash provided by operating activities decreased \$7.02 billion in 2020 compared to 2019, primarily due to a decrease in operating results and an unfavorable change in working capital of \$43 million. Net cash provided by operating activities increased \$3.28 billion in 2019 compared to 2018, primarily due to an increase in operating results, excluding impairment expenses, and a favorable change in working capital of \$978 million. The above changes in working capital exclude changes in short-term debt.

For 2020, changes in working capital were a net \$314 million source of cash, primarily due to the effect of decreases in energy commodity prices and inventory and refined product volumes on working capital. Accounts payable decreased primarily due to lower crude payable prices. Current receivables decreased primarily due to lower crude and refined product receivable prices and refined product volumes. Inventories decreased mainly due to decreases in refined product, crude and materials & supplies inventories.

For 2019, changes in working capital were a net \$357 million source of cash, primarily due to the effect of increases in energy commodity prices and volumes on working capital. Accounts payable increased primarily due to higher crude oil payable price and volumes. Current receivables increased primarily due to

[Table of Contents](#)

increases in crude and refined product receivable volumes and prices. Inventories increased primarily due to increases in refined product and materials & supplies inventories partially offset by a decrease in crude inventory.

For 2018, changes in working capital were a net \$621 million use of cash, primarily due to the effect of decreases in energy commodity prices on working capital. Accounts payable decreased primarily due to lower crude oil payable prices. Inventories decreased primarily due to a decrease in crude and refined product inventories. Current receivables decreased primarily due to lower crude oil receivable prices. All of these effects exclude the working capital acquired in connection with the acquisition of Andeavor.

Cash flows used in investing activities decreased \$3.00 billion in 2020 compared to 2019 and decreased \$1.41 billion in 2019 compared to 2018.

- Cash used for additions to property, plant and equipment was primarily due to spending in our Midstream and Refining & Marketing segments in 2020. See discussion of capital expenditures and investments under the “Capital Spending” section.
- Cash used for acquisitions of \$3.82 billion in 2018 primarily includes cash paid to Andeavor stockholders of \$3.5 billion in connection with the acquisition of Andeavor on October 1, 2018.
- Net investments were a use of cash of \$348 million in 2020 compared to \$966 million in 2019 and \$393 million in 2018. Investments in 2020 are largely due to investments in the South Texas Gateway Terminal, the Gray Oak Pipeline and the Whistler Pipeline. Investments in 2019 are largely due to investments in connection with the Gray Oak Pipeline, which began initial start-up in the fourth quarter, the Wink to Webster Pipeline, the Whistler Pipeline and other Midstream projects.
- Cash provided by disposal of assets totaled \$150 million, \$47 million and \$22 million in 2020, 2019 and 2018, respectively. The increase in 2020 is mainly due to the sale of three asphalt terminals and other Refining & Marketing assets. The increase in 2019 is primarily due to proceeds from the sale of assets in our Retail segment.

The consolidated statements of cash flows exclude changes to the consolidated balance sheets that did not affect cash. A reconciliation of additions to property, plant and equipment to total capital expenditures and investments follows for each of the last three years.

<i>(In millions)</i>	2020	2019	2018
Additions to property, plant and equipment per consolidated statements of cash flows	\$ 2,787	\$ 4,810	\$ 3,179
Asset retirement expenditures	—	1	8
Increase (decrease) in capital accruals	(518)	(303)	268
Total capital expenditures	2,269	4,508	3,455
Investments in equity method investees	485	1,064	409
Total capital expenditures and investments	\$ 2,754	\$ 5,572	\$ 3,864

Financing activities were a use of cash of \$135 million in 2020, a use of cash of \$3.38 billion in 2019 and a source of cash of \$222 million in 2018.

- Long-term debt borrowings and repayments, including debt issuance costs, were a net \$1.65 billion source of cash in 2020 compared to a \$1.18 billion source of cash in 2019 and a \$5.36 billion source of cash in 2018. During 2020, MPC issued \$2.5 billion of senior notes, redeemed \$1.13 billion of senior notes, borrowed and repaid \$4.23 billion under its revolving credit facility, borrowed and repaid \$3.55 billion under its trade receivables facility and had net borrowings of \$1.02 billion under its commercial paper program. MPLX issued \$3.0 billion of senior notes, which were used to repay \$1.0 billion of outstanding borrowings under its term loan, \$1.0 billion of floating rate senior notes and to redeem \$750 million of fixed rate senior notes, and had net borrowings of \$175 million under its revolving credit facility. During 2019, MPLX issued \$2 billion of floating rate notes, the proceeds of which were used to repay various outstanding MPLX borrowings and for general business purposes, and had net borrowings of \$1 billion under its term loan agreement. In addition, MPLX repaid \$500 million of senior notes. During 2018, MPLX issued \$7.75 billion of senior notes, redeemed \$750 million of senior notes, borrowed and repaid \$4.1 billion under a term loan agreement, and borrowed and repaid \$1.41 billion and \$1.92 billion,

[Table of Contents](#)

respectively, under the MPLX Credit Agreement. In addition, MPC redeemed \$600 million of senior notes. See Item 8. Financial Statements and Supplementary Data – Note 22 for additional information on our long-term debt.

- Cash used in common stock repurchases totaled \$1.95 billion in 2019 and \$3.29 billion in 2018. See the “Capital Requirements” section for further discussion of our stock repurchases.
- Cash used in dividend payments totaled \$1.51 billion in 2020, \$1.40 billion in 2019 and \$954 million in 2018. The increase in 2020 is primarily due to an increase in our base dividend, partially offset by a reduction of shares resulting from share repurchases in 2019. The increase in 2019 was primarily due to a net increase in the number of shares outstanding due to the approximate 239.8 million shares issued in connection with the Andeavor acquisition and a \$0.28 per share increase in our base dividend, partially offset by a reduction of shares resulting from share repurchases. Dividends per share were \$2.32 in 2020, \$2.12 in 2019 and \$1.84 in 2018.
- Distributions to noncontrolling interests increased \$342 million in 2019 compared to 2018, primarily due to increases in MPLX units outstanding and MPLX’s distribution per common unit. Distributions to noncontrolling interests included ANDX’s distribution per common unit paid in the first and second quarter of 2019, prior to the merger of ANDX and MPLX, and the fourth quarter of 2018 subsequent to the acquisition of Andeavor on October 1, 2018.

Derivative Instruments

See Item 7A. Quantitative and Qualitative Disclosures about Market Risk for a discussion of derivative instruments and associated market risk.

Capital Resources

MPC, Excluding MPLX

We control MPLX through our ownership of the general partner, however, the creditors of MPLX do not have recourse to MPC’s general credit through guarantees or other financial arrangements. The assets of MPLX can only be used to settle its own obligations and its creditors have no recourse to our assets. Therefore, in the following table, we present the liquidity of MPC, excluding MPLX. MPLX liquidity is discussed in the following section.

Our liquidity, excluding MPLX, totaled \$7.3 billion at December 31, 2020 consisting of:

<i>(In millions)</i>	December 31, 2020		
	Total Capacity	Outstanding Borrowings	Available Capacity
Bank revolving credit facility ^(a)	\$ 5,000	\$ 1	\$ 4,999
364 day bank revolving credit facility	1,000	—	1,000
364 day bank revolving credit facility ^(b)	1,000	—	1,000
Trade receivables facility ^(c)	750	—	750
Commercial paper borrowings ^(d)	—	—	(1,024)
Total	<u>\$ 7,750</u>	<u>\$ 1</u>	<u>\$ 6,725</u>
Cash and cash equivalents ^(e)			<u>540</u>
Total liquidity			<u>\$ 7,265</u>

^(a) Outstanding borrowings include \$1 million in letters of credit outstanding under this facility. Excludes MPLX’s \$3.5 billion bank revolving credit facility, which had \$175 million borrowings and no of letters of credit outstanding as of December 31, 2020.

^(b) In February 2021, we elected to cancel one of the \$1.0 B 364-day revolving credit agreements prior to its maturity in April 2021.

^(c) Availability under our \$750 million trade receivables facility is a function of eligible trade receivables, which will be lower in a sustained lower price environment for refined products.

^(d) We do not intend to have outstanding commercial paper borrowings in excess of available capacity under bank revolving credit facilities.

^(e) Includes cash and cash equivalents classified as assets held for sale of \$140 million (see Item 8. Financial Statements and Supplementary Data – Note 5) and excludes \$15 million of MPLX cash and cash equivalents.

Because of the alternatives available to us, including internally generated cash flow and access to capital markets, including a commercial paper program, we believe that our short-term and long-term liquidity is adequate to fund not only our current operations, but also our near-term and long-term funding requirements, including capital spending programs, dividend payments, defined benefit plan contributions,

[Table of Contents](#)

repayment of debt maturities and other amounts that may ultimately be paid in connection with contingencies. During the year ended December 31, 2020, share repurchases were temporarily suspended, which has helped preserve our liquidity during the COVID-19 pandemic. The timing and amount of future repurchases will depend upon several factors, including market and business conditions, and such repurchases may be initiated, suspended or discontinued at any time.

On August 2, 2020, we entered into a definitive agreement to sell Speedway, our company-owned and operated retail transportation fuel and convenience store business, to 7-Eleven for \$21 billion in cash, subject to certain adjustments based on the levels of cash, debt and working capital at closing and certain other items. The taxable transaction is targeted to close in the first quarter of 2021, subject to customary closing conditions and the receipt of regulatory approvals. This transaction is expected to result in after-tax cash proceeds of approximately \$16.5 billion. The company expects to use the proceeds from the sale to strengthen the balance sheet and return capital to shareholders.

Additionally, we have recorded an income tax receivable within other current assets in our balance sheet of approximately \$2.1 billion which is expected to be received during the second half of 2021.

We established a commercial paper program that allows us to have a maximum of \$2 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 our bank revolving credit facilities. At December 31, 2020, we had \$1.02 billion outstanding under the commercial paper program, which matures on various dates in the first quarter of 2021.

On September 23, 2020, MPC entered into a 364-day credit agreement with a syndicate of lenders. This revolving credit agreement provides for a \$1.0 billion unsecured revolving credit facility that matures in September 2021, and replaces a similar 364-day revolving credit agreement that expired on September 28, 2020.

On April 27, 2020, MPC entered into a 364-day revolving credit agreement that provided for a \$1.0 billion unsecured revolving credit facility that was scheduled to mature in April 2021. In February 2021, we elected to terminate this credit agreement. This facility provided MPC additional liquidity and financial flexibility during the then ongoing commodity price and demand downturn. We no longer believe the facility is necessary as an additional source for liquidity, and we do not intend to replace it. No early termination fees were incurred by MPC in connection with the termination of this credit agreement.

On April 27, 2020, we closed on the issuance of \$2.5 billion in aggregate principal amount of senior notes in a public offering, consisting of \$1.25 billion aggregate principal amount of 4.500% unsecured senior notes due May 2023 and \$1.25 billion aggregate principal amount of 4.700% unsecured senior notes due May 2025. MPC used the net proceeds from this offering to repay amounts outstanding under its five-year revolving credit facility.

The MPC credit agreements and our trade receivables facility contain representations and warranties, affirmative and negative covenants and events of default that we consider usual and customary for agreements of these types. The financial covenant requires us to maintain, as of the last day of each fiscal quarter, a ratio of Consolidated Net Debt to Total Capitalization (as defined in the MPC credit agreements) of no greater than 0.65 to 1.00. Other covenants restrict us and/or certain of our subsidiaries from incurring debt, creating liens on assets and entering into transactions with affiliates. As of December 31, 2020, we were in compliance with the covenants contained in the MPC credit agreements and our trade receivables facility, including the financial covenant with a ratio of Consolidated Net Debt to Total Capitalization of 0.37 to 1.00.

Our intention is to maintain an investment-grade credit profile. As of February 1, 2021, the credit ratings on our senior unsecured debt are as follows.

<u>Company</u>	<u>Rating Agency</u>	<u>Rating</u>
MPC	Moody's	Baa2 (negative outlook)
	Standard & Poor's	BBB (negative outlook)
	Fitch	BBB (negative outlook)

The ratings reflect the respective views of the rating agencies. Although it is our intention to maintain a credit profile that supports an investment-grade rating, there is no assurance that these ratings will continue

[Table of Contents](#)

for any given period of time. The ratings may be revised or withdrawn entirely by the rating agencies if, in their respective judgments, circumstances so warrant.

None of the MPC credit agreements or our trade receivables facility or senior notes contains credit rating triggers that would result in the acceleration of interest, principal or other payments in the event that our credit ratings are downgraded. However, any downgrades of our senior unsecured debt could increase the applicable interest rates, yields and other fees payable under such agreements and may limit our flexibility to obtain financing in the future, including to refinance existing indebtedness. In addition, a downgrade of our senior unsecured debt rating to below investment-grade levels could, under certain circumstances, decrease the amount of trade receivables that are eligible to be sold under our trade receivables facility, impact our ability to purchase crude oil on an unsecured basis and could result in us having to post letters of credit under existing transportation services or other agreements.

See Item 8. Financial Statements and Supplementary Data – Note 22 for further discussion of our debt.

MPLX

MPLX's liquidity totaled \$4.84 billion at December 31, 2020 consisting of:

<i>(In millions)</i>	December 31, 2019		
	Total Capacity	Outstanding Borrowings	Available Capacity
MPLX bank revolving credit facility	\$ 3,500	\$ 175	\$ 3,325
MPC intercompany loan agreement	1,500	—	1,500
Total	<u>\$ 5,000</u>	<u>\$ 175</u>	<u>\$ 4,825</u>
Cash and cash equivalents			15
Total liquidity			<u>\$ 4,840</u>

On August 18, 2020, MPLX issued \$3.0 billion aggregate principal amount of senior notes in a public offering, consisting of \$1.5 billion aggregate principal amount of 1.750% senior notes due March 2026 and \$1.5 billion aggregate principal amount of 2.650% senior notes due August 2030. The net proceeds were used to repay \$1.0 billion of outstanding borrowings under the MPLX term loan agreement, to repay the \$1.0 billion floating rate senior notes due September 2021, to redeem all of the \$300 million aggregate principal amount of MPLX's 6.250% senior notes due October 2022 and to redeem the \$450 million aggregate principal amount of 6.375% senior notes due May 2024, including the portion of such notes issued by ANDX. The remaining proceeds were used for general business purposes.

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. The financial covenant 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. Other covenants restrict MPLX and/or certain of its subsidiaries from incurring debt, creating liens on assets and entering into transactions with affiliates. As of December 31, 2020, MPLX was in compliance with the covenants, including the financial covenant with a ratio of Consolidated Total Debt to Consolidated EBITDA of 3.8 to 1.0.

Our intention is to maintain an investment-grade credit profile for MPLX. As of February 1, 2021, the credit ratings on MPLX's senior unsecured debt are as follows.

<u>Company</u>	<u>Rating Agency</u>	<u>Rating</u>
MPLX	Moody's	Baa2 (negative outlook)
	Standard & Poor's	BBB (negative outlook)
	Fitch	BBB (negative outlook)

The ratings reflect the respective views of the rating agencies. Although it is our intention to maintain a credit profile that supports an investment-grade rating for MPLX, there is no assurance that these ratings

[Table of Contents](#)

will continue for any given period of time. The ratings may be revised or withdrawn entirely by the rating agencies if, in their respective judgments, circumstances so warrant.

Neither the MPLX credit agreement or term loan agreement contains credit rating triggers that would result in the acceleration of interest, principal or other payments in the event that MPLX credit ratings are downgraded. However, any downgrades of MPLX senior unsecured debt could increase the applicable interest rates, yields and other fees payable under such agreements. In addition, a downgrade of MPLX senior unsecured debt ratings to below investment-grade levels may limit MPLX's ability to obtain future financing, including to refinance existing indebtedness.

See Item 8. Financial Statements and Supplementary Data – Note 22 for further discussion of MPLX's debt.

Capital Requirements

Capital Spending

MPC's capital investment plan for 2021 totals approximately \$1.4 billion for capital projects and investments, excluding capitalized interest, potential acquisitions and MPLX's capital investment plan. MPC's 2021 capital investment plan includes all of the planned capital spending for Refining & Marketing, and Corporate as well as a portion of the planned capital investments in Midstream and Speedway's capital spending for the first quarter which is now reported separately as discontinued operations. The remainder of the planned capital spending for Midstream reflects the capital investment plan for MPLX. We continuously evaluate our capital plan and make changes as conditions warrant. The 2021 capital investment plan for MPC and MPLX and capital expenditures and investments for each of the last three years are summarized by segment below.

<i>(In millions)</i>	2021 Plan	2020	2019	2018
Capital expenditures and investments: ^(a)				
MPC, excluding MPLX				
Refining & Marketing	\$ 1,050	\$ 1,170	\$ 2,045	\$ 1,077
Midstream - Other	50	221	360	70
Corporate and Other ^(b)	150	80	100	77
Total MPC, excluding MPLX	<u>\$ 1,250</u>	<u>\$ 1,471</u>	<u>\$ 2,505</u>	<u>\$ 1,224</u>
MPC discontinued operations - Speedway	\$ 150	\$ 277	\$ 561	\$ 440
Midstream - MPLX ^(c)	\$ 1,000	\$ 1,177	\$ 2,930	\$ 2,560

^(a) Capital expenditures exclude changes in capital accruals.

^(b) Excludes capitalized interest of \$106 million, \$137 million and \$80 million for 2020, 2019 and 2018, respectively. The 2021 capital investment plan excludes capitalized interest.

^(c) The MPLX capital investment plan excludes project reimbursements paid by MPC to MPLX and return of capital from MPLX's joint venture partners.

Refining & Marketing

The Refining & Marketing segment's forecasted 2021 capital spending and investments is approximately \$1.05 billion. This amount includes approximately \$800 million of growth capital focused on on-going projects, such as the first phase of the Martinez facility conversion, the STAR project, and projects that we expect will help us reduce future operating costs. Maintenance capital is expected to be \$250 million.

Major capital projects completed over the last three years have prepared us to increase our diesel production, process light crude oil, increase our export capabilities and meet the transportation fuel regulatory mandate (Tier 3 fuel standards). In addition, the STAR investment project at our Galveston Bay refinery is progressing according to plan and is scheduled to complete in 2022.

Midstream

MPLX's capital investment plan includes \$800 million of organic growth capital and approximately \$200 million of maintenance capital. This growth plan is focused on investments in projects that deliver the highest returns as we continue to optimize our assets. These investments are focused on crude oil and natural gas logistics systems to transport products from the Permian to the U.S. Gulf Coast and increase our

Table of Contents

export capabilities. This provides for additional flexibility and competitive advantages in how we operate our assets as these projects further enhance our full value chain capture. Other investments include the addition of approximately 400 MMcf/d of processing capacity at two gas processing plants, one in the Marcellus region which is expected to be completed in 2021, and one in the Southwest region, which is expected to be completed in 2022.

Major capital projects over the last three years included investments for the development of natural gas and natural gas liquids infrastructure to support MPLX's producer customers, primarily in the Marcellus, Utica and Permian regions and development of various crude oil and refined petroleum products infrastructure projects.

The remaining Midstream segment's forecasted 2021 capital spend, excluding MPLX, is approximately \$50 million which primarily relates to investments in equity affiliates.

Corporate and Other

The 2021 capital forecast includes approximately \$150 million to support corporate activities. Major projects over the last three years included upgrades to information technology systems.

Speedway

Speedway's 2021 capital forecast for the first quarter of approximately \$150 million is focused on new store growth in existing and new markets, commercial fueling/diesel expansion, food service through store remodels and equipment replacement/store maintenance.

Major capital projects over the last three years included converting recently acquired locations to the Speedway brand and systems, building new store locations, remodeling and rebuilding existing locations in core markets and building out our network of commercial fueling lane locations to capitalize on diesel demand growth.

Dividends

On January 29, 2021, we announced our board of directors approved a \$0.58 per share dividend, payable March 10, 2021 to shareholders of record at the close of business on February 17, 2021.

Share Repurchases

During the year ended December 31, 2020, share repurchases were temporarily suspended, which has helped preserve our liquidity during the COVID-19 pandemic. The timing and amount of future repurchases will depend upon several factors, including market and business conditions, and such repurchases may be initiated, suspended or discontinued at any time. Since January 1, 2012, our board of directors has approved \$18.0 billion in total share repurchase authorizations and we have repurchased a total of \$15.0 billion of our common stock, leaving approximately \$3.0 billion available for repurchases as of December 31, 2020. Under these authorizations, we have acquired 327 million shares at an average cost per share of \$46.05. The table below summarizes our total share repurchases. See Item 8. Financial Statements and Supplementary Data – Note 12 for further discussion of the share repurchase plans.

(In millions, except per share data)

	2020	2019	2018
Number of shares repurchased	—	34	47
Cash paid for shares repurchased	\$ —	\$ 1,950	\$ 3,287
Average cost per share	\$ —	\$ 58.87	\$ 69.46

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.

MPLX Unit Repurchases

On November 2, 2020, MPLX announced the board authorization of a unit repurchase program for the repurchase of up to \$1 billion of MPLX's outstanding common units held by the public. MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, tender offers, accelerated unit repurchases or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of repurchases will depend upon

[Table of Contents](#)

several factors, including market and business conditions, and repurchases may be initiated, suspended or discontinued at any time. The repurchase authorization has no expiration date.

During the year ended December 31, 2020, 1,473,843 MPLX common units had been repurchased at an average cost per unit of \$22.29. Total cash paid for units repurchased during the year was \$33 million and \$967 million remained outstanding on the program for future repurchases as of December 31, 2020. As of December 31, 2020, MPLX had agreements to acquire 99,406 additional common units for \$2 million, which settled in early January 2021.

Other Capital Requirements

In 2020, we made contributions totaling \$3 million to our funded pension plans. For 2021, we have \$65 million of required funding and we may make voluntary contributions to our funded pension plans at our discretion.

We have \$1.0 billion of 5.125 percent senior notes due in March 2021 that will be paid utilizing existing resources.

As of December 31, 2020, \$141 million of restructuring expenses were accrued as restructuring reserves in our consolidated balance sheet and we expect cash payments for the majority of these reserves to occur within the next nine months.

We may, from time to time, repurchase notes in the open market, in tender offers, in privately-negotiated transactions or otherwise in such volumes, at such prices and upon such other terms as we deem appropriate.

[Table of Contents](#)

Contractual Cash Obligations

The table below provides aggregated information on our consolidated obligations to make future payments under existing contracts as of December 31, 2020. The contractual obligations detailed below do not include our contractual obligations to MPLX under various fee-based commercial agreements as these transactions are eliminated in the consolidated financial statements.

<i>(In millions)</i>	Total	2021	2022-2023	2024-2025	Later Years
Long-term debt ^(a)	\$ 48,061	\$ 4,069	\$ 7,514	\$ 7,233	\$ 29,245
Finance lease obligations ^(b)	853	91	200	160	402
Operating lease obligations	1,665	544	616	281	224
Purchase obligations: ^(c)					
Crude oil, feedstock, refined product and renewable fuel contracts ^(d)	11,504	10,657	596	207	44
Transportation and related contracts	5,998	768	1,685	1,408	2,137
Contracts to acquire property, plant and equipment	1,682	1,580	100	2	—
Service, materials and other contracts ^(e)	5,096	1,315	1,160	883	1,738
Total purchase obligations	24,280	14,320	3,541	2,500	3,919
Other long-term liabilities reported in the consolidated balance sheet ^(f)	1,734	261	518	522	433
Total contractual cash obligations	\$ 76,593	\$ 19,285	\$ 12,389	\$ 10,696	\$ 34,223

^(a) Includes interest payments of \$16.59 billion for our senior notes and the MPLX senior notes, commitment and administrative fees for our credit agreements, the MPLX credit agreement and term loan agreement and our trade receivables facility.

^(b) Finance lease obligations represent future minimum payments.

^(c) Includes both short- and long-term purchases obligations.

^(d) These contracts include variable price arrangements. For purposes of this disclosure we have estimated prices to be paid primarily based on futures curves for the commodities to the extent available.

^(e) Primarily includes contracts to purchase services such as utilities, supplies and various other maintenance and operating services.

^(f) Primarily includes obligations for pension and other postretirement benefits including medical and life insurance, which we have estimated through 2030. See Item 8. Financial Statements and Supplementary Data – Note 26.

Off-Balance Sheet Arrangements

Off-balance sheet arrangements comprise those arrangements that may potentially impact our liquidity, capital resources and results of operations, even though such arrangements are not recorded as liabilities under accounting principles generally accepted in the United States. Our off-balance sheet arrangements are limited to indemnities and guarantees that are described below. Although these arrangements serve a variety of our business purposes, we are not dependent on them to maintain our liquidity and capital resources, and we are not aware of any circumstances that are reasonably likely to cause the off-balance sheet arrangements to have a material adverse effect on liquidity and capital resources.

We have provided various guarantees related to equity method investees. In conjunction with our spinoff from Marathon Oil, we entered into various indemnities and guarantees to Marathon Oil. These arrangements are described in Item 8. Financial Statements and Supplementary Data – Note 29.

TRANSACTIONS WITH RELATED PARTIES

We believe that transactions with related parties were conducted on terms comparable to those with unaffiliated parties. See Item 8. Financial Statements and Supplementary Data – Note 10 for discussion of activity with related parties.

ENVIRONMENTAL MATTERS AND COMPLIANCE COSTS

We have incurred and may continue to incur substantial capital, operating and maintenance, and remediation expenditures as a result of environmental laws and regulations. If these expenditures, as with all costs, are not ultimately reflected in the prices of our products and services, our operating results will be adversely affected. We believe that substantially all of our competitors must comply with similar environmental laws and regulations. However, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities, marketing areas, production processes and whether it is also engaged in the petrochemical business or the marine transportation of crude oil and refined products.

Legislation and regulations pertaining to fuel specifications, climate change and greenhouse gas emissions have the potential to materially adversely impact our business, financial condition, results of operations and cash flows, including costs of compliance and permitting delays. The extent and magnitude of these adverse impacts cannot be reliably or accurately estimated at this time because specific regulatory and legislative requirements have not been finalized and uncertainty exists with respect to the measures being considered, the costs and the time frames for compliance, and our ability to pass compliance costs on to our customers.

Our environmental expenditures, including non-regulatory expenditures, for each of the last three years were:

<i>(In millions)</i>	2020	2019	2018
Capital	\$ 121	\$ 528	\$ 360
Compliance: ^(a)			
Operating and maintenance	469	547	493
Remediation ^(b)	40	56	31
Total	<u>\$ 630</u>	<u>\$ 1,131</u>	<u>\$ 884</u>

^(a) Based on the American Petroleum Institute's definition of environmental expenditures.

^(b) These amounts include spending charged against remediation reserves, where permissible, but exclude non-cash provisions recorded for environmental remediation.

We accrue for environmental remediation activities when the responsibility to remediate is probable and the amount of associated costs can be reasonably estimated. As environmental remediation matters proceed toward ultimate resolution or as additional remediation obligations arise, charges in excess of those previously accrued may be required.

New or expanded environmental requirements, which could increase our environmental costs, may arise in the future. It is not possible to predict all of the ultimate costs of compliance, including remediation costs that may be incurred and penalties that may be imposed.

Our environmental capital expenditures accounted for 6 percent, 12 percent and 11 percent of capital expenditures, for 2020, 2019 and 2018, respectively, excluding acquisitions. Our environmental capital expenditures are expected to approximate \$39 million, or 2 percent, of total planned capital expenditures in 2021. Actual expenditures may vary as the number and scope of environmental projects are revised as a result of improved technology or changes in regulatory requirements and could increase if additional projects are identified or additional requirements are imposed.

For more information on environmental regulations that impact us, or could impact us, see Item 1. Business – Regulatory Matters and Item 1A. Risk Factors.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with GAAP requires us 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. Accounting estimates are considered to be critical if (1) the nature of the estimates and assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change; and (2) the impact of the estimates and assumptions on financial condition or operating performance is material. Actual results could differ from the estimates and assumptions used.

Fair Value Estimates

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three approaches for measuring the fair value of assets and liabilities: the market approach, the income approach and the cost approach, each of which includes multiple valuation techniques. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to measure fair value by converting future amounts, such as cash flows or earnings, into a single present value amount using current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace the service capacity of an asset. This is often referred to as current replacement cost. The cost approach assumes that the fair value would not exceed what it would cost a market participant to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

The fair value accounting standards do not prescribe which valuation technique should be used when measuring fair value and does not prioritize among the techniques. These standards establish a fair value hierarchy that prioritizes the inputs used in applying the various valuation techniques. Inputs broadly refer to the assumptions that market participants use to make pricing decisions, including assumptions about risk. Level 1 inputs are given the highest priority in the fair value hierarchy while Level 3 inputs are given the lowest priority. The three levels of the fair value hierarchy are as follows:

- Level 1 – Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets as of the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data. These are inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the measurement date.
- Level 3 – Unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

Valuation techniques that maximize the use of observable inputs are favored. Assets and liabilities are classified in their entirety based on the lowest priority level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities within the levels of the fair value hierarchy. We use an income or market approach for recurring fair value measurements and endeavor to use the best information available. See Item 8. Financial Statements and Supplementary Data – Note 20 for disclosures regarding our fair value measurements.

Significant uses of fair value measurements include:

- assessment of impairment of long-lived assets;
- assessment of impairment of intangible assets;
- assessment of impairment of goodwill;
- assessment of impairment of equity method investments;
- recorded values for assets acquired and liabilities assumed in connection with acquisitions; and
- recorded values of derivative instruments.

Impairment Assessments of Long-Lived Assets, Intangible Assets, Goodwill and Equity Method Investments

Fair value calculated for the purpose of testing our long-lived assets, intangible assets, goodwill and equity method investments for impairment is estimated using the expected present value of future cash flows method and comparative market prices when appropriate. Significant judgment is involved in performing these fair value estimates since the results are based on forecasted financial information prepared using significant assumptions including:

- *Future operating performance.* Our estimates of future operating performance are based on our analysis of various supply and demand factors, which include, among other things, industry-wide capacity, our planned utilization rate, end-user demand, capital expenditures and economic conditions. Such estimates are consistent with those used in our planning and capital investment reviews.
- *Future volumes.* Our estimates of future refinery, pipeline throughput and natural gas and natural gas liquid processing volumes are based on internal forecasts prepared by our Refining & Marketing and Midstream segments operations personnel. Assumptions about the effects of COVID-19 on our future volumes are inherently subjective and contingent upon the duration of the pandemic, which is difficult to forecast.
- *Discount rate commensurate with the risks involved.* We apply a discount rate to our cash flows based on a variety of factors, including market and economic conditions, operational risk, regulatory risk and political risk. This discount rate is also compared to recent observable market transactions, if possible. A higher discount rate decreases the net present value of cash flows.
- *Future capital requirements.* These are based on authorized spending and internal forecasts.

Assumptions about the effects of COVID-19 and the macroeconomic environment are inherently subjective and contingent upon the duration of the pandemic and its impact on the macroeconomic environment, which is difficult to forecast. We base our fair value estimates on projected financial information which we believe to be reasonable. However, actual results may differ from these projections.

The need to test for impairment can be based on several indicators, including a significant reduction in prices of or demand for products produced, a weakened outlook for profitability, a significant reduction in pipeline throughput volumes, a significant reduction in natural gas or natural gas liquids processed, a significant reduction in refining margins, other changes to contracts or changes in the regulatory environment. The following sections detail our critical accounting estimates related to impairment assessments for long-lived assets, goodwill and equity method investments.

Long-lived Asset Impairment Assessments

Long-lived assets used in operations are assessed for impairment whenever changes in facts and circumstances indicate that the carrying value of the assets may not be recoverable based on the expected undiscounted future cash flow of an asset group. For purposes of impairment evaluation, long-lived assets must be grouped at the lowest level for which independent cash flows can be identified, which generally is the refinery and associated distribution system level for Refining & Marketing segment assets, and the plant level or pipeline system level for Midstream segment assets. If the sum of the undiscounted estimated pretax cash flows is less than the carrying value of an asset group, fair value is calculated, and the carrying value is written down to the calculated fair value. The Company's consolidated long-lived asset balance was \$43 billion as of December 31, 2020.

During the first quarter of 2020, we identified long-lived asset impairment triggers relating to all of our refinery asset groups within the Refining & Marketing segment as a result of decreases to the Refining & Marketing segment expected future cash flows. The cash flows associated with these assets were significantly impacted by the effects of COVID-19 and commodity price declines. We assessed each refinery asset group for impairment by comparing the undiscounted estimated pretax cash flows to the carrying value of each asset group. Of the 16 refinery asset groups, only the Gallup refinery's carrying value exceeded its undiscounted estimated pretax cash flows. It was determined that the fair value of the Gallup refinery's property, plant and equipment was less than the carrying value. As a result, we recorded a charge of \$142 million in the first quarter of 2020 to impairment expense on the consolidated statements of income. The fair value measurements for the Gallup refinery assets represent Level 3 measurements.

[Table of Contents](#)

During the second quarter of 2020, we identified long-lived asset impairment triggers relating to all of our refinery asset groups within the Refining & Marketing segment, except the Gallup refinery which had been impaired in the first quarter, as a result of continued macroeconomic developments impacting the Refining & Marketing segment expected future cash flows. All of these refinery asset groups undiscounted estimated pretax cash flows exceeded the carrying value by at least 17 percent.

On August 3, 2020, we announced our plans to evaluate possibilities to strategically reposition our Martinez refinery, including the potential conversion of the refinery into a renewable diesel facility. Subsequent to August 3, 2020, we progressed activities associated with the conversion of the Martinez refinery to a renewable diesel facility, including applying for permits, advancing discussions with feedstock suppliers, and beginning detailed engineering activities. As envisioned, the Martinez facility would start producing approximately 260 million gallons per year of renewable diesel by the second half of 2022, with a potential to build to full capacity of approximately 730 million gallons per year by the end of 2023. As a result of the progression of these activities, we identified assets that would be repurposed and utilized in a renewable diesel facility configuration and assets that would be abandoned since they had no function in a renewable diesel facility configuration. This change in our intended use for the Martinez refinery is a long-lived asset impairment trigger for the assets that would be repurposed and remain as part of the Martinez asset group. We assessed the asset group for impairment by comparing the undiscounted estimated pretax cash flows to the carrying value of the asset group and the undiscounted estimated pretax cash flows exceeded the Martinez asset group carrying value. We recorded impairment expense of \$342 million for the abandoned assets as we are no longer using these assets and have no expectation to use these assets in the future. Additionally, as a result of our efforts to progress the conversion of Martinez refinery into a renewable diesel facility, MPLX cancelled in-process capital projects related to its Martinez refinery logistics operations resulting in impairments of \$27 million in the third quarter.

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

The determination of undiscounted estimated pretax cash flows for our long-lived asset impairment tests utilized significant assumptions including management's best estimates of the expected future cash flows, allocation of certain Refining & Marketing segment cash flows to the individual refineries, the estimated useful lives of the asset groups, and the salvage values of the refineries. The determinations of expected future cash flows and the salvage values of refineries require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of our impairment analysis will prove to be an accurate prediction of the future. Should our assumptions significantly change in future periods, it is possible we may determine the carrying values of additional refinery asset groups exceed the undiscounted estimated pretax cash flows of their refinery asset groups, which would result in future impairment charges.

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

[Table of Contents](#)

impairment analysis will prove to be an accurate prediction of the future. The fair value measurements for the asset group fair values represent Level 3 measurements.

Goodwill Impairment Assessments

Unlike long-lived assets, goodwill is subject to annual, or more frequent if necessary, impairment testing at the reporting unit level. A goodwill impairment loss is measured as the amount by which a reporting unit's carrying value exceeds its fair value, without exceeding the recorded amount of goodwill. As of December 31, 2020, we had a total of \$8.26 billion of goodwill recorded on our consolidated balance sheet, which was associated with four of our eight reporting units. An additional reporting unit, Speedway, has goodwill of \$4.4 billion and is reported within assets held for sale on our consolidated balance sheets.

The outbreak of COVID-19, its development into a pandemic and the decline in commodity prices during the first quarter of 2020 had significant effects on our business. See "Business Update" in Item 1. Business above. Due to these developments, we performed impairment assessments during the first quarter of 2020 as discussed further below.

Prior to performing our goodwill impairment assessment as of March 31, 2020, we had goodwill totaling approximately \$20 billion associated with eight of our 10 reporting units. As part of this assessment, we recorded goodwill impairment of \$7.33 billion in the first quarter of 2020 related to our Refining & Marketing and MPLX's Eastern Gathering & Processing reporting units. The Refining & Marketing and Eastern Gathering & Processing reporting units recorded goodwill impairment charges of \$5.52 billion and \$1.81 billion, respectively, which fully impaired both reporting units' historical goodwill balances. These goodwill impairment expenses are primarily driven by the effects of COVID-19, the decline in commodity prices and the slowing of drilling activity which has reduced production growth forecasts from MPLX's producer customers. For the remaining six reporting units with goodwill, we determined that no significant adjustments to the carrying value of goodwill were necessary. The impairment assessment performed as of March 31, 2020 resulted in the fair value of the reporting units exceeding their carrying value by percentages ranging from approximately 8.5 percent to 270.0 percent. MPLX's Crude Gathering reporting unit had goodwill totaling \$1.1 billion at March 31, 2020 and MPLX's fair value estimate for this reporting unit exceeded the reporting unit carrying value by 8.5 percent. The operations that make up this reporting unit were acquired by MPLX when it acquired ANDX. We accounted for the October 1, 2018 acquisition of Andeavor (through which we acquired control of ANDX), using the acquisition method of accounting, which required Andeavor assets and liabilities to be recorded at the acquisition date fair value. As such, given the short amount of time from when fair value was established to the date of the impairment test, the amount by which the fair value exceeded the carrying value within this reporting unit is not unexpected. An increase of one percentage point to the discount rate used to estimate the fair value of this reporting unit would not have resulted in goodwill impairment as of March 31, 2020. No other reporting units had fair values exceeding carrying values of less than 20 percent.

Prior to performing our annual impairment assessment as of November 30, 2020, MPC had goodwill totaling approximately \$8.26 billion associated with four reporting units. Additionally, a fifth reporting unit, Speedway, is reported in assets held for sale in our consolidated balance sheets and has \$4.4 billion of goodwill. Management performed a qualitative assessment for three reporting units as we determined it was more likely than not that the fair values of the reporting units exceeded the carrying values. A quantitative assessment was last performed on these reporting units either on November 30, 2019 or March 31, 2020 and these reporting units' fair values exceeded carrying values by a range of approximately 90 percent to 270 percent. A quantitative assessment was performed for the remaining two reporting units which resulted in the fair value of the reporting units exceeding their carrying value by percentages ranging from approximately 9 percent to 42 percent. The reporting unit whose fair value exceeded its carrying amount by 9 percent, our Crude Gathering Reporting unit, had goodwill totaling \$1.1 billion at December 31, 2020. The excess fair value over carrying value for this reporting unit is consistent with prior assessments. An increase of one percentage point to the discount rate used to estimate the fair value of this reporting unit would not have resulted in goodwill impairment as of November 30, 2020.

Significant assumptions used to estimate the reporting units' fair value included estimates of future cash flows and market information for comparable assets. If estimates for future cash flows, which are impacted by future margins on products produced or sold, future volumes, and capital requirements, were to decline, the overall reporting units' fair values would decrease, resulting in potential goodwill impairment charges. Fair value determinations require considerable judgment and are sensitive to changes in underlying

assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the impairment tests will prove to be an accurate prediction of the future.

Equity Method Investment Impairment Assessment

Equity method investments are assessed for impairment whenever factors indicate an other than temporary loss in value. Factors providing evidence of such a loss include the fair value of an investment that is less than its carrying value, absence of an ability to recover the carrying value or the investee's inability to generate income sufficient to justify our carrying value. During the first quarter of 2020, we recorded \$1.32 billion of equity method investment impairment charges to income from equity method investments in the consolidated statements of income. The impairment charges primarily related to MPLX recording an other than temporary impairment totaling \$1.26 billion, of which \$1.25 billion related to MarkWest Utica EMG, L.L.C and its investment in Ohio Gathering Company, L.L.C. The fair value of the investments was determined based upon applying the discounted cash flow method, which is an income approach. The discounted cash flow fair value estimate is based on known or knowable information at the interim measurement date. The significant assumptions that were used to develop the estimate of the fair value under the discounted cash flow method include management's best estimates of the expected future cash flows, including prices and volumes, the weighted average cost of capital and the long-term growth rate. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As such, the fair value of these equity method investments represents a Level 3 measurement. As a result, there can be no assurance that the estimates and assumptions made for purposes of the impairment test will prove to be an accurate prediction of the future. The impairment was recorded through "Income from equity method investments." The impairments were largely due to a reduction in forecasted volumes gathered and processed by the systems operated by the joint ventures. At December 31, 2020, we had \$5.42 billion of investments in equity method investments recorded on our consolidated balance sheet.

An estimate of the sensitivity to net income resulting from impairment calculations is not practicable, given the numerous assumptions (e.g., pricing, volumes and discount rates) that can materially affect our estimates. That is, unfavorable adjustments to some of the above listed assumptions may be offset by favorable adjustments in other assumptions.

See Item 8. Financial Statements and Supplementary Data – Note 17 for additional information on our equity method investments. See Item 8. Financial Statements and Supplementary Data – Note 19 for additional information on our goodwill and intangibles, including a table summarizing our recorded goodwill by segment.

Acquisitions

In accounting for business combinations, acquired assets, assumed liabilities and contingent consideration are recorded based on estimated fair values as of the date of acquisition. The excess or shortfall of the purchase price when compared to the fair value of the net tangible and identifiable intangible assets acquired, if any, is recorded as goodwill or a bargain purchase gain, respectively. A significant amount of judgment is involved in estimating the individual fair values of property, plant and equipment, intangible assets, contingent consideration and other assets and liabilities. We use all available information to make these fair value determinations and, for certain acquisitions, engage third-party consultants for valuation assistance.

The fair value of assets and liabilities, including contingent consideration, as of the acquisition date are often estimated using a combination of approaches, including the income approach, which requires us to project future cash flows and apply an appropriate discount rate; the cost approach, which requires estimates of replacement costs and depreciation and obsolescence estimates; and the market approach which uses market data and adjusts for entity-specific differences. The estimates used in determining fair values are based on assumptions believed to be reasonable but which are inherently uncertain. Accordingly, actual results may differ materially from the projected results used to determine fair value.

See Item 8. Financial Statements and Supplementary Data – Note 8 for additional information on our acquisitions. See Item 8. Financial Statements and Supplementary Data – Note 20 for additional information on fair value measurements.

Derivatives

We record all derivative instruments at fair value. Substantially all of our commodity derivatives are cleared through exchanges which provide active trading information for identical derivatives and do not require any assumptions in arriving at fair value. Fair value estimation for all our derivative instruments is discussed in Item 8. Financial Statements and Supplementary Data – Note 20. Additional information about derivatives and their valuation may be found in Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

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 (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (b) 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 Item 8. Financial Statements and Supplementary Data – Note 9.

Pension and Other Postretirement Benefit Obligations

Accounting for pension and other postretirement benefit obligations involves numerous assumptions, the most significant of which relate to the following:

- the discount rate for measuring the present value of future plan obligations;
- the expected long-term return on plan assets;
- the rate of future increases in compensation levels;
- health care cost projections; and
- the mortality table used in determining future plan obligations.

We utilize the work of third-party actuaries to assist in the measurement of these obligations. We have selected different discount rates for each of our pension plans and retiree health and welfare based on the projected benefit payment patterns of each individual plan. The selected rates are compared to various similar bond indices for reasonableness. In determining the assumed discount rates, we use our third-party actuaries' discount rate models. These models calculate an equivalent single discount rate for the projected benefit plan cash flows using yield curves derived from Aa or higher corporate bond yields. The yield curves represent a series of annualized individual spot discount rates from 0.5 to 99 years. The bonds used have an average rating of Aa or higher by a recognized rating agency and generally only non-callable bonds are included. Outlier bonds that have a yield to maturity that deviate significantly from the average yield within each maturity grouping are not included. Each issue is required to have at least \$250 million par value outstanding.

[Table of Contents](#)

Of the assumptions used to measure the year-end obligations and estimated annual net periodic benefit cost, the discount rate has the most significant effect on the periodic benefit cost reported for the plans. Decreasing the discount rates of 2.55 percent for our pension plans and 2.60 percent for our other postretirement benefit plans by 0.25 percent would increase pension obligations and other postretirement benefit plan obligations by \$110 million and \$42 million, respectively, and would increase defined benefit pension expense and other postretirement benefit plan expense by \$15 million and \$3 million, respectively.

The long-term asset rate of return assumption considers the asset mix of the plans (currently targeted at approximately 50 percent equity securities and 50 percent fixed income securities for the primary funded pension plan), past performance and other factors. Certain components of the asset mix are modeled with various assumptions regarding inflation and returns. In addition, our long-term asset rate of return assumption is compared to those of other companies and to historical returns for reasonableness. We used the 6.00 percent long-term rate of return to determine our 2020 defined benefit pension expense. After evaluating activity in the capital markets, along with the current and projected plan investments, we decreased the asset rate of return for our primary plan to 5.75 percent effective for 2021. Decreasing the 5.75 percent asset rate of return assumption by 0.25 percentage points would increase our defined benefit pension expense by \$5 million.

Compensation change assumptions are based on historical experience, anticipated future management actions and demographics of the benefit plans.

Health care cost trend assumptions are developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends.

We utilized the 2020 mortality tables from the U.S. Society of Actuaries.

Item 8. Financial Statements and Supplementary Data – Note 26 includes detailed information about the assumptions used to calculate the components of our annual defined benefit pension and other postretirement plan expense, as well as the obligations and accumulated other comprehensive loss reported on the year-end balance sheets.

ACCOUNTING STANDARDS NOT YET ADOPTED

As discussed in Item 8. Financial Statements and Supplementary Data – Note 3 to our audited consolidated financial statements, certain new financial accounting pronouncements will be effective for our financial statements in the future.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

General

We are exposed to market risks related to the volatility of crude oil and refined product prices. We employ various strategies, including the use of commodity derivative instruments, to hedge the risks related to these price fluctuations. We are also exposed to market risks related to changes in interest rates and foreign currency exchange rates. As of December 31, 2020, we did not have any financial derivative instruments to hedge the risks related to interest rate fluctuations; however, we have used them in the past, and we continually monitor the market and our exposure and may enter into these agreements again in the future. We are at risk for changes in fair value of all of our derivative instruments; however, such risk should be mitigated by price or rate changes related to the underlying commodity or financial transaction.

We believe that our use of derivative instruments, along with our risk assessment procedures and internal controls, does not expose us to material adverse consequences. While the use of derivative instruments could materially affect our results of operations in particular quarterly or annual periods, we believe that the use of these instruments will not have a material adverse effect on our financial position or liquidity.

See Item 8. Financial Statements and Supplementary Data – Notes 20 and 21 for more information about the fair value measurement of our derivatives, as well as the amounts recorded in our consolidated balance sheets and statements of income. We do not designate any of our commodity derivative instruments as hedges for accounting purposes.

Commodity Price Risk

Refining & Marketing

Our strategy is to obtain competitive prices for our products and allow operating results to reflect market price movements dictated by supply and demand. We use a variety of commodity derivative instruments, including futures and options, as part of an overall program to hedge commodity price risk. We also do a limited amount of trading not directly related to our physical transactions.

We use commodity derivative instruments on crude oil and refined product inventories to hedge price risk associated with inventories above or below LIFO inventory targets. We also use derivative instruments related to the acquisition of foreign-sourced crude oil and ethanol blended with refined petroleum products to hedge price risk associated with market volatility between the time we purchase the product and when we use it in the refinery production process or it is blended. In addition, we may use commodity derivative instruments on fixed price contracts for the sale of refined products to hedge risk by converting the refined product sales to market-based prices. The majority of these derivatives are exchange-traded contracts but we also enter into over-the-counter swaps, options and over-the-counter options. We closely monitor and hedge our exposure to market risk on a daily basis in accordance with policies approved by our board of directors. Our positions are monitored daily by a risk control group to ensure compliance with our stated risk management policy.

Midstream

NGL and natural gas prices are volatile and are impacted by changes in fundamental supply and demand, as well as market uncertainty, availability of NGL transportation and fractionation capacity and a variety of additional factors that are beyond MPLX's control. MPLX may at times use a variety of commodity derivative instruments, including futures and options, as part of an overall program to economically hedge commodity price risk. A portion of MPLX's profitability is directly affected by prevailing commodity prices primarily as a result of purchasing and selling NGLs and natural gas at index-related prices. To the extent that commodity prices influence the level of drilling by MPLX producer customers, such prices also indirectly affect profitability. MPLX may enter into derivative contracts, which are primarily swaps traded on the OTC market as well as fixed price forward contracts. MPLX's risk management policy does not allow it to enter into speculative positions with its derivative contracts. Execution of MPLX's hedge strategy and the continuous monitoring of commodity markets and its open derivative positions are carried out by its hedge committee, comprised of members of senior management.

To mitigate MPLX's cash flow exposure to fluctuations in the price of NGLs, it may use NGL derivative swap contracts. A small portion of its NGL price exposure may be managed by using crude oil contracts. To mitigate MPLX's cash flow exposure to fluctuations in the price of natural gas, it may use natural gas

[Table of Contents](#)

derivative swap contracts, taking into account the partial offset of its long and short natural gas positions resulting from normal operating activities.

MPLX would be exposed to additional commodity risk in certain situations such as if producers under-deliver or over-deliver products or if processing facilities are operated in different recovery modes. In the event that MPLX has derivative positions in excess of the product delivered or expected to be delivered, the excess derivative positions may be terminated.

MPLX management conducts a standard credit review on counterparties to derivative contracts, and it has provided the counterparties with a guaranty as credit support for its obligations. MPLX uses standardized agreements that allow for offset of certain positive and negative exposures in the event of default or other terminating events, including bankruptcy.

Open Derivative Positions and Sensitivity Analysis

The following table includes the composition of net losses/gains on our commodity derivative positions for the years ended December 31, 2020 and 2019, respectively.

<i>(In millions)</i>	2020	2019
Realized gain (loss) on settled derivative positions	\$ 69	\$ 48
Unrealized loss on open net derivative positions	38	(144)
Net loss	<u>\$ 107</u>	<u>\$ (96)</u>

See Item 8. Financial Statements and Supplementary Data – Note 21 for additional information on our open derivative positions at December 31, 2020.

Sensitivity analysis of the incremental effects on income from operations (“IFO”) of hypothetical 10 percent and 25 percent increases and decreases in commodity prices for open commodity derivative instruments as of December 31, 2020 is provided in the following table.

<i>(In millions)</i>	Change in IFO from a Hypothetical Price Increase of		Change in IFO from a Hypothetical Price Decrease of	
	10%	25%	10%	25%
As of December 31, 2020				
Crude	\$ 32	\$ 80	\$ (32)	\$ (80)
Refined products	24	61	(24)	(61)
Blending products	(3)	(8)	3	8
Soybean oil	(8)	(19)	8	19
Embedded derivatives	(6)	(16)	6	16

We remain at risk for possible changes in the market value of commodity derivative instruments; however, such risk should be mitigated by price changes in the underlying physical commodity. Effects of these offsets are not reflected in the above sensitivity analysis.

We evaluate our portfolio of commodity derivative instruments on an ongoing basis and add or revise strategies in anticipation of changes in market conditions and in risk profiles. Changes to the portfolio after December 31, 2020 would cause future IFO effects to differ from those presented above.

Interest Rate Risk

Our use of fixed or variable-rate debt directly exposes us to interest rate risk. Fixed rate debt, such as our senior notes, exposes us to changes in the fair value of our debt due to changes in market interest rates. Fixed rate debt also exposes us to the risk that we may need to refinance maturing debt with new debt at higher rates or that our current fixed rate debt may be higher than the current market. Variable-rate debt, such as borrowings under our revolving credit facilities, exposes us to short-term changes in market rates that impact our interest expense. See Item 8. Financial Statements and Supplementary Data – Note 22 for additional information on our debt.

[Table of Contents](#)

Sensitivity analysis of the effect of a hypothetical 100-basis-point change in interest rates on long-term debt, including the portion classified as current and excluding finance leases, as of December 31, 2020 is provided in the following table. Fair value of cash and cash equivalents, receivables, accounts payable and accrued interest approximate carrying value and are relatively insensitive to changes in interest rates due to the short-term maturity of the instruments. Accordingly, these instruments are excluded from the table.

<i>(In millions)</i>	Fair Value ^(a)	Change in Fair Value ^(b)	Change in Net Income for the Twelve Months Ended December 31, 2020 ^(c)
Long-term debt			
Fixed-rate	\$ 33,003	\$ 2,898	n/a
Variable-rate	\$ 2,199	n/a	\$ 31

^(a) Fair value was based on market prices, where available, or current borrowing rates for financings with similar terms and maturities.

^(b) Assumes a 100-basis point decrease in the weighted average yield-to-maturity at December 31, 2020.

^(c) Assumes a 100-basis-point change in interest rates. The change in net income was based on the weighted average balance of debt outstanding for the year ended December 31, 2020.

See Item 8. Financial Statements and Supplementary Data – Note 20 for additional information on the fair value of our debt.

Foreign Currency Exchange Rate Risk

We are impacted by foreign exchange rate fluctuations related to some of our purchases of crude oil denominated in Canadian dollars. We did not utilize derivatives to hedge our market risk exposure to these foreign exchange rate fluctuations in 2020.

Counterparty Risk

We are subject to risk of loss resulting from nonpayment by our customers to whom we provide services, lease assets, or sell natural gas or NGLs. We believe that certain contracts would allow us to pass those losses through to our customers, thus reducing our risk, when we are selling NGLs and acting as our producer customers' agent. Our credit exposure related to these customers is represented by the value of our trade receivables or lease receivables. Where exposed to credit risk, we analyze the customer's financial condition prior to entering into a transaction or agreement, establish credit terms and monitor the appropriateness of these terms on an ongoing basis. In the event of a customer default, we may sustain a loss and our cash receipts could be negatively impacted.

We are subject to risk of loss resulting from nonpayment or nonperformance by counterparties to our derivative contracts. Our credit exposure related to commodity derivative instruments is represented by the fair value of contracts with a net positive fair value at the reporting date. Outstanding instruments expose us to credit loss in the event of nonperformance by the counterparties to the agreements. Should the creditworthiness of one or more of our counterparties decline, our ability to mitigate nonperformance risk is limited to a counterparty agreeing to either a voluntary termination and subsequent cash settlement or a novation of the derivative contract to a third party. In the event of a counterparty default, we may sustain a loss and our cash receipts could be negatively impacted.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index

	<u>Page</u>
MANAGEMENT’S RESPONSIBILITIES FOR FINANCIAL STATEMENTS	90
MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING	90
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	91
AUDITED CONSOLIDATED FINANCIAL STATEMENTS:	
CONSOLIDATED STATEMENTS OF INCOME	95
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	96
CONSOLIDATED BALANCE SHEETS	97
CONSOLIDATED STATEMENTS OF CASH FLOWS	98
CONSOLIDATED STATEMENTS OF EQUITY AND REDEEMABLE NONCONTROLLING INTEREST	100
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	101
SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)	161

MANAGEMENT’S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Marathon Petroleum Corporation and its subsidiaries (“MPC”) are the responsibility of management and have been prepared in conformity with accounting principles generally accepted in the United States of America. They necessarily include some amounts that are based on best judgments and estimates. The financial information displayed in other sections of this Annual Report on Form 10-K is consistent with these consolidated financial statements.

MPC seeks to assure the objectivity and integrity of its financial records by careful selection of its managers, by organizational arrangements that provide an appropriate division of responsibility and by communications programs aimed at assuring that its policies and methods are understood throughout the organization.

The board of directors pursues its oversight role in the area of financial reporting and internal control over financial reporting through its Audit Committee. This committee, composed solely of independent directors, regularly meets (jointly and separately) with the independent registered public accounting firm, management and internal auditors to monitor the proper discharge by each of their responsibilities relative to internal accounting controls and the consolidated financial statements.

/s/ Michael J. Hennigan

*Michael J. Hennigan
President and
Chief Executive Officer*

/s/ Maryann T. Mannen

*Maryann T. Mannen
Executive Vice President and
Chief Financial Officer*

/s/ John J. Quaid

*John J. Quaid
Senior Vice President and
Controller*

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

MPC’s management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). An evaluation of the design and effectiveness of our internal control over financial reporting, based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, was conducted under the supervision and with the participation of management, including our chief executive officer and chief financial officer. Based on the results of this evaluation, MPC’s management concluded that its internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of MPC’s internal control over financial reporting as of December 31, 2020 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

/s/ Michael J. Hennigan

*Michael J. Hennigan
President and
Chief Executive Officer*

/s/ Maryann T. Mannen

*Maryann T. Mannen
Executive Vice President and
Chief Financial Officer*

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Marathon Petroleum Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Marathon Petroleum Corporation and its subsidiaries (the “Company”) as of December 31, 2020 and 2019, 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, 2020, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting 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 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, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Long-Lived Asset Recoverability Tests – Refinery Asset Groups

As described in Notes 2 and 7 to the consolidated financial statements and as disclosed by management, the Company's consolidated long-lived asset balance was \$43 billion as of December 31, 2020, which includes the refinery asset groups within the Refining & Marketing segment. Management reviews long-lived assets 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 undiscounted estimated pretax cash flows is less than the carrying value of an asset group, fair value is determined, and the carrying value is written down to the determined fair value. During the first and second quarters of 2020, management identified long-lived asset triggers relating to all of their refinery asset groups, except the Gallup refinery in the second quarter as it had been impaired to its estimated salvage value in the first quarter, as a result of decreases to the Refining & Marketing segment expected future cash flows. The cash flows associated with these assets were significantly impacted by the effects of COVID-19 and commodity price declines in the first quarter and continued unfavorable macroeconomic conditions in the second quarter. Management performed recoverability tests for each refinery asset group by comparing the undiscounted estimated pretax cash flows to the carrying value of each asset group. The determination of undiscounted estimated pretax cash flows for the first and second quarter refinery asset group recoverability tests utilized significant assumptions including management's best estimates of the expected future cash flows, allocation of Refining & Marketing segment cash flows to the individual refinery asset groups, the estimated useful life of certain refinery asset groups, and the estimated salvage value of certain refinery asset groups.

The principal considerations for our determination that performing procedures relating to the long-lived asset recoverability tests of the refinery asset groups performed by management in the first and second quarters of 2020 is a critical audit matter are (i) the significant judgment by management when developing the undiscounted estimated pretax cash flows of the refinery asset groups; and (ii) the high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's recoverability tests and the significant assumption related to allocation of Refining & Marketing segment cash flows to individual refinery asset groups.

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 long-lived asset recoverability tests, including controls over the allocation of the undiscounted estimates of pretax cash flows to individual refinery asset groups.

Table of Contents

These procedures also included, among others (i) testing management's process for developing the undiscounted estimated pretax cash flows utilized for the recoverability tests; (ii) evaluating the appropriateness of the undiscounted estimated pretax cash flow model used; (iii) testing the completeness and accuracy of underlying data used by management in the model; and (iv) evaluating the reasonableness of the significant assumption related to the allocation of Refining & Marketing segment cash flows to individual refineries. Evaluating the reasonableness of this significant assumption involved (i) evaluating the appropriateness of management's allocation of Refining & Marketing segment cash flows to individual refinery asset groups; (ii) evaluating the appropriateness, completeness, and accuracy of underlying data used to allocate Refining & Marketing segment cash flows to individual refinery asset groups; and (iii) considering whether the data used in the allocation was consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were utilized to assist in evaluating the appropriateness of the Company's undiscounted estimated pretax cash flow model.

Goodwill Impairment Tests – Certain Midstream Reporting Units

As described in Notes 7 and 19 to the consolidated financial statements and as disclosed by management, the Company's consolidated goodwill balance was \$8,256 million as of December 31, 2020, which includes, within the Midstream segment, the goodwill associated with MPLX's Crude Gathering reporting unit of \$1.1 billion. As described by management, within the Midstream segment, the Company recorded an impairment charge of \$1.81 billion in the first quarter of 2020 related to MPLX's Eastern Gathering & Processing reporting unit, which fully impaired the reporting unit's historical goodwill balance. 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 overall deterioration in the economy and the environment in which MPLX and its customers operate, as well as a sustained decrease in the MPLX unit price, were considered triggering events requiring an impairment test during the first quarter of 2020. The fair values of the reporting units were determined based on applying both a discounted cash flow method, or income approach, as well as a market approach. Significant assumptions that were used to estimate the MPLX Eastern Gathering and Processing and MPLX Crude Gathering reporting units' fair values under the discounted cash flow method included management's best estimates of the discount rate, as well as estimates of future cash flows, which are impacted primarily by producer customers' development plans, which impact future volumes and capital requirements.

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

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

Equity Method Investment Impairment Test - MarkWest Utica EMG, L.L.C.

As described in Notes 7 and 17 to the consolidated financial statements, the Company's consolidated equity method investment balance was \$5,422 million as of December 31, 2020, which included a balance of \$698 million related to MarkWest Utica EMG, L.L.C. During the first quarter of 2020, the Company recorded an impairment charge of \$1.25 billion related to MarkWest Utica EMG, L.L.C. As disclosed by management, equity method investments are assessed for impairment whenever factors indicate an other than temporary

[Table of Contents](#)

loss in value. As a result of the overall deterioration in the economy and the environment in which MPLX and its customers operate, there was a reduction in forecasted volumes processed by the systems operated by MarkWest Utica EMG, L.L.C. These were considered events requiring an impairment test during the first quarter of 2020. The fair value of the investment was determined based on applying a discounted cash flow method, an income approach. Significant assumptions that were used to develop the estimate of the fair value under the discounted cash flow method include management's best estimates of the expected future cash flows, including prices and volumes, the weighted average cost of capital and the long-term growth rate.

The principal considerations for our determination that performing procedures relating to the impairment test of the Company's equity method investment in MarkWest Utica EMG, L.L.C. is a critical audit matter are (i) the significant judgment by management when estimating the fair value of the investment; and (ii) the high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumption related to future volumes.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's equity method investment impairment test, including controls over the estimation of the fair value of the investment in MarkWest Utica EMG, L.L.C. These procedures also included, among others (i) testing management's process for developing the fair value estimate; (ii) evaluating the appropriateness of the discounted cash flow method used; (iii) testing the completeness and accuracy of underlying data used by management in the method; and (iv) evaluating the reasonableness of the significant assumption related to future volumes. Evaluating the assumption related to future volumes involved (i) considering whether the assumption used was reasonable considering past performance of MarkWest Utica EMG, L.L.C., producer customers' historical and future production volumes, and industry outlook reports; and (ii) considering whether the assumption was consistent with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP

Toledo, Ohio
February 26, 2021

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

MARATHON PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

<i>(In millions, except per share data)</i>	2020	2019	2018
Revenues and other income:			
Sales and other operating revenues	\$ 69,779	\$ 111,148	\$ 86,086
Income (loss) from equity method investments ^(a)	(935)	312	299
Net gain on disposal of assets	70	278	6
Other income	118	127	198
Total revenues and other income	<u>69,032</u>	<u>111,865</u>	<u>86,589</u>
Costs and expenses:			
Cost of revenues (excludes items below)	65,733	99,228	77,047
Impairment expense	8,426	1,197	—
Depreciation and amortization	3,375	3,225	2,170
Selling, general and administrative expenses	2,710	3,192	2,276
Restructuring expenses	367	—	—
Other taxes	668	561	406
Total costs and expenses	<u>81,279</u>	<u>107,403</u>	<u>81,899</u>
Income (loss) from continuing operations	<u>(12,247)</u>	<u>4,462</u>	<u>4,690</u>
Net interest and other financial costs	1,365	1,229	993
Income (loss) from continuing operations before income taxes	<u>(13,612)</u>	<u>3,233</u>	<u>3,697</u>
Provision (benefit) for income taxes on continuing operations	(2,430)	784	764
Income (loss) from continuing operations, net of tax	<u>(11,182)</u>	<u>2,449</u>	<u>2,933</u>
Income from discontinued operations, net of tax	1,205	806	673
Net income (loss)	<u>(9,977)</u>	<u>3,255</u>	<u>3,606</u>
Less net income (loss) attributable to:			
Redeemable noncontrolling interest	81	81	75
Noncontrolling interests	(232)	537	751
Net income (loss) attributable to MPC	<u>\$ (9,826)</u>	<u>\$ 2,637</u>	<u>\$ 2,780</u>
Per share data (See Note 11)			
Basic:			
Continuing operations	\$ (16.99)	\$ 2.78	\$ 4.06
Discontinued operations	1.86	1.22	1.30
Net income (loss) per share	<u>\$ (15.13)</u>	<u>\$ 4.00</u>	<u>\$ 5.36</u>
Weighted average shares outstanding	649	659	518
Diluted:			
Continuing operations	\$ (16.99)	\$ 2.76	\$ 4.00
Discontinued operations	1.86	1.21	1.28
Net income (loss) per share	<u>\$ (15.13)</u>	<u>\$ 3.97</u>	<u>\$ 5.28</u>
Weighted average shares outstanding	649	664	526

^(a) 2020 includes impairment expense. See Note 7 for further information.

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

MARATHON PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(Millions of dollars)</i>	2020	2019	2018
Net income (loss)	\$ (9,977)	\$ 3,255	\$ 3,606
Other comprehensive income (loss):			
Defined benefit plans:			
Actuarial changes, net of tax of \$(51), \$(40) and \$14, respectively	(157)	(147)	75
Prior service, net of tax of \$(11), \$(17) and \$12, respectively	(34)	(27)	8
Other, net of tax of \$—, \$(1) and \$1, respectively	(1)	(2)	4
Other comprehensive income (loss)	(192)	(176)	87
Comprehensive income (loss)	(10,169)	3,079	3,693
Less comprehensive income (loss) attributable to:			
Redeemable noncontrolling interest	81	81	75
Noncontrolling interests	(232)	537	751
Comprehensive income (loss) attributable to MPC	<u>\$ (10,018)</u>	<u>\$ 2,461</u>	<u>\$ 2,867</u>

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

MARATHON PETROLEUM CORPORATION
CONSOLIDATED BALANCE SHEETS

<i>(Millions of dollars, except share data)</i>	December 31,	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 415	\$ 1,393
Receivables, less allowance for doubtful accounts of \$18 and \$17, respectively	5,760	7,233
Inventories	7,999	9,804
Other current assets	2,724	893
Assets held for sale	11,389	11,135
Total current assets	28,287	30,458
Equity method investments	5,422	6,568
Property, plant and equipment, net	39,035	40,870
Goodwill	8,256	15,650
Right of use assets	1,521	1,806
Other noncurrent assets	2,637	3,204
Total assets	\$ 85,158	\$ 98,556
Liabilities		
Current liabilities:		
Accounts payable	\$ 7,803	\$ 11,222
Payroll and benefits payable	732	987
Accrued taxes	1,105	1,015
Debt due within one year	2,854	704
Operating lease liabilities	497	514
Other current liabilities	822	758
Liabilities held for sale	1,850	1,748
Total current liabilities	15,663	16,948
Long-term debt	28,730	28,020
Deferred income taxes	6,203	6,392
Defined benefit postretirement plan obligations	2,121	1,617
Long-term operating lease liabilities	1,014	1,300
Deferred credits and other liabilities	1,207	1,172
Total liabilities	54,938	55,449
Commitments and contingencies (see Note 29)		
Redeemable noncontrolling interest	968	968
Equity		
MPC stockholders' equity:		
Preferred stock, no shares issued and outstanding (par value \$0.01 per share, 30 million shares authorized)	—	—
Common stock:		
Issued – 980 million and 978 million shares (par value \$0.01 per share, 2 billion shares authorized)	10	10
Held in treasury, at cost – 329 million and 329 million shares	(15,157)	(15,143)
Additional paid-in capital	33,208	33,157
Retained earnings	4,650	15,990
Accumulated other comprehensive loss	(512)	(320)
Total MPC stockholders' equity	22,199	33,694
Noncontrolling interests	7,053	8,445
Total equity	29,252	42,139
Total liabilities, redeemable noncontrolling interest and equity	\$ 85,158	\$ 98,556

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>	2020	2019	2018
Operating activities:			
Net income (loss)	\$ (9,977)	\$ 3,255	\$ 3,606
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Amortization of deferred financing costs and debt discount	69	33	70
Impairment expense	8,426	1,197	—
Depreciation and amortization	3,375	3,225	2,170
Pension and other postretirement benefits, net	220	(68)	93
Deferred income taxes	(241)	807	14
Net gain on disposal of assets	(70)	(278)	(6)
(Income) loss from equity method investments	935	(312)	(299)
Distributions from equity method investments	577	569	458
Income from discontinued operations	(1,205)	(806)	(673)
Changes in income tax receivable	(1,807)	(358)	238
Changes in the fair value of derivative instruments	45	(8)	(62)
Changes in operating assets and liabilities, net of effects of businesses acquired:			
Current receivables	1,465	(1,717)	1,277
Inventories	1,750	(362)	965
Current accounts payable and accrued liabilities	(2,927)	2,453	(2,801)
Right of use assets and operating lease liabilities, net	(19)	(9)	—
All other, net	191	355	49
Cash provided by operating activities - continuing operations	807	7,976	5,099
Cash provided by operating activities - discontinued operations	1,612	1,465	1,059
Net cash provided by operating activities	2,419	9,441	6,158
Investing activities:			
Additions to property, plant and equipment	(2,787)	(4,810)	(3,179)
Acquisitions, net of cash acquired	—	(129)	(3,822)
Disposal of assets	150	47	22
Investments – acquisitions, loans and contributions	(485)	(1,064)	(409)
– redemptions, repayments and return of capital	137	98	16
All other, net	63	81	69
Cash used in investing activities - continuing operations	(2,922)	(5,777)	(7,303)
Cash used in investing activities - discontinued operations	(335)	(484)	(367)
Net cash used in investing activities	(3,257)	(6,261)	(7,670)
Financing activities:			
Commercial paper – issued	2,055	—	—
– repayments	(1,031)	—	—
Long-term debt – borrowings	17,082	14,274	13,476
– repayments	(15,380)	(13,073)	(8,032)
Debt issuance costs	(50)	(22)	(86)
Issuance of common stock	11	10	24
Common stock repurchased	—	(1,950)	(3,287)
Dividends paid	(1,510)	(1,398)	(954)
Distributions to noncontrolling interests	(1,244)	(1,245)	(903)
Contributions from noncontrolling interests	—	97	12
Repurchases of noncontrolling interests	(33)	—	—
All other, net	(35)	(69)	(28)
Net cash provided by (used in) financing activities	(135)	(3,376)	222
Net change in cash, cash equivalents and restricted cash	\$ (973)	\$ (196)	\$ (1,290)

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

**MARATHON PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of dollars)

	2020	2019	2018
Cash, cash equivalents and restricted cash balances from:			
Continuing operations - beginning of year	1,395	1,519	2,849
Discontinued operations - beginning of year ^(a)	134	206	166
Less: Discontinued operations - end of year ^(a)	140	134	206
Continuing operations - end of year	\$ 416	\$ 1,395	\$ 1,519

^(a) Reported as assets held for sale 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

MPC Stockholders' Equity											
	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Equity	Redeemable Non-controlling Interest	
	Shares	Amount	Shares	Amount							
<i>(Shares in millions; amounts in millions of dollars)</i>											
Balance as of December 31, 2017	734	\$ 7	(248)	\$ (9,869)	\$ 11,262	\$ 12,864	\$ (231)	\$ 6,795	\$ 20,828	\$ 1,000	
Cumulative effect of adopting new accounting standards	—	—	—	—	—	66	—	2	68	—	
Net income	—	—	—	—	—	2,780	—	751	3,531	75	
Dividends declared on common stock (\$1.84 per share)	—	—	—	—	—	(955)	—	—	(955)	—	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(832)	(832)	(71)	
Contributions from noncontrolling interests	—	—	—	—	—	—	—	12	12	—	
Other comprehensive income	—	—	—	—	—	—	87	—	87	—	
Shares repurchased	—	—	(47)	(3,287)	—	—	—	—	(3,287)	—	
Stock based compensation	1	1	—	(18)	345	—	—	14	342	—	
Equity transactions of MPLX & ANDX	—	—	—	—	2,357	—	—	(2,927)	(570)	—	
Issuance of shares for Andeavor acquisition	240	2	—	(1)	19,765	—	—	—	19,766	—	
Noncontrolling interest acquired from Andeavor	—	—	—	—	—	—	—	5,059	5,059	—	
Balance as of December 31, 2018	975	\$ 10	(295)	\$ (13,175)	\$ 33,729	\$ 14,755	\$ (144)	\$ 8,874	\$ 44,049	\$ 1,004	
Net income	—	—	—	—	—	2,637	—	537	3,174	81	
Dividends declared on common stock (\$2.12 per share)	—	—	—	—	—	(1,402)	—	—	(1,402)	—	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,164)	(1,164)	(81)	
Contributions from noncontrolling interests	—	—	—	—	—	—	—	97	97	—	
Other comprehensive loss	—	—	—	—	—	—	(176)	—	(176)	—	
Shares repurchased	—	—	(34)	(1,950)	—	—	—	—	(1,950)	—	
Stock based compensation	3	—	—	(18)	112	—	—	7	101	—	
Equity transactions of MPLX & ANDX	—	—	—	—	(684)	—	—	94	(590)	(36)	
Balance as of December 31, 2019	978	\$ 10	(329)	\$ (15,143)	\$ 33,157	\$ 15,990	\$ (320)	\$ 8,445	\$ 42,139	\$ 968	
Net income (loss)	—	—	—	—	—	(9,826)	—	(232)	(10,058)	81	
Dividends declared on common stock (\$2.32 per share)	—	—	—	—	—	(1,514)	—	—	(1,514)	—	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,163)	(1,163)	(81)	
Other comprehensive loss	—	—	—	—	—	—	(192)	—	(192)	—	
Stock based compensation	2	—	—	(14)	92	—	—	8	86	—	
Equity transactions of MPLX	—	—	—	—	(41)	—	—	(5)	(46)	—	
Balance as of December 31, 2020	980	\$ 10	(329)	\$ (15,157)	\$ 33,208	\$ 4,650	\$ (512)	\$ 7,053	\$ 29,252	\$ 968	

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Description of the Business

We are a leading, integrated, downstream energy company headquartered in Findlay, Ohio. We operate the nation's largest refining system. We sell refined products to wholesale marketing customers domestically and internationally, to buyers on the spot market and to independent entrepreneurs who operate approximately 7,100 branded outlets. We also sell transportation fuel to consumers through approximately 1,090 direct dealer locations under long-term supply contracts. MPC's midstream operations are primarily conducted through MPLX LP ("MPLX"), which owns and operates crude oil and light product transportation and logistics infrastructure as well as gathering, processing, and fractionation assets. We own the general partner and a majority limited partner interest in MPLX.

On August 2, 2020, we entered into a definitive agreement to sell Speedway, our company-owned and operated retail transportation fuel and convenience store business, to 7-Eleven, Inc. ("7-Eleven") for \$21 billion in cash, subject to certain adjustments based on the levels of cash, debt and working capital at closing and certain other items. The taxable transaction is targeted to close by the end of the first quarter of 2021, subject to customary closing conditions and the receipt of regulatory approvals. We will retain our direct dealer business.

As a result of the agreement to sell Speedway, its results are reported separately as discontinued operations in our consolidated statements of income for all periods presented and its assets and liabilities have been presented in our consolidated balance sheets as assets and liabilities held for sale. In addition, we separately disclosed the operating and investing cash flows of Speedway as discontinued operations within our consolidated statements of cash flow. See Note 5 for discontinued operations disclosures.

Prior to presentation of Speedway as discontinued operations, Speedway and our retained direct dealer business were the two reporting units within our Retail segment. Beginning with the third quarter of 2020, the direct dealer business is managed as part of the Refining & Marketing segment. The results of the Refining & Marketing segment have been retrospectively adjusted to include the results of the direct dealer business in all periods presented. See Note 13 for our segment reporting disclosures.

Refer to Note 8 for further information on the Andeavor acquisition, which closed on October 1, 2018, and to Notes 6 and 13 for additional information about our operations.

Basis of Presentation

All significant intercompany transactions and accounts have been eliminated.

As a result of our agreement to sell Speedway, the following changes in our basis of presentation have occurred:

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

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

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, 2020, we owned the general partner and 62 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.

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. Concurrent with our adoption of ASU 2014-09, Revenue from Contracts with Customers (“ASC 606”), as of January 1, 2018, we made an accounting policy election that all taxes assessed by a governmental authority that are both imposed on and concurrent with a revenue-producing transaction and collected from our customers will be recognized on a net basis within sales and other operating revenues.

Our revenue recognition patterns are described below by reportable segment:

- **Refining & Marketing** - The vast majority of our Refining & Marketing contracts contain pricing that is based on the market price for the product at the time of delivery. Our obligations to deliver product volumes are typically satisfied and revenue is recognized when control of the product transfers to our customers. Concurrent with the transfer of control, we typically receive the right to payment for the delivered product, the customer accepts the product and the customer has significant risks and rewards of ownership of the product. Payment terms require customers to pay shortly after delivery and do not contain significant financing components.
- **Midstream** - Midstream revenue transactions typically are defined by contracts under which we sell a product or provide a service. Revenues from sales of product are recognized when control of the product transfers to the customer. Revenues from sales of 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 23 for disclosure of our revenue disaggregated by segment and product line and to Note 13 for a description of our reportable segment operations.

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

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

Cash and Cash Equivalents

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

Restricted Cash

Restricted cash consists of cash and investments that must be maintained as collateral for letters of credit issued to certain third-party producer customers. The balances will be outstanding until certain capital projects are completed and the third party releases the restriction.

Accounts Receivable and Allowance for Doubtful Accounts

Our receivables primarily consist of customer accounts receivable. Customer receivables are recorded at the invoiced amounts and generally do not bear interest. Allowances for doubtful accounts are generally recorded when it becomes probable the receivable will not be collected and are booked to bad debt expense. The allowance for doubtful accounts is the best estimate of the amount of probable credit losses in customer accounts receivable. We review the allowance quarterly and past-due balances over 180 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 28 for additional disclosures about our lease contracts.

Inventories

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

Derivative Instruments

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

Derivatives not designated as accounting hedges

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

Concentrations of credit risk

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

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, which range from one year to 61 years. Such assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. If the sum of the expected undiscounted future cash flows from the use of the asset group and its eventual disposition is less than the carrying amount of the asset group, an impairment assessment is performed and the excess of the book value over the fair value of the asset group is recorded as an impairment loss.

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

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

Goodwill and Intangible Assets

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

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

Major Maintenance Activities

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

Environmental Costs

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

Asset Retirement Obligations

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

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

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

Income Taxes

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

Stock-Based Compensation Arrangements

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

The fair value of restricted stock awards granted to our employees is determined based on the fair market value of our common stock on the date of grant. The fair value of performance unit awards granted to our employees is estimated on the date of grant using a Monte Carlo valuation model.

[Table of Contents](#)

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

Environmental Credits and Obligations

In order to comply with certain regulations, specifically the RFS2 requirements implemented by the EPA and the cap-and-trade emission reduction program and low carbon fuel standard implemented by the state of California, 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 or other noncurrent assets on the balance sheet, 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 or other noncurrent liabilities on the balance sheet, when we are deficient allowances or credits based on the product of the deficient amount as of the balance sheet date, if any, and 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 income statement. Any gains or losses on the sale or expiration of allowances or credits are classified as other income on the income statement. Proceeds from the sale of allowances or credits are reported in investing activities - all other, net on the cash flow statement.

3. ACCOUNTING STANDARDS

Recently Adopted

Effective January 1, 2020, we adopted ASU 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," using the modified retrospective transition method. The amendment requires entities to consider a broader range of information to estimate expected credit losses, which may result in earlier recognition of losses. The ASU requires the company to utilize an expected loss methodology in place of the incurred loss methodology for financial instruments, including trade receivables, and off-balance sheet credit exposures. Adoption of the standard did not have a material impact on our financial statements.

[Table of Contents](#)

We are exposed to credit losses primarily through our sales of refined petroleum products, crude oil and midstream services. We assess each customer's ability to pay through our credit review process. The credit review process considers various factors such as external credit ratings, a review of financial statements to determine liquidity, leverage, trends and business specific risks, market information, pay history and our business strategy. Customers that do not qualify for payment terms are required to prepay or provide a letter of credit. We monitor our ongoing credit exposure through timely review of customer payment activity. At December 31, 2020, we reported \$5,760 million of accounts and notes receivable, net of allowances of \$18 million.

We are also exposed to credit losses from off-balance sheet exposures, such as guarantees of joint venture debt. See Note 29 for more information on these off-balance sheet exposures.

We also adopted the following ASUs during 2020, none of which had a material impact to our financial statements or financial statement disclosures:

ASU		Effective Date
2018-13	Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement	January 1, 2020
2020-04	Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting	April 1, 2020

Not Yet Adopted

ASU 2019-12, Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued new guidance to simplify the accounting for income taxes. Amendments include removal of certain exceptions to the general principles of ASC 740 and simplification in several other areas such as accounting for a franchise tax or similar tax that is partially based on income. The change is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Early adoption is permitted in any interim or annual period, with any adjustments reflected as of the beginning of the fiscal year of adoption. We do not expect the application of this ASU to have a material impact on our consolidated financial statements.

4. RESTRUCTURING

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

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

The involuntary workforce reduction plan, together with employee reductions resulting from our actions affecting the Gallup and Martinez refineries, affected approximately 2,050 employees. We recorded \$172 million of restructuring expenses for separation benefits payable under our employee separation plan and certain collective bargaining agreements that we expect to settle in cash. Certain of the affected MPC employees provided services to MPLX. MPLX has various employee services agreements and secondment agreements with MPC pursuant to which MPLX reimburses MPC for employee costs, along with the provision of operational and management services in support of MPLX's operations. Pursuant to such agreements, MPC was reimbursed by MPLX for \$37 million of the \$172 million of restructuring expenses recorded for these actions.

Restructuring expenses were accrued as restructuring reserves within accounts payable, payroll and benefits payable, other current liabilities and deferred credits and other liabilities within our consolidated balance sheets. We expect cash payments for the majority of these reserves to occur within the next nine months.

[Table of Contents](#)

<i>(In millions)</i>	Employee separation costs	Exit and disposal costs	Total
Restructuring reserve balance at September 30, 2020^(a)	\$ 158	\$ 133	\$ 291
Adjustments	14	5	19
Cash payments	(134)	(35)	(169)
Restructuring reserve balance at December 31, 2020	<u>\$ 38</u>	<u>\$ 103</u>	<u>\$ 141</u>

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

5. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

On August 2, 2020, we entered into a definitive agreement to sell Speedway to 7-Eleven for \$21 billion, subject to certain adjustments based on the levels of cash, debt and working capital at closing and certain other items. The taxable transaction is targeted to close in the first quarter of 2021, subject to customary closing conditions and the receipt of regulatory approvals.

As a result of the agreement to sell Speedway, its results are reported separately as discontinued operations, net of tax, in our consolidated statements of income for all periods presented and its assets and liabilities have been presented in our consolidated balance sheets as assets and liabilities held for sale. Additionally, beginning August 2, 2020, in accordance with ASC 360, Property, Plant, and Equipment, we ceased recording depreciation and amortization for Speedway's property, plant and equipment, finite-lived intangible assets and right of use lease assets. In addition, we separately disclosed the operating and investing cash flows of Speedway as discontinued operations within our consolidated statements of cash flow.

The following tables present Speedway results as reported in income from discontinued operations, net of tax, within our consolidated statements of income and the carrying value of assets and liabilities as presented within assets and liabilities held for sale on our consolidated balance sheets.

<i>(In millions)</i>	2020	2019	2018
Total revenues and other income	\$ 19,920	\$ 26,793	\$ 22,051
Costs and expenses:			
Cost of revenues (excludes items below)	17,573	24,860	20,557
Depreciation and amortization	244	413	320
Selling, general and administrative expenses	323	216	142
Other taxes	193	190	151
Total costs and expenses	<u>18,333</u>	<u>25,679</u>	<u>21,170</u>
Income from operations	1,587	1,114	881
Net interest and other financial costs	20	18	10
Income before income taxes	1,567	1,096	871
Provision for income taxes	362	290	198
Income from discontinued operations, net of tax	<u>\$ 1,205</u>	<u>\$ 806</u>	<u>\$ 673</u>

[Table of Contents](#)

<i>(In millions)</i>	December 31,	
	2020	2019
Assets		
Cash and cash equivalents	\$ 140	\$ 134
Receivables	217	246
Inventories	438	439
Other current assets	34	28
Equity method investments	311	330
Property, plant and equipment, net	4,784	4,745
Goodwill	4,390	4,390
Right of use assets	719	653
Other noncurrent assets	168	170
Total assets classified as held for sale	<u>\$ 11,201</u>	<u>\$ 11,135</u>
Liabilities		
Accounts payable	\$ 300	\$ 401
Payroll and benefits payable	168	139
Accrued taxes	178	171
Debt due within one year	8	7
Operating lease liabilities	94	90
Other current liabilities	170	139
Long-term debt	122	107
Defined benefit postretirement plan obligations	25	26
Long-term operating lease liabilities	598	575
Deferred credits and other liabilities	86	93
Total liabilities classified as held for sale	<u>\$ 1,749</u>	<u>\$ 1,748</u>

Separation Agreements

In connection with the definitive agreement to sell Speedway, we have agreed to enter into a 15-year fuel supply agreement, at closing, through which we will continue to supply fuel to Speedway subsequent to the sale to 7-Eleven. Due to our expected continuing involvement with Speedway through a fuel supply agreement, intersegment sales from our Refining & Marketing segment to Speedway are no longer eliminated as intercompany transactions and are now presented within sales and other operating revenue.

Purchase of Speedway's Interest in PFJ Southeast

During the fourth quarter of 2020, Pilot Travel Centers LLC exercised an option to purchase our 29 percent interest in PFJ Southeast LLC ("PFJ"), subject to customary closing conditions and the receipt of regulatory approvals. PFJ has been accounted for as an asset held for sale as of September 30, 2020 and is reported as the equity method investment balance in the above table.

6. MASTER LIMITED PARTNERSHIP

We own the general partner and a majority limited partner interest in MPLX, which owns and operates crude oil and light product transportation and logistics infrastructure as well as gathering, processing, and fractionation assets. We control MPLX through our ownership of the general partner interest and, as of December 31, 2020, we owned approximately 62 percent of the outstanding MPLX common units.

Javelina Assets Held-for-Sale

On December 23, 2020, MPLX entered into an agreement with a third party to sell all of its equity interests in MarkWest Javelina Company, L.L.C., MarkWest Javelina Pipeline Company, L.L.C. and MarkWest Gas Services, L.L.C. (collectively, "Javelina"). Javelina's assets and liabilities have been presented within our consolidated balance sheets as assets and liabilities held for sale as of December 31, 2020. On February 12, 2021, MPLX completed the sale of Javelina.

Unit Repurchase Program

On November 2, 2020, MPLX announced the board authorization of a unit repurchase program for the repurchase of up to \$1 billion of MPLX's outstanding common units held by the public. MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, tender offers, accelerated unit repurchases or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of repurchases will depend upon several factors, including market and business conditions, and repurchases may be initiated, suspended or discontinued at any time. The repurchase authorization has no expiration date.

During the year ended December 31, 2020, 1,473,843 common units had been repurchased at an average cost per unit of \$22.29. Total cash paid for units repurchased during the year was \$33 million and \$967 million remained outstanding on the program for future repurchases as of December 31, 2020. As of December 31, 2020, MPLX had agreements to acquire 99,406 additional common units for \$2 million, which settled in early January 2021.

Redemption of Business from MPLX

On July 31, 2020, Western Refining Southwest, Inc. (now known as Western Refining Southwest LLC) ("WRSW"), a wholly owned subsidiary of MPC, entered into a Redemption Agreement (the "Redemption Agreement") with MPLX, pursuant to which MPLX transferred to WRSW all of the outstanding membership interests in Western Refining Wholesale, LLC, ("WRW") in exchange for the redemption of MPLX common units held by WRSW. The transaction effects the transfer to MPC of the Western wholesale distribution business that MPLX acquired as a result of its acquisition of Andeavor Logistics LP ("ANDX"). Beginning in the third quarter of 2020, the results of these operations are presented in MPC's Refining & Marketing segment.

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

MPLX's Acquisition of ANDX

On July 30, 2019, MPLX completed its acquisition of ANDX, and ANDX survived as a wholly owned subsidiary of MPLX. At the effective time of the ANDX acquisition, each common unit held by ANDX's public unitholders was converted into the right to receive 1.135 MPLX common units. ANDX common units held by MPC were converted into the right to receive 1.0328 MPLX common units. Additionally, as a result of MPLX's acquisition of ANDX, 600,000 ANDX preferred units were converted into 600,000 preferred units of MPLX ("Series B preferred units"). Series B preferred unitholders are entitled to receive, when and if declared by the board of directors of MPLX's general partner, a fixed distribution of \$68.75 per unit, per annum, payable semi-annually in arrears on February 15 and August 15, or the first business day thereafter, up to and including February 15, 2023. After February 15, 2023, the holders of Series B preferred units are entitled to receive cumulative, quarterly distributions payable in arrears on the 15th day of February, May, August and November of each year, or the first business day thereafter, based on a floating annual rate equal to the three month LIBOR plus 4.652 percent.

MPC accounted for this transaction as a common control transaction, as defined by ASC 805, which resulted in an increase to noncontrolling interest and a decrease to additional paid-in capital of approximately \$55 million, net of tax. During the third quarter of 2019, we pushed down to MPLX the portion of the goodwill attributable to ANDX as of October 1, 2018, the date of our acquisition of Andeavor. Due to this push down of goodwill, we also recorded an incremental \$642 million deferred tax liability associated with the portion of the non-deductible goodwill attributable to the noncontrolling interest in MPLX with an offsetting reduction of our additional paid-in capital balance. We have consolidated ANDX since we acquired Andeavor on October 1, 2018 in accordance with ASC 810.

Dropdowns to MPLX and GP/IDR Exchange

On February 1, 2018, we contributed our refining logistics assets and fuels distribution services to MPLX in exchange for \$4.1 billion in cash and approximately 112 million common units and 2 million general partner units from MPLX. MPLX financed the cash portion of the transaction with a \$4.1 billion 364-day term loan facility, which was entered into on January 2, 2018. We agreed to waive approximately one-third of the first quarter 2018 distributions on the common units issued in connection with this transaction. The contributions of these assets were accounted for as transactions between entities under common control and we did not record a gain or loss.

Immediately following the February 1, 2018 dropdown to MPLX, our IDRs were cancelled and our economic general partner interest was converted into a non-economic general partner interest, all in exchange for 275 million newly issued MPLX common units (“GP/IDR Exchange”). As a result of this transaction, the general partner units and IDRs were eliminated, are no longer outstanding and no longer participate in distributions of cash from MPLX.

Agreements

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

Noncontrolling Interest

As a result of equity transactions of MPLX and ANDX, 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 and ANDX were as follows:

<i>(In millions)</i>	2020	2019	2018
Increase due to the issuance of MPLX common units and general partner units to MPC	\$ —	\$ —	\$ 1,114
Increase due to GP/IDR Exchange	—	—	1,808
Increase (decrease) due to the issuance of MPLX & ANDX common units	(27)	(51)	6
Tax impact	(14)	(633)	(571)
Increase (decrease) in MPC's additional paid-in capital, net of tax	<u>\$ (41)</u>	<u>\$ (684)</u>	<u>\$ 2,357</u>

7. IMPAIRMENTS

The outbreak of COVID-19 and its development into a pandemic in March 2020 have resulted in significant economic disruption globally. Actions taken by various governmental authorities, individuals and companies around the world to prevent the spread of COVID-19 through social distancing have restricted travel, many business operations, public gatherings and the overall level of individual movement and in-person interaction across the globe. These actions have, in turn significantly reduced global economic activity and resulted in a decrease in motor vehicle usage and demand for gasoline and a dramatic reduction in airline flights. These macroeconomic conditions and certain global geopolitical events in the first quarter of 2020 contributed to a significant decline in crude oil prices as well as an increase in crude oil price volatility. The decrease in demand for refined petroleum products has resulted in a significant decrease in the price and volume of the refined petroleum products we produce and sell as compared to 2019.

During the first quarter of 2020, the overall deterioration in the economy and the environment in which we operate, the related changes to our expected future cash flows, as well as a sustained decrease in share price were considered triggering events requiring the performance of various tests of the carrying values of our assets. Triggering events requiring the performance of various tests of the carrying value of our Midstream

Table of Contents

assets were also identified by MPLX as a result of the overall deterioration in the economy and the environment in which MPLX and its customers operate, which led to a reduction in forecasted volumes processed by the systems operated by MarkWest Utica EMG, L.L.C., MPLX's equity method investee, as well as a sustained decrease in the MPLX unit price. These tests resulted in the majority of the impairment charges in 2020, as discussed below.

The table below provides information related to the impairments recognized during 2020 and 2019, along with the location of these impairments within the consolidated statements of income.

<i>(In millions)</i>	<u>Income Statement Line</u>	2020	2019
Goodwill	Impairment expense	\$ 7,394	\$ 1,197
Equity method investments	Income (loss) from equity method investments	1,315	42
Long-lived assets	Impairment expense ^(a)	1,032	—
Total impairments		<u>\$ 9,741</u>	<u>\$ 1,239</u>

^(a) The remaining difference not described in the narrative below is related to certain immaterial Midstream assets.

Goodwill

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

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

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

During the fourth quarter of 2019, we recorded an impairment of goodwill in our Midstream segment. As a result of the merger of MPLX and ANDX in 2019 and subsequent changes to MPLX's internal organization structure, the number of reporting units within our Midstream segment was reduced from 16 to 7 in conjunction with the annual impairment test, however, this change in structure did not have any impact on MPC's operating segments. Reporting units are determined based on the way in which segment management operates and reviews each operating segment. MPLX performed a goodwill impairment assessment prior to the change in reporting units in addition to performing an impairment assessment immediately following the change in their reporting units. Significant assumptions used to estimate the reporting units' fair value include the discount rate as well as estimates of future cash flows, which are impacted primarily by producer customers' development plans, which impact future volumes and capital requirements. After MPLX performed its evaluations related to the impairment of goodwill, we recorded an impairment of \$1,156 million prior to the change in reporting units and additional impairment of \$41 million subsequent to the change in reporting units. The remainder of the reporting units fair values were in

excess of their carrying values. The impairment was primarily driven by the updated guidance related to the slowing of drilling activity which has reduced production growth forecasts from MPLX's producer customers.

The fair value of the reporting units for the fourth quarter of 2019 goodwill impairment analysis was determined based on applying both a discounted cash flow or income approach as well as a market approach. The discounted cash flow fair value estimate is based on known or knowable information at the measurement date. The significant assumptions that were used to develop the estimates of the fair values under the discounted cash flow method included management's best estimates of the expected future results and discount rates, which range from 9.0 percent to 10.0 percent. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the annual goodwill impairment test will prove to be an accurate prediction of the future. The fair value measurements for the individual reporting units' overall fair values, and the fair values of the goodwill assigned thereto, represent Level 3 measurements.

Equity Method Investments

During the first quarter of 2020, we recorded equity method investment impairment charges totaling \$1.315 billion, of which \$1.25 billion related to MarkWest Utica EMG, L.L.C. and its investment in Ohio Gathering Company, L.L.C. The impairments were largely due to a reduction in forecasted volumes gathered and processed by the systems operated by the equity method investments. The fair value of the investments were determined based upon applying a discounted cash flow method, an income approach. The discounted cash flow fair value estimate is based on known or knowable information at the interim measurement date. The significant assumptions that were used to develop the estimate of the fair value under the discounted cash flow method include management's best estimates of the expected future cash flows, including prices and volumes, the weighted average cost of capital and the long-term growth rate. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the impairment test will prove to be an accurate prediction of the future. The fair value of these equity method investments represents a Level 3 measurement.

During the fourth quarter of 2019, two joint ventures in which MPLX has an interest recorded impairments, which impacted the amount of income from equity method investments during the period by approximately \$28 million. For one of the joint ventures, MPLX also had a basis difference which was being amortized over the life of the underlying assets. As a result of the impairment recorded by the joint venture, MPLX also assessed this basis difference for impairment and recorded approximately \$14 million of impairment expense during the fourth quarter related to this investment.

Long-lived Assets

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

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

[Table of Contents](#)

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

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

On August 3, 2020, we announced our plans to evaluate possibilities to strategically reposition our Martinez refinery, including the potential conversion of the refinery into a renewable diesel facility. Subsequent to August 3, 2020, we progressed activities associated with the conversion of the Martinez refinery to a renewable diesel facility, including applying for permits, advancing discussions with feedstock suppliers, and beginning detailed engineering activities. As envisioned, the Martinez facility would start producing approximately 260 million gallons per year of renewable diesel by the second half of 2022, with a potential to build to full capacity of approximately 730 million gallons per year by the end of 2023. As a result of the progression of these activities, we identified assets that would be repurposed and utilized in a renewable diesel facility configuration and assets that would be abandoned since they had no function in a renewable diesel facility configuration. This change in our intended use for the Martinez refinery is a long-lived asset impairment trigger for the assets that would be repurposed and remain as part of the Martinez asset group. We assessed the asset group for impairment by comparing the undiscounted estimated pretax cash flows to the carrying value of the asset group and the undiscounted estimated pretax cash flows exceeded the Martinez asset group carrying value. We recorded impairment expense of \$342 million for the abandoned assets as we are no longer using these assets and have no expectation to use these assets in the future. Additionally, as a result of our efforts to progress the conversion of Martinez refinery into a renewable diesel facility, MPLX cancelled in-process capital projects related to its Martinez refinery logistics operations resulting in impairments of \$27 million in the third quarter of 2020.

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

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

During the first quarter of 2020, we identified an impairment trigger relating to asset groups within MPLX's Western Gathering and Processing ("G&P") reporting unit as a result of significant changes to expected future cash flows for these asset groups resulting from the effects of COVID-19. The cash flows associated with these assets were significantly impacted by volume declines reflecting decreased forecasted producer customer production as a result of lower commodity prices. We assessed each asset group within the Western G&P reporting unit for impairment. It was determined that the fair value of the East Texas G&P asset group's underlying assets were less than the carrying value. As a result, MPLX recorded impairment charges totaling \$350 million related to its property, plant and equipment and intangibles, which are included in impairment expense on our consolidated statements of income. Fair value of property, plant and equipment was determined using a combination of an income and cost approach. The income approach utilized significant assumptions including management's best estimates of the expected future cash flows and the estimated useful life of the asset group. The cost approach utilized assumptions for the current replacement costs of similar assets adjusted for estimated depreciation and deterioration of the existing equipment and economic obsolescence. The fair value of the intangibles was determined based

on applying the multi-period excess earnings method, which is an income approach. Key assumptions included management's best estimates of the expected future cash flows from existing customers, customer attrition rates and the discount rate. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the impairment analysis will prove to be an accurate prediction of the future. The fair value measurements for the asset group fair values represent Level 3 measurements.

8. ACQUISITIONS

Acquisition of Andeavor

On October 1, 2018, we acquired Andeavor. Under the terms of the merger agreement, Andeavor stockholders had the option to choose 1.87 shares of MPC common stock or \$152.27 in cash per share of Andeavor common stock. The merger agreement included election proration provisions that resulted in approximately 22.9 million shares of Andeavor common stock being converted into cash consideration and the remaining 128.2 million shares of Andeavor common stock being converted into stock consideration. Andeavor stockholders received in the aggregate approximately 239.8 million shares of MPC common stock and approximately \$3.5 billion in cash in connection with the Andeavor acquisition. The fair value of the MPC shares issued was determined on the basis of the closing market price of MPC's common shares on the acquisition date. The cash portion of the purchase price was funded using cash on hand.

At the time of the acquisition, all Andeavor equity awards, with the exception of non-employee director units, were converted to MPC equity awards. The converted equity awards continue to be governed by the same terms and conditions as were applicable to such Andeavor equity awards immediately prior to the acquisition. We recognized \$203 million of purchase consideration to reflect the portion of the fair value of the time-based converted equity awards attributable to pre-combination service completed by the award holders. The non-employee director units were accelerated in full and cancelled and the holders of such units received an amount of cash equal to the number of shares of Andeavor common stock subject to such non-employee director units multiplied by the cash consideration per share.

Our financial results reflect the results of Andeavor from October 1, 2018, the date of the acquisition.

The components of the fair value of consideration transferred are as follows:

(In millions)

Fair value of MPC shares issued	\$	19,766
Cash payment to Andeavor stockholders		3,486
Cash settlement of non-employee director units		7
Fair value of converted equity awards		203
Total fair value of consideration transferred	\$	<u>23,462</u>

The purchase consideration allocation resulted in the recognition of \$17.3 billion in goodwill, of which \$1.0 billion is tax deductible due to a carryover basis from Andeavor. Our Refining & Marketing, Midstream and former Retail segment recognized \$5.2 billion, \$8.1 billion and \$3.9 billion of goodwill, respectively. The recognized goodwill represents the value expected to be created by further optimization of crude supply, a nationwide retail and marketing platform, diversification of our refining and midstream footprints and optimization of information systems and business processes. See Note 7 for information regarding impairments recorded in 2020 and 2019.

We recognized \$47 million in acquisition costs. Additionally, we recognized various other transaction-related costs, including employee-related costs associated with the Andeavor acquisition. All of these costs are reflected in selling, general and administrative expenses. The employee-related costs are primarily due to pre-existing Andeavor change in control and equity award agreements that create obligations and accelerated equity vesting upon MPC notifying employees of significant changes to or elimination of their responsibilities.

Andeavor's results have been included in MPC's financial statements for the period subsequent to the date of the acquisition on October 1, 2018. Andeavor contributed revenues of approximately \$11.3 billion including Speedway for the period from October 1 through December 31, 2018. We do not believe it is

[Table of Contents](#)

practical to disclose Andeavor's contribution to earnings for the period from October 1, 2018 through December 31, 2018 as our integration efforts have resulted in the elimination of Andeavor stand-alone discrete financial information due mainly to our inclusion of Andeavor inventory in our consolidated LIFO inventory pools, which does not allow us to objectively distinguish the cost of sales between the two historical reporting entities.

Pro Forma Financial Information

The following unaudited pro forma financial information presents consolidated results assuming the Andeavor acquisition occurred on January 1, 2017.

<i>(In millions)</i>	2018
Sales and other operating revenues	\$ 131,921
Net income attributable to MPC	4,218

The pro forma information includes adjustments to align accounting policies, an adjustment to depreciation expense to reflect the increased fair value of property, plant and equipment, increased amortization expense related to identifiable intangible assets and the related income tax effects. The pro forma information does not reflect the following

- A \$727 million effect on net income attributable to MPC related to purchase accounting related inventory effects and transaction-related costs as these charges do not have a continuing impact on the consolidated results.
- The application of discontinued operations accounting for Speedway as the information required to apply discontinued operations accounting for periods prior to our ownership is not readily available.

Acquisition of Terminal and Retail Locations in New York

During the third quarter of 2019, we acquired a 900,000-barrel capacity light product and asphalt terminal and 33 NOCO Express retail stores in Buffalo, Syracuse and Rochester, New York, from NOCO Incorporated for total consideration of \$135 million.

Based on the final fair value estimates of assets acquired and liabilities assumed at the acquisition date, \$38 million of the purchase price was allocated to property, plant and equipment, \$3 million to inventory and \$94 million to goodwill. Goodwill is tax deductible and represents the value expected to be created by geographically expanding our retail platform and the assembled workforce. The terminal is accounted for within the Refining & Marketing segment and the retail stores were accounted for within our former Retail segment.

The amount of revenue and income from operations associated with the acquisition from the acquisition date to December 31, 2019 did not have a material impact on the consolidated financial statements. In addition, assuming the acquisition had occurred on January 1, 2018, the consolidated pro forma results would not have been materially different from the reported results.

Acquisition of Express Mart

During the fourth quarter of 2018, Speedway acquired 78 transportation fuel and convenience store locations from Petr-All Petroleum Consulting Corporation for total consideration of \$266 million. These stores are located primarily in the Syracuse, Rochester and Buffalo markets in New York and operate under the Express Mart brand.

Based on the final fair value estimates of assets acquired and liabilities assumed at the acquisition date, \$97 million of the purchase price was allocated to property, plant and equipment, \$9 million to inventory, \$2 million to intangibles and \$158 million to goodwill. Goodwill is tax deductible and represents the value expected to be created by geographically expanding our retail platform and the assembled workforce.

The amount of revenue and income from operations associated with the acquisition from the acquisition date to December 31, 2018 did not have a material impact on the consolidated financial statements. In addition, assuming the acquisition had occurred on January 1, 2017, the consolidated pro forma results would not have been materially different from the reported results.

Acquisition of Mt. Airy Terminal

On September 26, 2018, MPLX acquired an eastern U.S. Gulf Coast export terminal (“Mt. Airy Terminal”) from Pin Oak Holdings, LLC for total consideration of \$451 million. At the time of the acquisition, the terminal included tanks with 4 million barrels of third-party leased storage capacity and a dock with 120 mbpd of capacity. The Mt. Airy Terminal is located on the Mississippi River between New Orleans and Baton Rouge, near several Gulf Coast refineries, including our Garyville Refinery, and numerous rail lines and pipelines. The Mt. Airy Terminal is accounted for within the Midstream segment. In the first quarter of 2019, an adjustment to the initial purchase price was made for approximately \$5 million related to the final settlement of the acquisition. This reduced the total purchase price to \$446 million and resulted in \$336 million of property, plant and equipment, \$121 million of goodwill and the remainder being attributable to net liabilities assumed.

Goodwill represents the significant growth potential of the terminal due to the multiple pipelines and rail lines which cross the property, the terminal’s position as an aggregation point for liquids growth in the region for both ocean-going vessels and inland barges, the proximity of the terminal to our Garyville refinery and other refineries in the region as well as the opportunity to construct an additional dock at the site. All of the goodwill recognized related to this transaction is tax deductible.

The amount of revenue and income from operations associated with the acquisition from the terminal acquisition date to December 31, 2018 did not have a material impact on the consolidated financial statements. In addition, assuming the terminal acquisition had occurred on January 1, 2017, the consolidated pro forma results would not have been materially different from the reported results.

9. VARIABLE INTEREST ENTITIES

Consolidated VIE

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

The creditors of MPLX do not have recourse to MPC’s general credit through guarantees or other financial arrangements, except as noted. MPC has effectively guaranteed certain indebtedness of LOOP LLC (“LOOP”) and LOCAP LLC (“LOCAP”), in which MPLX holds an interest. See Note 29 for more information. The assets of MPLX can only be used to settle its own obligations and its creditors have no recourse to our assets, except as noted earlier.

[Table of Contents](#)

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

<i>(In millions)</i>	December 31, 2020	December 31, 2019
Assets		
Cash and cash equivalents	\$ 15	\$ 15
Receivables, less allowance for doubtful accounts	478	615
Inventories	118	110
Other current assets	67	110
Assets held for sale	188	—
Equity method investments	4,036	5,275
Property, plant and equipment, net	21,418	22,174
Goodwill	7,657	9,536
Right of use assets	309	365
Other noncurrent assets	1,006	1,323
Liabilities		
Accounts payable	\$ 468	\$ 744
Payroll and benefits payable	4	5
Accrued taxes	76	80
Debt due within one year	764	9
Operating lease liabilities	63	66
Liabilities held for sale	101	—
Other current liabilities	297	259
Long-term debt	19,375	19,704
Deferred income taxes	12	12
Long-term operating lease liabilities	244	302
Deferred credits and other liabilities	437	409

Non-Consolidated VIEs

Crowley Coastal Partners

In May 2016, Crowley Coastal Partners LLC (“Crowley Coastal Partners”) was formed to own an interest in both Crowley Ocean Partners LLC (“Crowley Ocean Partners”) and Crowley Blue Water Partners LLC (“Crowley Blue Water Partners”). We have determined that Crowley Coastal Partners is a VIE based on the terms of the existing financing arrangements for Crowley Blue Water Partners and Crowley Ocean Partners and the associated debt guarantees by MPC and Crowley. Our maximum exposure to loss at December 31, 2020 was \$424 million, which includes our equity method investment in Crowley Coastal Partners and the debt guarantees provided to each of the lenders to Crowley Blue Water Partners and Crowley Ocean Partners. We are not the primary beneficiary of this VIE because we do not have the ability to control the activities that significantly influence the economic outcomes of the entity and, therefore, do not consolidate the entity.

MPLX VIEs

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

Sherwood Midstream has been deemed the primary beneficiary of 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.

[Table of Contents](#)

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 17 for ownership percentages and investment balances related to our non-consolidated VIEs.

10. RELATED PARTY TRANSACTIONS

Transactions with related parties were as follows:

<i>(In millions)</i>	2020		2019		2018	
Sales to related parties	\$	123	\$	91	\$	14
Purchases from related parties		738		763		610

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

11. EARNINGS PER SHARE

We compute basic earnings (loss) per share by dividing net income (loss) attributable to MPC less income allocated to participating securities by the weighted average number of shares of common stock outstanding. Since MPC grants certain incentive compensation awards to employees and non-employee directors that are considered to be participating securities, we have calculated our earnings (loss) per share using the two-class method. Diluted income (loss) per share assumes exercise of certain stock-based compensation awards, provided the effect is not anti-dilutive.

[Table of Contents](#)

<i>(In millions, except per share data)</i>	2020	2019	2018
Income (loss) from continuing operations, net of tax	\$ (11,182)	\$ 2,449	\$ 2,933
Less: Net income (loss) attributable to noncontrolling interest	(151)	618	826
Net income allocated to participating securities	1	1	1
Income (loss) from continuing operations available to common stockholders	(11,032)	1,830	2,106
Income from discontinued operations, net of tax	1,205	806	673
Income (loss) available to common stockholders	\$ (9,827)	\$ 2,636	\$ 2,779
Weighted average common shares outstanding:			
Basic	649	659	518
Effect of dilutive securities	—	5	8
Diluted	649	664	526
Income (loss) available to common stockholders per share:			
Basic:			
Continuing operations	\$ (16.99)	\$ 2.78	\$ 4.06
Discontinued operations	1.86	1.22	1.30
Net income (loss) per share	\$ (15.13)	\$ 4.00	\$ 5.36
Diluted:			
Continuing operations	\$ (16.99)	\$ 2.76	\$ 4.00
Discontinued operations	1.86	1.21	1.28
Net income (loss) per share	\$ (15.13)	\$ 3.97	\$ 5.28

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

<i>(In millions)</i>	2020	2019	2018
Shares issuable under stock-based compensation plans	11	3	—

12. EQUITY

As of December 31, 2020, we had \$2.96 billion of remaining share repurchase authorizations from our board of directors. 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 will depend upon several factors, including market and business conditions, and such repurchases may be initiated, suspended or discontinued at any time.

Total share repurchases were as follows for the respective periods:

<i>(In millions, except per share data)</i>	2020	2019	2018
Number of shares repurchased	—	34	47
Cash paid for shares repurchased	\$ —	\$ 1,950	\$ 3,287
Average cost per share	\$ —	\$ 58.87	\$ 69.46

13. SEGMENT INFORMATION

On August 2, 2020, we entered into a definitive agreement to sell Speedway to 7-Eleven for \$21 billion in cash, subject to certain adjustments based on the levels of cash, debt and working capital at closing and certain other items. In connection with the announced sale, we reassessed our organizational structure and management of segments. As a result of this assessment, we have made the following changes for all periods presented:

- Speedway's results are presented separately as discontinued operations. See Note 5 for related disclosures.
- Refining & Marketing intersegment sales to Speedway that were previously eliminated in consolidation are reported as third party sales as we will continue to supply fuel to Speedway following its disposition.
- The retained direct dealer business results, previously included in the Retail segment, are reported within the Refining & Marketing segment.
- As a result of the above, we no longer present a separate Retail segment, which had included these two businesses.
- Corporate costs are no longer allocated to Speedway under discontinued operations accounting.

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

- Refining & Marketing – refines crude oil and other feedstocks 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, through long-term supply contracts with direct dealers who operate locations mainly under the ARCO® brand and to approximately 3,800 Speedway locations.
- Midstream – transports, stores, distributes and markets crude oil and refined products principally for the Refining & Marketing segment via refining logistics assets, pipelines, terminals, towboats and barges; gathers, processes and transports natural gas; and gathers, transports, fractionates, stores and markets NGLs. The Midstream segment primarily reflects the results of MPLX.

On October 1, 2018, we acquired Andeavor and its results are included in each of our segments from the date of the acquisition. Also, on February 1, 2018, we contributed certain refining logistics assets and fuels distribution services to MPLX. The results of these new businesses are reported in the Midstream segment prospectively from February 1, 2018, resulting in a net reduction to Refining & Marketing segment results and a net increase to Midstream segment results of the same amount. No effect was given to prior periods as these entities were not considered businesses prior to February 1, 2018.

Segment income from operations represents income (loss) from operations attributable to the reportable segments. Corporate administrative expenses, except for those attributable to MPLX, and costs related to certain non-operating assets are not allocated to the Refining & Marketing segment. In addition, certain items that affect comparability (as determined by the chief operating decision maker (“CODM”)) are not allocated to the reportable segments. 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.

[Table of Contents](#)

<i>(In millions)</i>	Refining & Marketing	Midstream	Total
Year Ended December 31, 2020			
Revenues:			
Third party ^(a)	\$ 66,180	\$ 3,599	\$ 69,779
Intersegment	67	4,839	4,906
Segment revenues	<u>\$ 66,247</u>	<u>\$ 8,438</u>	<u>\$ 74,685</u>
Segment income from operations	\$ (5,189)	\$ 3,708	\$ (1,481)
Supplemental Data			
Depreciation and amortization ^(b)	1,857	1,353	3,210
Capital expenditures and investments ^(c)	1,170	1,398	2,568

<i>(In millions)</i>	Refining & Marketing	Midstream	Total
Year Ended December 31, 2019			
Revenues:			
Third party ^(a)	\$ 107,305	\$ 3,843	\$ 111,148
Intersegment	103	4,917	5,020
Segment revenues	<u>\$ 107,408</u>	<u>\$ 8,760</u>	<u>\$ 116,168</u>
Segment income from operation	\$ 2,856	\$ 3,594	\$ 6,450
Supplemental Data			
Depreciation and amortization ^(b)	1,780	1,267	3,047
Capital expenditures and investments ^(c)	2,045	3,290	5,335

<i>(In millions)</i>	Refining & Marketing	Midstream	Total
Year Ended December 31, 2018			
Revenues:			
Third party ^(a)	\$ 82,755	\$ 3,331	\$ 86,086
Intersegment	66	3,329	3,395
Segment revenues	<u>\$ 82,821</u>	<u>\$ 6,660</u>	<u>\$ 89,481</u>
Segment income from operations	\$ 2,654	\$ 2,752	\$ 5,406
Supplemental Data			
Depreciation and amortization ^(b)	1,207	885	2,092
Capital expenditures and investments ^(c)	1,077	2,630	3,707

^(a) Includes Refining & Marketing sales to Speedway (as discussed above) and related party sales. See Note 10 for additional information.

^(b) Differences between segment totals and MPC consolidated totals represent amounts related to corporate and other items not allocated to segments.

^(c) Includes changes in capital expenditure accruals and investments in affiliates.

Table of Contents

The following reconciles segment income (loss) from operations to income (loss) from continuing operations before income taxes as reported in the consolidated statements of income:

<i>(In millions)</i>	2020	2019	2018
Segment income (loss) from operations	\$ (1,481)	\$ 6,450	\$ 5,406
Corporate ^(a)	(800)	(833)	(528)
Items not allocated to segments:			
Impairments ^(b)	(9,741)	(1,239)	9
Restructuring expenses ^(c)	(367)	—	—
Litigation	84	(22)	—
Gain on sale of assets	66	—	—
Transaction-related costs ^(d)	(8)	(153)	(197)
Equity method investment restructuring gains ^(e)	—	259	—
Income (loss) from continuing operations	(12,247)	4,462	4,690
Net interest and other financial costs	1,365	1,229	993
Income (loss) from continuing operations before income taxes	<u>\$ (13,612)</u>	<u>\$ 3,233</u>	<u>\$ 3,697</u>

^(a) Corporate consists primarily of MPC's corporate administrative expenses and costs related to certain non-operating assets, except for corporate overhead expenses attributable to MPLX, which are included in the Midstream segment. Corporate includes corporate costs of \$26 million, \$28 million and \$26 million for 2020, 2019 and 2018, respectively, that are no longer allocable to Speedway under discontinued operations accounting.

^(b) 2020 reflects impairments of goodwill, equity method investments and long lived assets. 2019 reflects impairments of goodwill and equity method investments. See Note 7. 2018 includes MPC's share of gains from the sale of assets remaining from the Sandpiper pipeline project, which was cancelled and impaired in 2016.

^(c) See Note 4.

^(d) 2020 and 2019 includes costs incurred in connection with the Midstream strategic review and other related efforts. Both 2019 and 2018 include employee severance, retention and other costs related to the acquisition of Andeavor. Effective October 1, 2019, we have discontinued reporting Andeavor transaction-related costs as one year has passed since the acquisition and these costs are immaterial. Costs incurred in connection with the Speedway separation are included in discontinued operations. See Note 5.

^(e) Includes gains related to The Andersons Marathon Holdings LLC and Capline Pipeline Company LLC. See Note 17.

The following reconciles segment capital expenditures and investments to total capital expenditures:

<i>(In millions)</i>	2020	2019	2018
Segment capital expenditures and investments	\$ 2,568	\$ 5,335	\$ 3,707
Less investments in equity method investees	485	1,064	409
Plus items not allocated to segments:			
Corporate	80	100	77
Capitalized interest	106	137	80
Total capital expenditures ^(a)	<u>\$ 2,269</u>	<u>\$ 4,508</u>	<u>\$ 3,455</u>

^(a) Includes changes in capital expenditure accruals. See Note 24 for a reconciliation of total capital expenditures to additions to property, plant and equipment as reported in the consolidated statements of cash flows.

Since we will continue to supply fuel to Speedway following its disposition, we have reported intersegment sales to Speedway, that were previously eliminated in consolidation, as third party sales in all periods presented. Sales to Speedway from the Refining & Marketing segment represented 11 percent, 12 percent and 13 percent of our total annual revenues for the years ended December 31, 2020, 2019 and 2018, respectively. See Note 23 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.

14. NET INTEREST AND OTHER FINANCIAL COSTS

Net interest and other financial costs were as follows:

<i>(In millions)</i>	2020	2019	2018
Interest income	\$ (9)	\$ (40)	\$ (87)
Interest expense	1,462	1,389	1,025
Interest capitalized	(129)	(158)	(80)
Pension and other postretirement non-service costs ^(a)	11	4	53
(Gain) loss on extinguishment of debt	(9)	—	64
Other financial costs	39	34	18
Net interest and other financial costs	<u>\$ 1,365</u>	<u>\$ 1,229</u>	<u>\$ 993</u>

^(a) See Note 26.

15. INCOME TAXES

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was enacted by Congress and signed into law by President Trump in response to the COVID-19 pandemic. The CARES Act contained a net operating loss (“NOL”) carryback provision, which allowed MPC to carryback our 2020 taxable loss to 2015 and later years. The five-year NOL carryback is available for all businesses producing taxable losses in 2018 through 2020. Based on the NOL carryback, as provided by the CARES Act, we recorded an income tax receivable of \$2.1 billion in other current assets to reflect our estimate of the tax refund we expect to receive from our 2020 federal tax return. The refund is expected to be received during the second half of 2021.

In the absence of the CARES Act NOL legislation, businesses would account for taxable losses as deferred tax assets and could realize the deferred tax asset by offsetting the losses against taxable income earned in future periods. Due to the corporate tax rate change from 35 percent to the current 21 percent under the Tax Cut and Jobs Act of 2017, taxpayers may recover taxes paid in tax years before 2018 at a 35 percent federal income tax rate. The limitation on the percentage of taxable income that may be offset by the NOL, formerly 80 percent of income, was eliminated for years beginning before 2021.

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

<i>(In millions)</i>	2020	2019	2018
Current:			
Federal	\$ (2,267)	\$ (52)	\$ 674
State and local	69	28	54
Foreign	9	1	22
Total current	<u>(2,189)</u>	<u>(23)</u>	<u>750</u>
Deferred:			
Federal	90	742	(119)
State and local	(347)	56	149
Foreign	16	9	(16)
Total deferred	<u>(241)</u>	<u>807</u>	<u>14</u>
Income tax provision (benefit)	<u>\$ (2,430)</u>	<u>\$ 784</u>	<u>\$ 764</u>

[Table of Contents](#)

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

	2020	2019	2018
Federal statutory rate	21 %	21 %	21 %
State and local income taxes, net of federal income tax effects	2	2	5
Goodwill impairment	(8)	5	—
Noncontrolling interests	—	(4)	(5)
Legislation	4	—	—
Other	(1)	—	—
Effective tax rate applied to income (loss) from continuing operations before income taxes	<u>18 %</u>	<u>24 %</u>	<u>21 %</u>

Deferred tax assets and liabilities resulted from the following:

<i>(In millions)</i>	December 31,	
	2020	2019
Deferred tax assets:		
Employee benefits	\$ 647	\$ 693
Environmental remediation	95	99
Finance lease obligations	103	105
Debt financing	6	17
Operating lease liabilities	453	498
Net operating loss carryforwards	232	18
Foreign currency	—	15
Tax credit carryforwards	19	14
Other	74	57
Total deferred tax assets	<u>1,629</u>	<u>1,516</u>
Deferred tax liabilities:		
Property, plant and equipment	3,195	3,301
Inventories	800	652
Investments in subsidiaries and affiliates	3,331	3,114
Goodwill and other intangibles	34	304
Right of use assets	451	498
Other	18	19
Total deferred tax liabilities	<u>7,829</u>	<u>7,888</u>
Net deferred tax liabilities	<u>\$ 6,200</u>	<u>\$ 6,372</u>

The above table reflects reclassifications of December 31, 2019 balances from property, plant and equipment to finance lease obligations, operating lease liabilities, goodwill and other intangibles and right of use assets to correct the presentation of these deferred tax assets and liabilities that were previously presented as property, plant and equipment deferred tax liabilities.

[Table of Contents](#)

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

<i>(In millions)</i>	December 31,	
	2020	2019
Assets:		
Other noncurrent assets	\$ 3	\$ 20
Liabilities:		
Deferred income taxes ^(a)	6,203	6,392
Net deferred tax liabilities	<u>\$ 6,200</u>	<u>\$ 6,372</u>

^(a) The deferred income tax assets and liabilities associated with discontinued operations remain in our balance sheet rather than being included in the carrying amount of assets and liabilities that are held for sale, as the sale is structured as a sale of assets. These discontinued operations deferred income tax assets and liabilities will be realized upon the sale of Speedway.

At December 31, 2020 and 2019, federal operating loss carryforwards were \$4 million and \$7 million, respectively, which includes a mix of indefinite carryforward ability and expiration periods ranging from 2022 through 2037. As of December 31, 2020 and 2019, state and local operating loss carryforwards were \$228 million and \$11 million, respectively, which includes a mix of indefinite carryforward ability and expiration periods ranging from 2021 through 2042.

As of December 31, 2020 and 2019, \$11 million of valuation allowances have been recorded related to income taxes. A federal valuation allowance was established for December 31, 2020 and 2019, of \$2 million, primarily due to the expected realizability of foreign tax credits. A state and local valuation allowance was established as of December 31, 2020 and 2019, of \$9 million, based on expected realizability of state and local tax operating losses.

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. While Andeavor also underwent continual IRS examination, it did not participate in the CAP for tax periods prior to October 1, 2018.

Andeavor and its subsidiaries’ IRS audits have been completed through the 2015 tax year. We believe adequate provisions have been established for potential tax in periods not closed to examination. 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, 2020, our federal income tax returns remain subject to examination for years 2016 through 2019. As of December 31, 2020, we have various state and local income tax returns subject to examination for years 2006 through 2019, depending on jurisdiction.

The following table summarizes the activity in unrecognized tax benefits:

<i>(In millions)</i>	2020	2019	2018
January 1 balance	\$ 32	\$ 211	\$ 19
Additions for tax positions of prior years	12	2	—
Reductions for tax positions of prior years	(18)	(2)	(5)
Settlements	(3)	(19)	—
Statute of limitations	—	(160)	(12)
Acquired from Andeavor	—	—	209
December 31 balance	<u>\$ 23</u>	<u>\$ 32</u>	<u>\$ 211</u>

If the unrecognized tax benefits as of December 31, 2020 were recognized, \$14 million would affect our effective income tax rate. There were \$9 million of uncertain tax positions as of December 31, 2020 for which it is reasonably possible that the amount of unrecognized tax benefits would significantly decrease during the next twelve months. For tax years 2009 and 2010, Andeavor had asserted a federal income tax claim for \$159 million from the income tax effect of the receipt of the ethanol blender’s excise tax credit, for which the tax benefit was not recorded. The statute of limitations for the IRS appeal process expired during the fourth quarter 2019 since the ability to obtain a refund was remote.

Table of Contents

Pursuant to our tax sharing agreement with Marathon Oil, the unrecognized tax benefits related to pre-spinoff operations for which Marathon Oil was the taxpayer remain the responsibility of Marathon Oil and we have indemnified Marathon Oil accordingly. See Note 29 for indemnification information.

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 \$(19) million, \$(2) million and \$1 million in 2020, 2019 and 2018, respectively. As of December 31, 2020 and 2019, \$(5) million and \$7 million of interest and penalties were accrued related to income taxes.

16. INVENTORIES

<i>(In millions)</i>	December 31,	
	2020	2019
Crude oil	\$ 2,588	\$ 3,472
Refined products	4,478	5,359
Materials and supplies	933	973
Total	<u>\$ 7,999</u>	<u>\$ 9,804</u>

The LIFO method accounted for 88 percent and 90 percent of total inventory value at December 31, 2020 and 2019, respectively. There was no excess of replacement or current cost over our stated LIFO cost as of December 31, 2020. Current acquisition costs were estimated to exceed the LIFO inventory value by \$787 million at December 31, 2019.

The cost of inventories of crude oil and refined products is determined primarily under the LIFO method. During 2020, we recorded a \$561 million charge to reflect LIFO liquidations for our crude oil and refined product inventories. The costs of inventories in the historical LIFO layers which were liquidated were higher than current costs, which resulted in the charge to cost of revenues. There were no liquidations of LIFO inventories in 2019 and 2018. .

17. EQUITY METHOD INVESTMENTS

The Andersons Marathon Holdings LLC

Effective October 1, 2019, The Andersons, Inc. and MPC contributed jointly owned equity interests in three ethanol entities into a new legal entity, The Andersons Marathon Holdings LLC ("TAMH"). Concurrently, The Andersons, Inc. contributed a wholly-owned ethanol facility to TAMH. In accordance with ASC 845, we derecognized the historical cost of our equity method investments in the legacy entities amounting to \$123 million and recognized the new equity method investment in TAMH at fair value. We used a combination of market, income and cost approaches to determine the fair value of our ownership interest in TAMH with more reliance on the market and income approaches. The estimated cash flows used in the income approach were discounted using a weighted average cost of capital estimate and the market approach utilized EBITDA and capacity multiples for similar companies and transactions. This is a nonrecurring fair value measurement and is recognized in Level 3 of the fair value hierarchy. We estimated the fair value of our ownership interest to be \$175 million. The excess of the estimated fair value of our ownership interest over the carrying value of the derecognized net assets resulted in a \$52 million non-cash net gain recorded as a net gain on disposal of assets in the accompanying consolidated statements of income.

Capline LLC

During the three months ended March 31, 2019, we executed agreements with Capline Pipeline Company LLC ("Capline LLC") to contribute our 33 percent undivided interest in the Capline pipeline system in exchange for a 33 percent ownership interest in Capline LLC. In connection with our execution of these agreements, Capline LLC initiated a binding open season for southbound service from Patoka, Illinois to St. James, Louisiana or Liberty, Mississippi with an additional origination point at Cushing, Oklahoma. Service from Cushing, Oklahoma is part of a joint tariff with Diamond pipeline.

[Table of Contents](#)

In accordance with ASC 810, we derecognized our undivided interest amounting to \$143 million of net assets and recognized the Capline LLC ownership interest we received at fair value. We used an income approach to determine the fair value of our ownership interest under a Monte Carlo simulation method. We estimated the fair value of our ownership interest to be \$350 million. This is a nonrecurring fair value measurement and is categorized in Level 3 of the fair value hierarchy. The Monte Carlo simulation inputs include ranges of tariff rates, operating volumes, operating cost and capital expenditure assumptions. The estimated cash flows were discounted using a Monte Carlo market participant weighted average cost of capital estimate. None of the inputs to the Monte Carlo simulation are individually significant. The excess of the estimated fair value of our ownership interest over the carrying value of the derecognized net assets resulted in a \$207 million non-cash net gain recorded as a net gain on disposal of assets in the accompanying consolidated statements of income.

As the Capline system is currently idled, Capline LLC is unable to fund its operations without financial support from its equity owners and is a VIE. MPC is not deemed to be the primary beneficiary, due to our inability to unilaterally control significant decision-making rights. Our maximum exposure to loss as a result of our involvement with Capline LLC includes our equity investment, any additional capital contribution commitments and any operating expenses incurred by Capline LLC in excess of compensation received for performance of the operating services.

[Table of Contents](#)

Investments in Equity Method Affiliates

<i>(Dollars in millions)</i>	VIE	Ownership as of December 31, 2020	Carrying value at December 31,	
			2020	2019
Refining & Marketing				
The Andersons Marathon Holdings LLC		50%	\$ 159	\$ 177
Watson Cogeneration Company		51%	25	26
Refining & Marketing Total			\$ 184	\$ 203
Midstream				
<i>MPLX</i>				
Andeavor Logistics Rio Pipeline LLC	X	67%	\$ 194	\$ 202
Centrahoma Processing LLC		40%	145	153
Explorer Pipeline Company		25%	72	83
Illinois Extension Pipeline Company, L.L.C		35%	254	265
LOOP LLC		41%	252	238
MarEn Bakken Company LLC		25%	465	481
MarkWest EMG Jefferson Dry Gas Gathering Company, L.L.C.	X	67%	307	302
MarkWest Utica EMG, L.L.C.	X	57%	698	1,984
Minnesota Pipe Line Company, LLC		17%	188	190
Rendezvous Gas Services, L.L.C.	X	78%	159	170
Sherwood Midstream Holdings LLC	X	51%	148	157
Sherwood Midstream LLC	X	50%	557	537
Whistler Pipeline LLC	X	38%	185	134
Wink to Webster Pipeline LLC ^(a)	X	—%	—	126
W2W Holdings LLC ^(a)	X	50%	72	—
Other ^(b)	X		340	253
MPLX Total			\$ 4,036	\$ 5,275
<i>MPC-Retained</i>				
Capline Pipeline Company LLC	X	33%	\$ 390	\$ 374
Crowley Coastal Partners, LLC	X	50%	190	188
Gray Oak Pipeline, LLC		25%	342	298
LOOP LLC		10%	63	59
South Texas Gateway Terminal LLC		25%	168	85
Other ^(b)	X		49	86
MPC-Retained Total			\$ 1,202	\$ 1,090
Midstream Total			\$ 5,238	\$ 6,365
Total			\$ 5,422	\$ 6,568

^(a) During 2020, MPLX contributed its ownership in Wink to Webster Pipeline LLC to W2W Holdings LLC.

^(b) Some investments included within “Other” have been deemed to be VIEs.

[Table of Contents](#)

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

<i>(In millions)</i>	2020	2019	2018
Income statement data:			
Revenues and other income	\$ 3,013	\$ 3,282	\$ 3,092
Income from operations	599	1,176	1,105
Net income	454	987	972
Balance sheet data – December 31:			
Current assets	\$ 1,298	\$ 1,195	
Noncurrent assets	17,697	16,362	
Current liabilities	754	997	
Noncurrent liabilities	4,736	2,769	

As of December 31, 2020, the carrying value of our equity method investments was \$361 million higher than the underlying net assets of investees. This basis difference is being amortized into net income over the remaining estimated useful lives of the underlying net assets, except for \$199 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 \$577 million, \$569 million and \$458 million in 2020, 2019 and 2018.

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

18. PROPERTY, PLANT AND EQUIPMENT

<i>(In millions)</i>	Estimated Useful Lives	December 31,	
		2020	2019
Refining & Marketing ^(a)	4 -30 years	\$ 30,306	\$ 29,101
Midstream	1 -61 years	27,677	27,193
Corporate	4 - 40 years	1,356	1,292
Total		59,339	57,586
Less accumulated depreciation ^(b)		20,304	16,716
Property, plant and equipment, net		\$ 39,035	\$ 40,870

^(a) Recast to include the direct dealer business. See Note 13 for additional information.

^(b) The December 31, 2020 balance includes property, plant and equipment impairment charges recorded during 2020. See Note 7 for additional information.

Property, plant and equipment includes gross assets acquired under finance leases of \$819 million and \$740 million at December 31, 2020 and 2019, respectively, with related amounts in accumulated depreciation of \$272 million and \$215 million at December 31, 2020 and 2019. Property, plant and equipment includes construction in progress of \$1.83 billion and \$3.12 billion at December 31, 2020 and 2019, respectively, which primarily relates to capital projects at our refineries and midstream facilities.

19. GOODWILL AND INTANGIBLES

Goodwill

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. In 2020 and 2019, we recorded impairments of goodwill as

[Table of Contents](#)

outlined in Note 7. There were no other impairments of goodwill required based on our annual test of goodwill in 2020 and 2019.

The changes in the carrying amount of goodwill for 2019 and 2020 were as follows:

<i>(In millions)</i>	Refining & Marketing ^(a)	Midstream	Total
Balance at January 1, 2019	\$ 5,511	\$ 10,323	\$ 15,834
Acquisitions	38	—	38
Purchase price allocation adjustments	584	408	992
Impairments ^(b)	—	(1,197)	(1,197)
Dispositions	—	(17)	(17)
Balance at December 31, 2019	\$ 6,133	\$ 9,517	\$ 15,650
Transfers	8	(8)	—
Impairments ^(b)	(5,580)	(1,814)	(7,394)
Balance at December 31, 2020	\$ 561	\$ 7,695	\$ 8,256

^(a) Recast to include the direct dealer business. See Note 13 for additional information.

^(b) See Note 7.

Intangible Assets

Our definite lived intangible assets as of December 31, 2020 and 2019 are as shown below.

<i>(In millions)</i>	December 31, 2020			December 31, 2019		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer contracts and relationships	\$ 3,359	\$ 1,119	\$ 2,240	\$ 3,271	\$ 612	\$ 2,659
Brand rights and tradenames	100	35	65	100	20	80
Royalty agreements	133	87	46	133	78	55
Other	36	27	9	36	24	12
Total	\$ 3,628	\$ 1,268	\$ 2,360	\$ 3,540	\$ 734	\$ 2,806

At both December 31, 2020 and 2019, we had indefinite lived intangible assets \$71 million, which are emission allowance credits.

Amortization expense for 2020 and 2019 was \$336 million and \$357 million, respectively. Estimated future amortization expense for the next five years related to the intangible assets at December 31, 2020 is as follows:

<i>(In millions)</i>	
2021	\$ 347
2022	346
2023	330
2024	277
2025	257

20. 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, 2020 and 2019 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.

<i>(In millions)</i>	December 31, 2020					
	Fair Value Hierarchy			Netting and Collateral ^(a)	Net Carrying Value on Balance Sheet ^(b)	Collateral Pledged Not Offset
	Level 1	Level 2	Level 3			
Assets:						
Commodity contracts	\$ 82	\$ 6	\$ —	\$ (80)	\$ 8	\$ 31
Liabilities:						
Commodity contracts	\$ 81	\$ 10	\$ —	\$ (91)	\$ —	\$ —
Embedded derivatives in commodity contracts	—	—	63	—	63	—

<i>(In millions)</i>	December 31, 2019					
	Fair Value Hierarchy			Netting and Collateral ^(a)	Net Carrying Value on Balance Sheet ^(b)	Collateral Pledged Not Offset
	Level 1	Level 2	Level 3			
Assets:						
Commodity contracts	\$ 57	\$ 6	\$ —	\$ (55)	\$ 8	\$ 73
Liabilities:						
Commodity contracts	\$ 95	\$ 11	\$ —	\$ (106)	\$ —	\$ —
Embedded derivatives in commodity contracts	—	—	60	—	60	—

^(a) Represents the impact of netting assets, liabilities and cash collateral when a legal right of offset exists. As of December 31, 2020, cash collateral of \$11 million was netted with mark-to-market liabilities. As of December 31, 2019, cash collateral of \$51 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.

Commodity derivatives in Level 1 are 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 in the fair value hierarchy.

Level 2 instruments are valued based on quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices, such as liquidity, that are observable for the asset or liability. Commodity derivatives in Level 2 are OTC contracts, which are valued using market quotations from independent price reporting agencies, third-party brokers and commodity exchange price curves that are corroborated with market data.

Level 3 instruments include embedded derivatives in commodity contracts. The embedded derivative liability relates to a natural gas purchase agreement embedded in a keep-whole processing agreement. The fair value calculation for these Level 3 instruments at December 31, 2020 used significant unobservable inputs including: (1) NGL prices interpolated and extrapolated due to inactive markets ranging from \$0.47 to \$1.09 per gallon with a weighted average of \$0.59 per gallon and (2) the probability of renewal of 100 percent for the first and second five-year term of the natural gas purchase agreement and the related keep-whole processing agreement. Increases or decreases in the fractionation spread result in an increase or decrease in the fair value of the embedded derivative liability.

[Table of Contents](#)

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

<i>(In millions)</i>	2020	2019
Beginning balance	\$ 60	\$ 61
Unrealized and realized losses included in net income	9	5
Settlements of derivative instruments	(6)	(6)
Ending balance	<u>\$ 63</u>	<u>\$ 60</u>
The amount of total losses for the period included in earnings attributable to the change in unrealized losses relating to assets still held at the end of period:	\$ 4	\$ 5

See Note 21 for the income statement impacts of our derivative instruments.

Fair Values – Reported

We believe the carrying value of our other financial instruments, including cash and cash equivalents, receivables, accounts payable and certain accrued liabilities approximate fair value. Our fair value assessment incorporates a variety of considerations, including the short-term duration of the instruments and the expected insignificance of bad debt expense, which includes an evaluation of counterparty credit risk. The borrowings under our revolving credit facilities and term loan facility, which include variable interest rates, approximate fair value. The fair value of our fixed and floating rate long-term debt is based on prices from recent trade activity and is categorized in Level 3 of the fair value hierarchy. The carrying and fair values of our debt were approximately \$31.1 billion and \$34.9 billion at December 31, 2020, respectively, and approximately \$28.3 billion and \$30.1 billion at December 31, 2019, respectively. These carrying and fair values of our debt exclude the unamortized issuance costs which are netted against our total debt.

21. DERIVATIVES

For further information regarding the fair value measurement of derivative instruments, including any effect of master netting agreements or collateral, see Note 20. 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, 2020 and 2019 and the line items in the 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>(In millions)</i>	December 31, 2020	
	Asset	Liability
Balance Sheet Location		
Commodity derivatives		
Other current assets	\$ 88	\$ 91
Other current liabilities ^(a)	—	7
Deferred credits and other liabilities ^(a)	—	56

Table of Contents

(In millions)

Balance Sheet Location	December 31, 2019	
	Asset	Liability
Commodity derivatives		
Other current assets	\$ 63	\$ 106
Other current liabilities ^(a)	—	5
Deferred credits and other liabilities ^(a)	—	55

^(a) Includes embedded derivatives.

The table below summarizes open commodity derivative contracts for crude oil, refined products and blending products as of December 31, 2020.

<i>(Units in thousands of barrels)</i>	Percentage of contracts that expire next quarter	Position	
		Long	Short
Exchange-traded ^(a)			
Crude oil	81.9%	17,474	11,197
Refined products	89.0%	13,923	9,354
Blending products	100.0%	3,206	3,987
Soybean oil	100.0%	558	1,117

^(a) Included in exchange-traded are spread contracts in thousands of barrels: Refined products - 935 long and 455 short

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

(In millions)

Income Statement Location	Gain (Loss)		
	2020	2019	2018
Sales and other operating revenues	\$ 72	\$ (19)	\$ 13
Cost of revenues	34	(77)	(59)
Other income	1	—	—
Total	\$ 107	\$ (96)	\$ (46)

22. DEBT

Our outstanding borrowings at December 31, 2020 and 2019 consisted of the following:

<i>(In millions)</i>	December 31, 2020	December 31, 2019
Marathon Petroleum Corporation:		
Commercial paper	\$ 1,024	\$ —
Senior notes	9,849	8,474
Notes payable	1	1
Finance lease obligations	634	574
MPLX LP:		
Bank revolving credit facility	175	—
Term loan facility	—	1,000
Senior notes	20,350	19,100
Finance lease obligations	11	19
Total debt	\$ 32,044	\$ 29,168
Unamortized debt issuance costs	(154)	(134)
Unamortized (discount) premium, net	(306)	(310)
Amounts due within one year	(2,854)	(704)
Total long-term debt due after one year	\$ 28,730	\$ 28,020

Commercial Paper

On February 26, 2016, we established a commercial paper program that allows us to have a maximum of \$2 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 our bank revolving credit facilities.

MPC Senior Notes

<i>(In millions)</i>	December 31,	
	2020	2019
Marathon Petroleum Corporation:		
Senior notes, 3.400% due December 2020	\$ —	\$ 650
Senior notes, 5.125% due March 2021	1,000	1,000
Senior notes, 5.375% due October 2022	—	337
Senior notes, 4.500% due May 2023	1,250	—
Senior notes, 4.750% due December 2023	614	614
Senior notes, 5.125% due April 2024	241	241
Senior notes, 3.625% due September 2024	750	750
Senior notes, 4.700% due May 2025	1,250	—
Senior notes, 5.125% due December 2026	719	719
Senior notes, 3.800% due April 2028	496	496
Senior notes, 6.500% due March 2041	1,250	1,250
Senior notes, 4.750% due September 2044	800	800
Senior notes, 5.850% due December 2045	250	250
Senior notes, 4.500% due April 2048	498	498
Andeavor senior notes, 3.800% - 5.375% due 2022 - 2048	331	469
Senior notes, 5.000%, due September 2054	400	400
Total	\$ 9,849	\$ 8,474

On April 27, 2020, we issued \$2.5 billion aggregate principal amount of senior notes in a public offering, consisting of \$1.25 billion aggregate principal amount of 4.500% unsecured senior notes due May 2023 and \$1.25 billion aggregate principal amount of 4.700% unsecured senior notes due May 2025. MPC used the net proceeds from this offering to repay amounts outstanding under its five-year revolving credit facility.

On October 1, 2020, all of the \$475 million outstanding aggregate principal amount of 5.375% senior notes due October 2022, including the portion of such notes for which Andeavor was the obligor, were redeemed at a price equal to par.

On November 15, 2020, all of the \$650 million outstanding aggregate principal amount of 3.400% senior notes due December 2020 were redeemed at a price equal to par.

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 and structurally subordinated to the indebtedness of our subsidiaries, including the outstanding indebtedness of Andeavor, MPLX and ANDX. 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.

MPLX Term Loan Facility

The \$1.0 billion of outstanding borrowings under the MPLX term loan facility was repaid during 2020 with net proceeds from the issuance of MPLX senior notes discussed below.

MPLX Senior Notes

<i>(In millions)</i>	December 31,	
	2020	2019
MPLX LP:		
Floating rate notes due September 2021	\$ —	\$ 1,000
Floating rate notes due September 2022	1,000	1,000
Senior notes, 6.250% due October 2022	—	266
Senior notes, 3.500% due December 2022	486	486
Senior notes, 3.375% due March 2023	500	500
Senior notes, 4.500% due July 2023	989	989
Senior notes, 6.375% due May 2024	—	381
Senior notes, 4.875% due December 2024	1,149	1,149
Senior notes, 5.250% due January 2025	708	708
Senior notes, 4.000% due February 2025	500	500
Senior notes, 4.875% due June 2025	1,189	1,189
MarkWest senior notes, 4.500% - 4.875% due 2023 - 2025	23	23
Senior notes, 1.750% due March 2026	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	—
Senior notes, 4.500% due April 2038	1,750	1,750
Senior notes, 5.200% due March 2047	1,000	1,000
Senior notes, 5.200% due December 2047	487	487
ANDX senior notes, 3.500% - 5.250% due 2022 - 2047	87	190
Senior notes, 4.700% due April 2048	1,500	1,500
Senior notes, 5.500% due February 2049	1,500	1,500
Senior notes, 4.900% due April 2058	500	500
Total	<u>\$ 20,350</u>	<u>\$ 19,100</u>

2020 Activity

On August 18, 2020, MPLX issued \$3.0 billion aggregate principal amount of senior notes in a public offering, consisting of \$1.5 billion aggregate principal amount of 1.750% senior notes due March 2026 and \$1.5 billion aggregate principal amount of 2.650% senior notes due August 2030. The net proceeds were used to repay \$1.0 billion of outstanding borrowings under the MPLX term loan agreement, to repay the \$1.0 billion aggregate principal amount of floating rate senior notes due September 2021, to redeem all of the \$300 million aggregate principal amount of MPLX's 6.250% senior notes due October 2022 and to redeem the \$450 million aggregate principal amount of 6.375% senior notes due May 2024, including the portion of such notes issued by ANDX. The remaining net proceeds were used for general business purposes.

On December 29, 2020, MPLX announced the redemption of all the \$750 million outstanding aggregate principal amount of 5.250% senior notes due January 2025, including the portion of such notes issued by ANDX. The notes were redeemed on January 15, 2021 at a price equal to 102.625% of the principal amount. These notes are included in long-term debt due within one year in our consolidated balance sheet as of December 31, 2020.

2019 Activity

On September 9, 2019, MPLX issued \$2.0 billion aggregate principal amount of floating rate senior notes in a public offering, consisting of \$1.0 billion aggregate principal amount of notes due September 2021 and \$1.0 billion aggregate principal amount of notes due September 2022. Net proceeds from the issuance of

[Table of Contents](#)

the floating rate senior notes were used to repay MPLX's existing indebtedness and/or for general business purposes. The interest rate applicable to the floating rate senior notes due September 2021 is LIBOR plus 0.9% per annum while the interest rate applicable to the floating rate senior notes due September 2022 is LIBOR plus 1.1% per annum. Interest is payable in March, June, September and December, commencing on December 9, 2019. Both series of floating rate notes are callable, in whole or in part, at par plus accrued and unpaid interest at any time on or after September 10, 2020.

In connection with MPLX's acquisition of ANDX on July 30, 2019, MPLX assumed ANDX's outstanding senior notes, which had an aggregate principal amount of \$3.75 billion, with interest rates ranging from 3.500% to 6.375% and maturity dates ranging from 2019 to 2047. On September 23, 2019, approximately \$3.06 billion aggregate principal amount of ANDX's outstanding senior notes were exchanged for new unsecured senior notes issued by MPLX having the same maturity and interest rates as the ANDX senior notes in an exchange offer and consent solicitation undertaken by MPLX, leaving approximately \$690 million aggregate principal of outstanding senior notes issued by ANDX. Of this, \$500 million was related to the 5.500% unsecured senior notes due 2019. The principal amount of \$500 million and accrued interest of \$14 million was paid on October 15, 2019, which included interest through the payoff date.

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 except as otherwise noted.

Schedule of Maturities

Principal maturities of long-term debt, excluding finance lease obligations, as of December 31, 2020 for the next five years are as follows:

(In millions)

2021	\$	1,750
2022		1,500
2023		3,600
2024		2,376
2025		2,950

Available Capacity under our Facilities as of December 31, 2020

<i>(Dollars in millions)</i>	Total Capacity	Outstanding Borrowings	Outstanding Letters of Credit	Available Capacity	Weighted Average Interest Rate	Expiration
<u>MPC, excluding MPLX</u>						
MPC 364-day bank revolving credit facility	\$ 1,000	\$ —	\$ —	\$ 1,000	—	September 2021
MPC 364-day bank revolving credit facility	1,000	—	—	1,000	—	April 2021
MPC bank revolving credit facility ^(a)	5,000	—	1	4,999	—	October 2023
MPC trade receivables securitization facility ^(b)	750	—	—	750	—	July 2021
<u>MPLX</u>						
MPLX bank revolving credit facility ^(c)	3,500	175	—	3,325	1.36	July 2024

^(a) Borrowed \$4.225 billion and repaid \$4.225 billion during the year ended December 31, 2020.

^(b) Borrowed \$3.550 billion and repaid \$3.550 billion during the year ended December 31, 2020. Availability under our \$750 million trade receivables facility is a function of eligible trade receivables, which will be lower in a sustained lower price environment for refined products.

^(c) Borrowed \$3.815 billion and repaid \$3.640 billion during the year ended December 31, 2020.

MPC Revolving Credit Agreements

On August 28, 2018, in connection with the Andeavor acquisition, MPC entered into a credit agreement with a syndicate of lenders providing for a \$5.0 billion five-year revolving credit facility that expires in 2023. The five-year credit agreement became effective on October 1, 2018.

On September 23, 2020, MPC entered into a 364-day credit agreement with a syndicate of lenders. This revolving credit agreement provides for a \$1.0 billion unsecured revolving credit facility that matures in September 2021, and replaces a similar 364-day revolving credit agreement that expired on September 28, 2020.

On April 27, 2020, MPC entered into an additional 364-day revolving credit agreement that provides for a \$1.0 billion unsecured revolving credit facility that matures in April 2021. In February 2021, we elected to terminate this credit agreement. This facility provided us with additional liquidity and financial flexibility during the then ongoing commodity price and demand downturn. There were no borrowings under this credit facility, and we determined that the incremental borrowing capacity of the facility was no longer necessary. We do not intend to replace this facility. We incurred no early termination fees as a result of the early termination of this credit agreement.

MPC has an option under its \$5.0 billion five-year 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, MPC may request up to two one-year extensions of the maturity date of the five-year credit agreement subject to, among other conditions, the consent of lenders holding a majority of the commitments, provided that the commitments of any non-consenting lenders will terminate on the then-effective maturity date. The five-year credit agreement includes sub-facilities for swing-line loans of up to \$250 million and letters of credit of up to \$2.2 billion (which may be increased to up to \$3.0 billion upon receipt of additional letter of credit issuing commitments).

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

The MPC credit agreements contain 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 agreements) 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, 2020, we were in compliance with the covenants contained in the MPC credit agreements.

Trade Receivables Securitization Facility

The trade receivables facility consists of our wholly-owned subsidiaries selling or contributing on an on-going basis all of their trade 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 LLC ("TRC"), in exchange for a combination of cash, equity and/or borrowings under a subordinated note issued by TRC. TRC, in turn, has the ability to sell undivided ownership interests in qualifying trade receivables, together with all related security and interests in the proceeds thereof, without recourse, to the purchasing group in exchange for cash proceeds. The trade receivables facility also provides for the issuance of letters of credit up to \$750 million, provided that the aggregate credit exposure of the purchasing group, including outstanding letters of credit, may not exceed the lesser of \$750 million or the balance of qualifying trade receivables at any one time.

To the extent that TRC retains an ownership interest in the receivables it has purchased or received under the facility, 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 purchasing group to secure its obligations under the Receivables Purchase Agreement.

[Table of Contents](#)

Proceeds from the sale of undivided percentage ownership interests in qualifying receivables under the trade receivables facility are reflected as debt on our consolidated balance sheet. We remain responsible for servicing the receivables sold to the purchasing group. 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 receivables purchase agreement and receivables sale agreement 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 qualify for sale by TRC pursuant to the trade receivables facility. In addition, further purchases of qualified trade receivables under the trade receivables facility are subject to termination, and TRC may be subject to default fees, upon the occurrence of certain amortization events that are included in the receivables purchase agreement, all of which we consider to be usual and customary for arrangements of this type. As of December 31, 2020, we were in compliance with the covenants contained in the receivables purchase agreement and receivables sale agreement.

MPLX Credit Agreement

Upon the completion of the merger of MPLX and ANDX on July 30, 2019, the MPLX bank revolving credit facility was amended and restated to increase the borrowing capacity to \$3.5 billion and to extend the maturity date to July 30, 2024. The ANDX revolving and dropdown credit facilities were terminated and all outstanding balances were repaid and funded with borrowings under the amended and restated MPLX \$3.5 billion bank revolving credit facility.

The MPLX credit agreement includes letter of credit issuing capacity of up to approximately \$300 million and swingline loan capacity of up to \$150 million. The revolving borrowing capacity 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.

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

The MPLX credit agreement contains certain representations and warranties, affirmative and restrictive covenants and events of default that we consider to be usual and customary for an agreement of this type, including a financial covenant that requires MPLX to maintain a ratio of Consolidated Total Debt as of the end of each fiscal quarter to Consolidated EBITDA (both as defined in the MPLX credit agreement) for the prior four fiscal quarters of no greater than 5.0 to 1.0 (or 5.5 to 1.0 for up to two fiscal quarters following certain acquisitions). Consolidated EBITDA is subject to adjustments for certain acquisitions completed and capital projects undertaken during the relevant period. The covenants also restrict, among other things, MPLX's ability and/or the ability of certain of its subsidiaries to incur debt, create liens on assets and enter into transactions with affiliates. As of December 31, 2020, MPLX was in compliance with the covenants contained in the MPLX credit agreement.

23. REVENUE

As discussed in Notes 1 and 13, the presentation of Refining & Marketing segment revenues reflects changes associated with the expected sale of Speedway and our new reportable segments. The following table presents our revenues disaggregated by segment and product line:

<i>(In millions)</i>	Refining & Marketing	Midstream	Total
Year Ended December 31, 2020			
Refined products	\$ 61,648	\$ 641	\$ 62,289
Crude oil	4,023	—	4,023
Midstream services and other	509	2,958	3,467
Sales and other operating revenues	<u>\$ 66,180</u>	<u>\$ 3,599</u>	<u>\$ 69,779</u>

<i>(In millions)</i>	Refining & Marketing	Midstream	Total
Year Ended December 31, 2019			
Refined products	\$ 102,316	\$ 818	\$ 103,134
Crude oil	4,402	—	4,402
Midstream services and other	587	3,025	3,612
Sales and other operating revenues	<u>\$ 107,305</u>	<u>\$ 3,843</u>	<u>\$ 111,148</u>

<i>(In millions)</i>	Refining & Marketing	Midstream	Total
Year Ended December 31, 2018			
Refined products	\$ 78,952	\$ 945	\$ 79,897
Crude oil	3,345	—	3,345
Midstream services and other	458	2,386	2,844
Sales and other operating revenues	<u>\$ 82,755</u>	<u>\$ 3,331</u>	<u>\$ 86,086</u>

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, 2020, we do not have future performance obligations that are material to future periods.

Receivables

On the accompanying consolidated balance sheets, receivables, less allowance for doubtful accounts primarily consists of customer receivables. Significant, non-customer balances included in our receivables at December 31, 2020 include matching buy/sell receivables of \$2.08 billion.

[Table of Contents](#)

24. SUPPLEMENTAL CASH FLOW INFORMATION

<i>(In millions)</i>	2020	2019	2018
Net cash provided by operating activities included:			
Interest paid (net of amounts capitalized)	\$ 1,235	\$ 1,168	\$ 887
Net income taxes paid to (received from) taxing authorities	(179)	491	424
Cash paid for amounts included in the measurement of lease liabilities			
Payments on operating leases ^(a)	651	642	—
Interest payments under finance lease obligations ^(a)	25	28	—
Net cash provided by financing activities included:			
Principal payments under finance lease obligations ^(a)	66	48	—
Non-cash investing and financing activities:			
Capital leases	—	—	172
Right of use assets obtained in exchange for new operating lease obligations ^(a)	343	329	—
Right of use assets obtained in exchange for new finance lease obligations ^(a)	110	80	—
Contribution of assets ^(b)	—	266	—
Fair value of assets acquired ^(c)	—	525	—
Acquisition:			
Fair value of MPC shares issued	—	—	19,766
Fair value of converted equity awards	—	—	203

^(a) Disclosure added in 2019 following the adoption of ASC 842.

^(b) 2019 includes the contribution of net assets to TAMH and Capline LLC. See Note 17.

^(c) 2019 includes the recognition of TAMH and Capline LLC equity method investments. See Note 17.

<i>(In millions)</i>	December 31, 2020	December 31, 2019
Cash and cash equivalents ^(a)	\$ 415	\$ 1,393
Restricted cash ^(b)	1	2
Cash, cash equivalents and restricted cash	\$ 416	\$ 1,395

^(a) Excludes \$140 million and \$134 million of cash included in assets held for sale representing Speedway store cash.

^(b) The restricted cash balance is included within other current assets on the consolidated balance sheets.

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

<i>(In millions)</i>	2020	2019	2018
Additions to property, plant and equipment per the consolidated statements of cash flows	\$ 2,787	\$ 4,810	\$ 3,179
Asset retirement expenditures	—	1	8
Increase (decrease) in capital accruals	(518)	(303)	268
Total capital expenditures	\$ 2,269	\$ 4,508	\$ 3,455

25. ACCUMULATED OTHER COMPREHENSIVE LOSS

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

<i>(In millions)</i>	Pension Benefits	Other Benefits	Gain on Cash Flow Hedge	Workers Compensation	Total
Balance as of December 31, 2018	\$ (132)	\$ (23)	\$ 2	\$ 9	\$ (144)
Other comprehensive income (loss) before reclassifications, net of tax of \$(52)	(71)	(92)	—	1	(162)
Amounts reclassified from accumulated other comprehensive loss:					
Amortization – prior service credit ^(a)	(45)	—	—	—	(45)
– actuarial loss ^(a)	22	(1)	—	—	21
– settlement loss ^(a)	9	—	—	—	9
Other	—	—	(1)	(4)	(5)
Tax effect	5	—	—	1	6
Other comprehensive loss	(80)	(93)	(1)	(2)	(176)
Balance as of December 31, 2019	<u>\$ (212)</u>	<u>\$ (116)</u>	<u>\$ 1</u>	<u>\$ 7</u>	<u>\$ (320)</u>

<i>(In millions)</i>	Pension Benefits	Other Benefits	Gain on Cash Flow Hedge	Workers Compensation	Total
Balance as of December 31, 2019	\$ (212)	\$ (116)	\$ 1	\$ 7	\$ (320)
Other comprehensive income (loss) before reclassifications, net of tax of \$(65)	(136)	(67)	—	4	(199)
Amounts reclassified from accumulated other comprehensive loss:					
Amortization – prior service credit ^(a)	(45)	—	—	—	(45)
– actuarial loss ^(a)	36	3	—	—	39
– settlement loss ^(a)	22	—	—	—	22
Other	—	—	—	(6)	(6)
Tax effect	(3)	(1)	—	1	(3)
Other comprehensive loss	(126)	(65)	—	(1)	(192)
Balance as of December 31, 2020	<u>\$ (338)</u>	<u>\$ (181)</u>	<u>\$ 1</u>	<u>\$ 6</u>	<u>\$ (512)</u>

^(a) These accumulated other comprehensive loss components are included in the computation of net periodic benefit cost. See Note 26.

26. PENSION AND OTHER POSTRETIREMENT BENEFITS

We have noncontributory defined benefit pension plans covering substantially all employees. Benefits under these plans have been based primarily on age, years of service and final average pensionable earnings. The years of service component of these formulae was frozen as of December 31, 2009. Certain of the pensionable earnings components were frozen as of December 31, 2012. Benefits for service beginning January 1, 2010 and beginning on January 1, 2016 are based on a cash balance formula with an annual percentage of eligible pay credited based upon age and years of service or at a flat rate of eligible pay, depending on covered employee group. Substantially all of our employees also accrue benefits under a defined contribution plan.

<i>(In millions)</i>	2020	2019	2018
Cash balance weighted average interest crediting rates	3.00 %	3.18 %	3.00 %

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

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

Obligations and Funded Status

The accumulated benefit obligation for all defined benefit pension plans was \$3,369 million and \$3,013 million as of December 31, 2020 and 2019.

The following summarizes our defined benefit pension plans that have accumulated benefit obligations in excess of plan assets.

<i>(In millions)</i>	December 31,	
	2020	2019
Projected benefit obligations	\$ 3,671	\$ 3,220
Accumulated benefit obligations	3,369	3,013
Fair value of plan assets	2,621	2,531

[Table of Contents](#)

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

<i>(In millions)</i>	Pension Benefits		Other Benefits	
	2020	2019	2020	2019
Change in benefit obligations:				
Benefit obligations at January 1	\$ 3,220	\$ 2,761	\$ 1,020	\$ 874
Service cost	302	234	35	31
Interest cost	98	107	32	37
Actuarial loss ^(a)	373	400	83	123
Benefits paid	(322)	(282)	(39)	(43)
Plan amendments	—	—	—	(2)
Benefit obligations at December 31	3,671	3,220	1,131	1,020
Change in plan assets:				
Fair value of plan assets at January 1	2,531	2,090	—	—
Actual return on plan assets	327	435	—	—
Employer contributions	85	288	39	43
Benefits paid from plan assets	(322)	(282)	(39)	(43)
Fair value of plan assets at December 31	2,621	2,531	—	—
Funded status of plans at December 31	\$ (1,050)	\$ (689)	\$ (1,131)	\$ (1,020)
Amounts recognized in the consolidated balance sheets:				
Current liabilities	\$ (9)	\$ (47)	\$ (51)	\$ (46)
Noncurrent liabilities	(1,041)	(642)	(1,080)	(974)
Accrued benefit cost	\$ (1,050)	\$ (689)	\$ (1,131)	\$ (1,020)
Pretax amounts recognized in accumulated other comprehensive loss:^(b)				
Net actuarial loss	\$ 699	\$ 577	\$ 219	\$ 139
Prior service cost (credit)	(204)	(250)	32	32

^(a) The primary driver of the actuarial loss for the pension plans in 2020 and 2019 was the decrease in interest rates. The plans also saw moderate losses related to demographic experience in each year.

^(b) Amounts exclude those related to LOOP and Explorer, equity method investees with defined benefit pension and postretirement plans for which net losses of \$16 million and less than \$1 million were recorded in accumulated other comprehensive loss in 2020, reflecting our ownership share.

Components of Net Periodic Benefit Cost and Other Comprehensive Loss

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

<i>(In millions)</i>	Pension Benefits			Other Benefits		
	2020	2019	2018	2020	2019	2018
Components of net periodic benefit cost:						
Service cost	\$ 283	\$ 218	\$ 147	\$ 35	\$ 31	\$ 30
Interest cost	98	107	83	32	37	30
Expected return on plan assets	(133)	(127)	(109)	—	—	—
Amortization – prior service credit	(45)	(45)	(33)	—	—	(3)
– actuarial loss	36	22	31	3	—	1
– settlement loss	20	9	53	—	—	—
Net periodic benefit cost ^(a)	\$ 259	\$ 184	\$ 172	\$ 70	\$ 68	\$ 58
Other changes in plan assets and benefit obligations recognized in other comprehensive loss (pretax):						
Actuarial (gain) loss	\$ 179	\$ 92	\$ 65	\$ 83	\$ 123	\$ (72)
Prior service cost (credit)	—	—	(90)	—	(2)	34
Amortization of actuarial loss	(56)	(31)	(84)	(3)	—	(1)
Amortization of prior service credit	45	45	33	—	—	3
Total recognized in other comprehensive loss	\$ 168	\$ 106	\$ (76)	\$ 80	\$ 121	\$ (36)
Total recognized in net periodic benefit cost and other comprehensive loss	\$ 427	\$ 290	\$ 96	\$ 150	\$ 189	\$ 22

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

For certain of our pension plans, lump sum payments to employees retiring in 2020, 2019 and 2018 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 2020, 2019 and 2018.

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 2020, 2019 and 2018.

	Pension Benefits			Other Benefits		
	2020	2019	2018	2020	2019	2018
Weighted-average assumptions used to determine benefit obligation:						
Discount rate	2.44 %	3.08 %	4.21 %	2.55 %	3.00 %	4.26 %
Rate of compensation increase	5.70 %	4.90 %	5.00 %	5.70 %	4.90 %	5.00 %
Weighted-average assumptions used to determine net periodic benefit cost:						
Discount rate	3.00 %	4.07 %	3.89 %	3.23 %	4.30 %	3.72 %
Expected long-term return on plan assets	5.75 %	6.00 %	6.15 %	— %	— %	— %
Rate of compensation increase	5.70 %	4.90 %	4.80 %	5.70 %	4.90 %	5.00 %

Expected Long-term Return on Plan Assets

The overall expected long-term return on plan assets assumption is determined based on an asset rate-of-return modeling tool developed by a third-party investment group. The tool utilizes underlying assumptions based on actual returns by asset category and inflation and takes into account our asset allocation to derive an expected long-term rate of return on those assets. Capital market assumptions reflect the long-term capital market outlook. The assumptions for equity and fixed income investments are developed using a building-block approach, reflecting observable inflation information and interest rate information available in the fixed income markets. Long-term assumptions for other asset categories are based on historical results, current market characteristics and the professional judgment of our internal and external investment teams.

Assumed Health Care Cost Trend

The following summarizes the assumed health care cost trend rates.

	December 31,		
	2020	2019	2018
Health care cost trend rate assumed for the following year:			
Medical: Pre-65	6.00 %	6.20 %	6.80 %
Prescription drugs	7.00 %	8.10 %	9.50 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate):			
Medical: Pre-65	4.50 %	4.50 %	4.50 %
Prescription drugs	4.50 %	4.50 %	4.50 %
Year that the rate reaches the ultimate trend rate:			
Medical: Pre-65	2028	2027	2027
Prescription drugs	2028	2027	2027

Increases in the post-65 medical plan premium for the Marathon Petroleum Health Plan and the Marathon Petroleum Retiree Health Plan are the lower of the trend rate or four percent.

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, 2020, 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, 2020 and 2019.

Cash and cash equivalents

Cash and cash equivalents include a collective fund serving as the investment vehicle for the cash reserves and cash held by third-party investment managers. The collective fund is valued at net asset value ("NAV")

[Table of Contents](#)

on a scheduled basis using a cost approach, and is considered a Level 2 asset. Cash and cash equivalents held by third-party investment managers are valued using a cost approach and are considered Level 2.

Equity

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

Fixed Income

Fixed income investments include corporate bonds, U.S. dollar treasury bonds and municipal bonds. These securities are priced on observable inputs using a combination of market, income and cost approaches. These securities are considered Level 2 assets. Fixed income also includes a well diversified bond portfolio structured as a pooled fund. This fund is valued at NAV on a daily basis using a market approach and is considered Level 2. Other investments classified as Level 1 include mutual funds that are publicly registered, valued at NAV on a daily basis using a market approach.

Private Equity

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

Real Estate

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

Other

Other investments include two limited liability companies ("LLCs") with no public market. The LLCs were formed to acquire timberland in the northwest U.S. These holdings are either appraised or valued using the investment manager's assessment of assets held. These holdings are considered Level 3. Other investments classified as Level 1 include publicly traded depository receipts.

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, 2020 and 2019.

<i>(In millions)</i>	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ —	\$ 23	\$ —	\$ 23
Equity:				
Common stocks	51	3	—	54
Mutual funds	353	—	—	353
Pooled funds	—	794	—	794
Fixed income:				
Corporate	—	746	—	746
Government	327	128	—	455
Pooled funds	—	131	—	131
Private equity	—	—	23	23
Real estate	—	—	20	20
Other	—	3	19	22
Total investments, at fair value	\$ 731	\$ 1,828	\$ 62	\$ 2,621

[Table of Contents](#)

<i>(In millions)</i>	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ —	\$ 22	\$ —	\$ 22
Equity:				
Common stocks	125	135	—	260
Mutual funds	188	—	—	188
Pooled funds	—	442	—	442
Fixed income:				
Corporate	160	815	—	975
Government	113	217	—	330
Pooled funds	—	229	—	229
Private equity	—	—	30	30
Real estate	—	—	24	24
Other	58	(46)	19	31
Total investments, at fair value	\$ 644	\$ 1,814	\$ 73	\$ 2,531

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

<i>(In millions)</i>	2020		
	Private Equity	Real Estate	Other
Beginning balance	\$ 30	\$ 24	\$ 19
Actual return on plan assets:			
Realized	6	1	—
Unrealized	(4)	(3)	—
Purchases	—	1	—
Sales	(9)	(3)	—
Ending balance	\$ 23	\$ 20	\$ 19

<i>(In millions)</i>	2019		
	Private Equity	Real Estate	Other
Beginning balance	\$ 41	\$ 29	\$ 18
Actual return on plan assets:			
Realized	5	2	—
Unrealized	(3)	(2)	1
Purchases	1	1	—
Sales	(14)	(6)	—
Ending balance	\$ 30	\$ 24	\$ 19

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 2020, we made contributions totaling \$3 million to our funded pension plans. For 2021, we have \$65 million of required funding, but we may also make voluntary contributions to our funded pension plans

[Table of Contents](#)

at our discretion. Cash contributions to be paid from our general assets for the unfunded pension and postretirement plans are estimated to be approximately \$82 million and \$52 million, respectively, in 2021.

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>(In millions)</i>	Pension Benefits		Other Benefits	
2021	\$	185	\$	52
2022		189		52
2023		194		52
2024		206		52
2025		212		53
2026 through 2030		1,172		280

Contributions to defined contribution plan

We also contribute to a defined contribution plan for eligible employees. Contributions to this plan totaled \$180 million, \$181 million and \$118 million in 2020, 2019 and 2018, 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 2020, 2019 and 2018 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 2020 and 2019 is for the plan’s year ended December 31, 2019 and December 31, 2018, 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 2020, 2019 and 2018 contributions. Our portion of the contributions does not make up more than five percent of total contributions to the plan.

Pension Fund	EIN	Pension Protection Act Zone Status		FIP/RP Status Pending/Implemented	MPC Contributions <i>(In millions)</i>			Surcharge Imposed	Expiration Date of Collective – Bargaining Agreement
		2020	2019		2020	2019	2018		
Central States, Southeast and Southwest Areas Pension Plan ^(a)	366044243	Red	Red	Implemented	\$ 5	\$ 4	\$ 4	No	January 31, 2024

^(a) This agreement has a minimum contribution requirement of \$338 per week per employee for 2021. A total of 275 employees participated in the plan as of December 31, 2020.

Multiemployer Health and Welfare Plan

We contribute to one multiemployer health and welfare plan that covers both active employees and retirees. Through the health and welfare plan employees receive medical, dental, vision, prescription and disability coverage. Our contributions to this plan totaled \$7 million, \$6 million and \$6 million for 2020, 2019 and 2018, respectively.

27. STOCK-BASED COMPENSATION

Description of the Plans

Effective April 26, 2012, our employees and non-employee directors became eligible to receive equity awards under the Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan (“MPC 2012 Plan”). The MPC 2012 Plan authorizes the Compensation and Organization Development Committee of our board of directors (“Committee”) to grant non-qualified or incentive stock options, stock appreciation rights, stock awards (including restricted stock and restricted stock unit awards), cash awards and performance awards to our employees and non-employee directors. Under the MPC 2012 Plan, no more than 50 million shares of our common stock may be delivered and no more than 20 million shares of our common stock may be the subject of awards that are not stock options or stock appreciation rights. In the sole discretion of the Committee, 20 million shares of our common stock may be granted as incentive stock options. Shares issued as a result of awards granted under these plans are funded through the issuance of new MPC common shares.

Prior to April 26, 2012, our employees and non-employee directors were eligible to receive equity awards under the Marathon Petroleum Corporation 2011 Second Amended and Restated Incentive Compensation Plan (“MPC 2011 Plan”).

In connection with the Andeavor acquisition in October of 2018, we converted the outstanding option and equity incentive awards (other than awards held by non-employee directors of Andeavor, which awards were paid out in connection with the acquisition) under the Andeavor plans to awards that provide for rights to acquire (in the case of options) or be settled in or otherwise determined in reference to shares of MPC common stock in place of shares of Andeavor common stock (in the case of equity incentive awards). As part of that conversion, we used an exchange ratio for the respective share prices of Andeavor common stock and MPC common stock to ensure that the award holders’ economic opportunity remained constant, and for converted awards, which included a performance component, performance was determined at the time of the conversion and the awards became subject to a time-based vesting only design. The converted awards otherwise continue to be subject to the terms and conditions of their award agreements and the applicable Andeavor plan under which such awards were granted.

Stock-Based Awards under the Plans

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

Stock Options

We grant stock options to certain officer and non-officer employees. All of the stock options granted in 2020 were granted under the MPC 2012 Plan. Stock options awarded under the MPC 2011 Plan and the MPC 2012 Plan represent the right to purchase shares of our common stock at its fair market value, which is the closing price of MPC’s common stock on the date of grant. Stock options have a maximum term of ten years from the date they are granted, and vest over a requisite service period of three years. We use 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 and restricted stock units to employees and non-employee directors. In general, restricted stock and restricted stock units granted to employees vest over a requisite service period of three years. Restricted stock and restricted stock unit awards granted to officers 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. The fair values of restricted stock are equal to the market price of our common stock on the grant date. Restricted stock units granted to non-employee directors are considered to vest immediately at the time of the grant for accounting purposes, as they are non-forfeitable, but are not issued until the director’s departure from the board of directors. Restricted stock unit recipients do not have the right to vote any shares of stock and accrue dividend equivalents which when vested are payable at the dates specified in the awards.

Performance Units

We grant performance unit awards to certain officer employees. Performance units are dollar denominated. The target value of all performance units is \$1.00, with actual payout up to \$2.00 per unit (up to 200 percent of target). Performance units issued under the MPC 2012 Plan have a 36-month requisite service period. The payout value of these awards will be determined by the relative ranking of the total shareholder return (“TSR”) of MPC common stock compared to the TSR of a select group of peer companies, as well as the Standard & Poor’s 500 Energy Index fund over an average of four measurement periods. These awards will be settled 25 percent in MPC common stock and 75 percent in cash. The number of shares actually distributed will be determined by dividing 25 percent of the final payout by the closing price of MPC common stock on the day the Committee certifies the final TSR rankings, or the next trading day if the certification is made outside of normal trading hours. The performance units paying out in cash are accounted for as liability awards and recorded at fair value with a mark-to-market adjustment made each quarter. The performance units that settle in shares are accounted for as equity awards and do not receive dividend equivalents.

Total Stock-Based Compensation Expense

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

<i>(In millions)</i>	2020	2019	2018
Stock-based compensation expense	\$ 100	\$ 153	\$ 127
Tax benefit recognized on stock-based compensation expense	25	35	31
Cash received by MPC upon exercise of stock option awards	11	10	24
Tax (expense)/benefit received for tax deductions for stock awards exercised	16	(3)	14

Stock Option Awards

The Black Scholes option-pricing model values used to value stock option awards granted were determined based on the following weighted average assumptions:

	2020	2019	2018
Weighted average exercise price per share	\$ 28.78	\$ 61.92	\$ 67.71
Expected life in years	5.9	6.0	6.2
Expected volatility	39 %	32 %	34 %
Expected dividend yield	4.7 %	3.4 %	3.0 %
Risk-free interest rate	0.6 %	2.4 %	2.7 %
Weighted average grant date fair value of stock option awards granted	\$ 7.40	\$ 13.65	\$ 17.21

The expected life of stock options granted is based on historical data and represents the period of time that options granted are expected to be held prior to exercise. The 2020 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 risk-free interest rate for periods within the expected life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant.

[Table of Contents](#)

The following is a summary of our common stock option activity in 2020:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2019	10,018,367	\$ 42.55		
Granted	2,770,139	28.78		
Exercised	(1,016,593)	14.15		
Forfeited or expired	(472,132)	37.77		
Outstanding at December 31, 2020	11,299,781	41.95		
Vested and expected to vest at December 31, 2020	11,243,905	29.28	5.2	\$ 76
Exercisable at December 31, 2020	7,641,774	42.61	3.6	42

The intrinsic value of options exercised by MPC employees during 2020, 2019 and 2018 was \$25 million, \$23 million and \$44 million, respectively.

As of December 31, 2020, unrecognized compensation cost related to stock option awards was \$15 million, which is expected to be recognized over a weighted average period of 1.8 years.

Restricted Stock and Restricted Stock Unit Awards

The following is a summary of restricted stock award activity of our common stock in 2020:

	Restricted Stock		Restricted Stock Units	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Units	Weighted Average Grant Date Fair Value
Unvested at December 31, 2019	1,349,798	\$ 62.20	1,481,746	\$ 82.39
Granted	2,463	56.49	3,076,347	22.82
Vested	(646,358)	61.58	(823,111)	77.01
Forfeited	(125,924)	62.11	(410,658)	27.76
Unvested at December 31, 2020	579,979	62.89	3,324,324	35.34

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

	Restricted Stock		Restricted Stock Units	
	Intrinsic Value of Awards Vested During the Period (in millions)	Weighted Average Grant Date Fair Value of Awards Granted During the Period	Intrinsic Value of Awards Vested During the Period (in millions)	Weighted Average Grant Date Fair Value of Awards Granted During the Period
2020	\$ 18	\$ 56.49	\$ 59	\$ 22.82
2019	32	61.14	120	58.30
2018	49	71.19	39	72.43

As of December 31, 2020, unrecognized compensation cost related to restricted stock awards was \$19 million, which is expected to be recognized over a weighted average period of 1.0 year. Unrecognized compensation cost related to restricted stock unit awards was \$43 million, which is expected to be recognized over a weighted average period of 1.76 years.

[Table of Contents](#)

Performance Unit Awards

The following table presents a summary of the 2020 activity for performance unit awards to be settled in shares:

	Number of Units	Weighted Average Grant Date Fair Value
Unvested at December 31, 2019	11,199,500	\$ 0.80
Granted	3,360,000	0.89
Vested	(3,490,750)	0.89
Forfeited	(58,713)	0.75
Unvested at December 31, 2020	11,010,037	0.80

The number of shares that would be issued upon target vesting, using the closing price of our common stock on December 31, 2020 would be 320,661 shares.

As of December 31, 2020, unrecognized compensation cost related to equity-classified performance unit awards was \$2 million, which is expected to be recognized over a weighted average period of 1.94 years.

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

	2020	2019	2018
Risk-free interest rate	0.9 %	2.5 %	2.3 %
Look-back period (in years)	2.8	2.8	2.8
Expected volatility	30.4 %	29.7 %	34.0 %
Grant date fair value of performance units granted	\$ 0.89	\$ 0.72	\$ 0.83

The risk-free interest rate for the remaining performance period as of the grant date is based on the U.S. Treasury yield curve in effect at the time of the grant. The look-back period reflects the remaining performance period at the grant date. The assumption for the expected volatility of our stock price reflects the average MPC common stock historical volatility.

MPLX Awards

Compensation expense for awards of MPLX units are not material to our consolidated financial statements for 2020.

28. 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 58 years. Most long-term leases include renewal options ranging from less than one year to 49 years and, in certain leases, also include purchase options. The lease term included in the measurement of right of use assets and lease liabilities includes options to extend or terminate our leases that we are reasonably certain to exercise.

Table of Contents

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>(In millions)</i>	2020	2019
Finance lease cost:		
Amortization of right of use assets	\$ 72	\$ 59
Interest on lease liabilities	35	37
Operating lease cost	658	660
Variable lease cost	60	68
Short-term lease cost	631	735
Total lease cost	\$ 1,456	\$ 1,559

Supplemental balance sheet data related to leases were as follows:

<i>(In millions)</i>	December 31,	
	2020	2019
Operating leases		
Assets		
Right of use assets	\$ 1,521	\$ 1,806
Liabilities		
Operating lease liabilities	\$ 497	\$ 514
Long-term operating lease liabilities	1,014	1,300
Total operating lease liabilities	\$ 1,511	\$ 1,814
Weighted average remaining lease term (in years)	4.8	5.1
Weighted average discount rate	3.68 %	3.91 %
Finance leases		
Assets		
Property, plant and equipment, gross	\$ 819	\$ 740
Less accumulated depreciation	272	215
Property, plant and equipment, net	\$ 547	\$ 525
Liabilities		
Debt due within one year	\$ 69	\$ 56
Long-term debt	576	537
Total finance lease liabilities	\$ 645	\$ 593
Weighted average remaining lease term (in years)	10.7	11.6
Weighted average discount rate	5.33 %	6.63 %

Table of Contents

As of December 31, 2020, 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>(In millions)</i>	Operating	Finance
2021	\$ 544	\$ 91
2022	373	99
2023	243	101
2024	170	84
2025	111	76
2026 and thereafter	224	402
Gross lease payments	1,665	853
Less: imputed interest	154	208
Total lease liabilities	\$ 1,511	\$ 645

Lessor

MPLX has certain natural gas gathering, transportation and processing agreements in which it is considered to be the lessor under several operating lease arrangements in accordance with GAAP. MPLX's primary natural gas lease operations relate to a natural gas gathering agreement in the Marcellus Shale for which it earns a fixed-fee for providing gathering services to a single producer using a dedicated gathering system. As the gathering system is expanded, the fixed-fee charged to the producer is adjusted to include the additional gathering assets in the lease. The primary term of the natural gas gathering arrangement expires in 2038 and will continue thereafter on a year-to-year basis until terminated by either party. Other significant natural gas implicit leases relate to a natural gas processing agreement in the Marcellus Shale and a natural gas processing agreement in the Southern Appalachia region for which MPLX earns minimum monthly fees for providing processing services to a single producer using a dedicated processing plant. The primary term of these natural gas processing agreements expires during 2027 and 2023, respectively, and 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. Lessor agreements are currently deemed operating, as MPLX elected the practical expedient to carry forward historical classification conclusions. If and when a modification of an existing agreement occurs and the agreement is required to be assessed under ASC 842, MPLX assesses the amended agreement and makes a determination as to whether a reclassification of the lease is required.

Our revenue from implicit lease arrangements, excluding executory costs, totaled approximately \$273 million and \$254 million in 2020 and 2019, respectively. Under ASC 840, our revenue from implicit lease arrangements, excluding executory costs, totaled approximately \$221 million in 2018. The following is a schedule of minimum future rentals on the non-cancellable operating leases as of December 31, 2020:

<i>(In millions)</i>	
2021	\$ 186
2022	181
2023	178
2024	174
2025	142
2026 and thereafter	999
Total minimum future rentals	\$ 1,860

[Table of Contents](#)

The following schedule summarizes our investment in assets held for operating lease by major classes as of December 31, 2020 and 2019:

<i>(In millions)</i>	December 31,	
	2020	2019
Gathering and transportation	\$ 990	\$ 980
Processing and fractionation	867	855
Terminals	128	83
Land, building and other	15	17
Property, plant and equipment	2,000	1,935
Less accumulated depreciation	430	327
Total property, plant and equipment, net	<u>\$ 1,570</u>	<u>\$ 1,608</u>

29. 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, 2020 and 2019, accrued liabilities for remediation totaled \$397 million and \$396 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 \$7 million and \$9 million at December 31, 2020 and 2019, respectively.

Governmental and other entities in various states have filed lawsuits against energy companies, including MPC. The lawsuits allege damages as a result of climate change and the plaintiffs are seeking unspecified damages and abatement under various tort theories. We are currently subject to such proceedings in federal or state courts in California, Delaware, Maryland, Hawaii, Rhode Island and South Carolina. Similar lawsuits may be filed in other jurisdictions. At this early stage, the ultimate outcome of these matters remain uncertain, and neither the likelihood of an unfavorable outcome nor the ultimate liability, if any, can be determined.

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

Asset Retirement Obligations

Our short-term asset retirement obligations were \$14 million and \$20 million at December 31, 2020 and 2019, respectively, which are included in other current liabilities in our consolidated balance sheets. Our long-term asset retirement obligations were \$183 million and \$184 million at December 31, 2020 and 2019, respectively, which are included in deferred credits and other liabilities in our consolidated balance sheets.

Other Legal Proceedings

In early July 2020, MPLX received a Notification of Trespass Determination from the Bureau of Indian Affairs (“BIA”) relating to a portion of the Tesoro High Plains Pipeline (“THPP”), which crosses the Fort Berthold Reservation in North Dakota. The notification covered the rights of way for 23 tracts of land and demanded the immediate cessation of pipeline operations. The notification also assessed trespass damages of approximately \$187 million. MPLX appealed this determination, which triggered an automatic stay of the requested pipeline shutdown and payment. On October 29, the Assistant Secretary - Indian Affairs issued an order vacating the BIA’s trespass order and requiring the Regional Director for the BIA Great Plains Region to issue a new decision on or before December 15 covering all 34 tracts at issue. On December 15, the Regional Director of the BIA issued a new trespass notice to THPP consistent with the Assistant Secretary of Indian Affairs order vacating the prior trespass order. The new order found that THPP was in trespass and assessed trespass damages of approximately \$4 million (including interest), which has been paid. The order also required THPP to immediately cease and desist use of the portion of the pipeline that crosses the property at issue. THPP has complied with the Regional Director’s December 15, 2020 notice. On February 12, 2021, landowners filed suit in the U.S. District Court for the District of North Dakota, requesting, among other things, that decisions by the Assistant Secretary - Indian Affairs and the Interior Board of Indian Appeals be vacated as to the award of damages to plaintiffs.

MPLX continues to work towards a settlement of this matter with holders of the property rights at issue. Management does not believe the ultimate resolution of this matter will have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

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 have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Guarantees

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

Guarantees related to indebtedness of equity method investees

LOOP and LOCAP

MPC and MPLX hold interests in an offshore oil port, LOOP, and MPLX holds an interest in a crude oil pipeline system, LOCAP. Both LOOP and LOCAP have secured various project financings with throughput and deficiency agreements. Under the agreements, MPC, as a shipper, is required to advance funds if the investees are unable to service their debt. Any such advances are considered prepayments of future transportation charges. The duration of the agreements varies but tend to follow the terms of the underlying debt, which extend through 2037. Our maximum potential undiscounted payments under these agreements for the debt principal totaled \$171 million as of December 31, 2020.

Dakota Access Pipeline

In connection with MPLX’s approximate 9.19 percent indirect interest in a joint venture (“Dakota Access”) that owns and operates the Dakota Access Pipeline and Energy Transfer Crude Oil Pipeline projects, collectively referred to as the Bakken Pipeline system or DAPL, MPLX entered into a Contingent Equity Contribution Agreement. MPLX, along with the other joint venture owners in the Bakken Pipeline system, has agreed to make equity contributions to the joint venture upon certain events occurring to allow the entities that own and operate the Bakken Pipeline system to satisfy their senior note payment obligations. The senior notes were issued to repay amounts owed by the pipeline companies to fund the cost of construction of the Bakken Pipeline system.

In March 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 conduct a full environmental impact statement (“EIS”), and further requested briefing on whether an easement necessary for the operation of the Bakken Pipeline system should be vacated while the EIS is being prepared.

Table of Contents

On July 6, 2020, the D.D.C. ordered vacatur of the easement to cross Lake Oahe during the pendency of an EIS and further ordered a shut down of the pipeline by August 5, 2020. The D.D.C. denied a motion to stay that order. Dakota Access and the Army Corps appealed the D.D.C.'s orders to the U.S. Court of Appeals for the District of Columbia Circuit (the "Court of Appeals"). On July 14, 2020, the Court of Appeals issued an administrative stay while the court considered Dakota Access and the Army Corps' emergency motion for stay pending appeal. On August 5, 2020, the Court of Appeals stayed the D.D.C.'s injunction that required the pipeline be shutdown and emptied of oil by August 5, 2020. The Court of Appeals denied a stay of the D.D.C.'s March order, which required the EIS, and further denied a stay of the D.D.C.'s July order, which vacated the easement. On January 26, 2021, the Court of Appeals upheld the D.D.C.'s order vacating the easement while the Army Corps prepares the EIS. The Court of Appeals reversed the D.D.C.'s order to the extent it directed that the pipeline be shutdown and emptied of oil. In the D.D.C., briefing has been completed for a renewed request for an injunction. The pipeline remains operational.

If the pipeline is temporarily shut down pending completion of the EIS, MPLX would have to contribute its 9.19 percent pro rata share of funds required to pay interest accruing on the notes and any portion of the principal that matures while the pipeline is shutdown. It is expected that MPLX would contribute its 9.19 percent pro rata share of any costs to remediate any deficiencies to reinstate the permit and/or return the pipeline into operation. If the vacatur of the easement permit results in a permanent shutdown of the pipeline, MPLX would have to contribute its 9.19 percent pro rata share of the cost to redeem the bonds (including the one percent redemption premium required pursuant to the indenture governing the notes) and any accrued and unpaid interest. As of December 31, 2020, our maximum potential undiscounted payments under the Contingent Equity Contribution Agreement were approximately \$230 million.

Crowley Ocean Partners and Crowley Blue Water Partners

In connection with our 50 percent ownership in Crowley Ocean Partners, we have agreed to conditionally guarantee our portion of the obligations of the joint venture and its subsidiaries under a senior secured term loan agreement. The term loan agreement provides for loans of up to \$325 million to finance the acquisition of four product tankers. MPC's liability under the guarantee for each vessel is conditioned upon the occurrence of certain events, including if we cease to maintain an investment grade credit rating or the charter for the relevant product tanker ceases to be in effect and is not replaced by a charter with an investment grade company on certain defined commercial terms. As of December 31, 2020, our maximum potential undiscounted payments under this agreement for debt principal totaled \$119 million.

In connection with our 50 percent indirect interest in Crowley Blue Water Partners, we have agreed to provide a conditional guarantee of up to 50 percent of its outstanding debt balance in the event there is no charter agreement in place with an investment grade customer for the entity's three vessels as well as other financial support in certain circumstances. As of December 31, 2020, our maximum potential undiscounted payments under this arrangement was \$115 million.

Marathon Oil indemnifications

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

Other guarantees

We have entered into other guarantees with maximum potential undiscounted payments totaling \$99 million as of December 31, 2020, which primarily consist of a commitment to contribute cash to an equity method investee for certain catastrophic events, in lieu of procuring insurance coverage, a commitment to fund a share of the bonds issued by a government entity for construction of public utilities in the event that other industrial users of the facility default on their utility payments 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, 2020 and 2019, our contractual commitments to acquire property, plant and equipment and advance funds to equity method investees totaled \$1.7 billion and \$1.6 billion, respectively.

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.

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

As a result of the agreement to sell Speedway, Speedway's results are reported separately as discontinued operations in our consolidated statements of income for all periods presented.

Prior to presentation of Speedway as discontinued operations, Speedway and our retained direct dealer business were the two reporting units within our Retail segment. Beginning with the third quarter of 2020, the direct dealer business is managed as part of the Refining & Marketing segment. The results of the Refining & Marketing segment have been retrospectively adjusted to include the results of the direct dealer business in all periods presented.

In accordance with ASC 205, Discontinued Operations, intersegment sales from our Refining & Marketing segment to Speedway are no longer eliminated as intercompany transactions and are now presented within sales and other operating revenue, since we will continue to supply fuel to Speedway subsequent to the sale to 7-Eleven. All periods presented have been retrospectively adjusted to reflect this change.

	2020			
	Quarter Ended			
<i>(In millions, except per share data)</i>	March 31	June 30	September 30	December 31
Sales and other operating revenues	\$ 22,204	\$ 12,195	\$ 17,408	\$ 17,972
Income (loss) from continuing operations	(12,155)	575	(1,057)	390
Income (loss) from continuing operations, net of tax	(10,536)	84	(980)	250
Net income (loss)	(10,218)	276	(609)	574
Net income (loss) attributable to MPC	(9,234)	9	(886)	285
Income (loss) from continuing operations per share ^(a) :				
Basic	\$ (14.74)	\$ (0.28)	\$ (1.93)	\$ (0.06)
Diluted	(14.74)	(0.28)	(1.93)	(0.06)

	2019			
	Quarter Ended			
<i>(In millions, except per share data)</i>	March 31	June 30	September 30	December 31
Sales and other operating revenues	\$ 25,349	\$ 30,239	\$ 27,552	\$ 28,008
Income from continuing operations	526	1,698	1,680	558
Income from continuing operations, net of tax	150	1,109	1,113	77
Net income	259	1,367	1,367	262
Net income (loss) attributable to MPC	(7)	1,106	1,095	443
Income (loss) from continuing operations per share ^(a) :				
Basic	\$ (0.17)	\$ 1.28	\$ 1.28	\$ 0.40
Diluted	(0.17)	1.27	1.27	0.40

^(a) The sum of the per-share amounts for the four quarters may not always equal the annual per-share amounts due to differences in the average number of shares outstanding during the respective periods.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) was carried out under the supervision and with the participation of our management, including our chief executive officer and chief financial officer. Based upon that evaluation, the chief executive officer and chief financial officer concluded that the design and operation of these disclosure controls and procedures were effective as of December 31, 2020, the end of the period covered by this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

During the quarter ended December 31, 2020, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On February 24, 2021, we provided notice to terminate our \$1.0 billion 364-day revolving credit agreement (the “April 2020 MPC 364-Day Credit Agreement”), dated as of April 27, 2020, by and among MPC, as borrower, the banks party thereto and JPMorgan Chase Bank, N.A. as administrative agent, which was scheduled to expire on April 26, 2021. The material terms and conditions of the April 2020 MPC 364-Day Credit Agreement were described in our Current Report on Form 8-K filed on April 27, 2020 (the “Credit Agreement Form 8-K”) which description is incorporated by reference herein. That description is also qualified by reference to the full text of the April 2020 MPC 364-Day Credit Agreement, which is filed as Exhibit 10.1 to the Credit Agreement Form 8-K. There were no borrowings under the credit facility established under the April 2020 MPC 364-Day Credit Agreement, and we determined that the incremental borrowing capacity provided by the New MPC 364-Day Credit Agreement was no longer necessary.

Certain parties to the New MPC 364-Day Revolving Credit Agreement have in the past performed, and may in the future from time to time perform, investment banking, financial advisory, lending or commercial banking services for us and our affiliates, for which they have received, and may in the future receive, customary compensation and reimbursement of expenses.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information concerning our executive officers is included in Part I, Item 1 of this Annual Report on Form 10-K. Information concerning our directors is incorporated by reference to “Corporate Governance—Proposal 1. Election of Directors” in our Proxy Statement for the 2021 Annual Meeting of Shareholders, to be filed with the SEC within 120 days of December 31, 2020 (the “Proxy Statement”).

Our Code of Business Conduct, which applies to all of our directors, officers and employees, defines our expectations for ethical decision-making, accountability and responsibility. Our Code of Ethics for Senior Financial Officers, which is specifically applicable to our President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, Senior Vice President and Controller, Vice President, Finance and Treasurer, and other leaders performing similar roles, affirms the principle that the honesty, integrity and sound judgment of our senior executives with responsibility for preparation and certification of our financial statements is essential to the proper functioning and success of our company. These codes are available on our website at www.marathonpetroleum.com/Investors/Corporate-Governance/. We will post on our website any amendments to, or waivers from, either of these codes requiring disclosure under applicable rules within four business days following the amendment or waiver.

The other information required by this Item is incorporated by reference to “Corporate Governance—Board Leadership and Function—Board Committees” in our Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item is incorporated by reference to “Executive Compensation,” “Executive Compensation—Executive Compensation Tables” and “Corporate Governance—Director Compensation” in our Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information concerning security ownership of certain beneficial owners and management required by this Item is incorporated by reference to “Other Information—Stock Ownership Information” in our Proxy Statement.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2020 with respect to shares of our common stock that may be issued under the MPC 2012 Plan, the MPC 2011 Plan and the Andeavor Plans:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ^(a)	Weighted-average exercise price of outstanding options, warrants and rights ^(b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) ^(c)
Equity compensation plans approved by stockholders	14,833,695	\$ 41.95	31,784,613
Equity compensation plan not approved by stockholders	—	—	—
Total	14,833,695	N/A	31,784,613

^(a) Includes the following:

- 1) 11,299,781 stock options granted pursuant to the MPC 2012 Plan and the MPC 2011 Plan and not forfeited, cancelled or expired as of December 31, 2020.
- 2) 2,892,592 restricted stock units granted pursuant to the MPC 2012 Plan and the MPC 2011 Plan for shares unissued and not forfeited, cancelled or expired as of December 31, 2020. The amounts in column (a) do not include (i) 709,416 restricted stock units granted under the Andeavor Plans and not forfeited, cancelled or expired as of December 31, 2020, or (ii) 598,767 shares of restricted stock outstanding as of December 31, 2020.
- 3) 641,322 shares as the maximum potential number of shares that could be issued in settlement of performance units outstanding as of December 31, 2020 pursuant to the MPC 2012 Plan, based on the closing price of our common stock on December 31, 2020 of \$41.36 per share. The number of shares reported for this award vehicle may overstate dilution. See Note 27 for more information on performance unit awards granted under the MPC 2012 Plan.

^(b) Restricted stock, restricted stock units and performance units are not taken into account in the weighted-average exercise price as such awards have no exercise price.

^(c) Reflects the shares available for issuance pursuant to the MPC 2012 Plan. All granting authority under the MPC 2011 Plan was revoked following the approval of the MPC 2012 Plan by shareholders on April 25, 2012, and all granting power under the Andeavor Plans was revoked at the time of the Andeavor Merger. No more than 12,112,418 of the shares reported in this column may be issued for awards other than stock options or stock appreciation rights. The number of shares reported in this column assumes 641,322 as the maximum potential number of shares that could be issued pursuant to the MPC 2012 Plan in settlement of performance units outstanding as of December 31, 2020, based on the closing price of our common stock on December 31, 2020, of \$41.36 per share. The number of shares assumed for this award vehicle may understate the number of shares available for issuance pursuant to the MPC 2012 Plan. See Note 27 for more information on performance unit awards granted pursuant to the MPC 2012 Plan. Shares related to grants made pursuant to the MPC 2012 Plan that are forfeited, cancelled or expire unexercised become immediately available for issuance under the MPC 2012 Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item is incorporated by reference to “Other Information—Related Party Transactions” and “Corporate Governance—Board Composition and Director Selection—Director Independence” in our Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this Item is incorporated by reference to “Audit Matters—Auditor Fees and Services” in our Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

A. Documents Filed as Part of the Report

1. Financial Statements (see Part II, Item 8. of this Annual Report on Form 10-K regarding financial statements)
2. Financial Statement Schedules

Financial statement schedules required under SEC rules but not included in this Annual Report on Form 10-K are omitted because they are not applicable or the required information is contained in the consolidated financial statements or notes thereto.

3. Exhibits:

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
2	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession						
2.1 †	Separation and Distribution Agreement, dated as of May 25, 2011, among Marathon Oil Corporation, Marathon Oil Company and Marathon Petroleum Corporation	10	2.1	5/26/2011	001-35054		
2.2 †	Agreement and Plan of Merger, dated as of April 29, 2018, by and among Marathon Petroleum Corporation, Andeavor, Mahi Inc. and Mahi LLC	8-K	2.1	4/30/2018	001-35054		
2.3	Amendment to Agreement and Plan of Merger, dated as of July 3, 2018, by and among Andeavor, Marathon Petroleum Corporation, Mahi Inc. and Mahi LLC	S-4/A	2.2	7/5/2018	333-225244		
2.4	Second Amendment to Agreement and Plan of Merger, dated as of September 18, 2018, by and among Andeavor, Marathon Petroleum Corporation, Mahi Inc. and Mahi LLC	8-K	2.1	9/18/2018	001-35054		
2.5 †	Agreement and Plan of Merger, dated as of May 7, 2019, by and among Andeavor Logistics LP, Tesoro Logistics GP, LLC, MPLX LP, MPLX GP LLC and MPLX MAX LLC	8-K	2.1	5/8/2019	001-35054		
2.6 †	Purchase and Sale Agreement, dated as of August 2, 2020, by and between MPC, the MPC subsidiaries party thereto and 7-Eleven, Inc.	8-K	2.1	8/3/2020	001-35054		
2.7	Amendment to Purchase and Sale Agreement, dated as of October 16, 2020, by and among MPC, the MPC subsidiaries party thereto and 7-Eleven, Inc.					X	
3	Articles of Incorporation and Bylaws						
3.1	Restated Certificate of Incorporation of Marathon Petroleum Corporation, dated October 1, 2018	8-K	3.2	10/1/2018	001-35054		
3.2	Amended and Restated Bylaws of Marathon Petroleum Corporation, dated as of February 27, 2019	10-K	3.2	2/28/2019	001-35054		
4	Instruments Defining the Rights of Security Holders, Including Indentures, and Description of Registrant's Securities						
4.1	Indenture, dated as of February 1, 2011, between Marathon Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee	10	4.1	3/29/2011	001-35054		

Pursuant to Item 601(b)(4) of Regulation S-K, certain instruments with respect to long-term debt issues have been omitted where the amount of securities authorized under such instruments does not exceed 10 percent of the total consolidated assets of the Registrant. The Registrant hereby agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon its request.

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
4.2	Indenture, dated February 12, 2015, between MPLX LP and The Bank of New York Mellon Trust Company, N.A., as Trustee	8-K	4.1	2/12/2015	001-35714		
4.3	Description of Securities					X	
10	Material Contracts						
10.1	Receivables Purchase Agreement, dated as of December 18, 2013, by and among MPC Trade Receivables Company LLC, Marathon Petroleum Company LP, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as administrative agent and sole lead arranger, certain committed purchasers and conduit purchasers that are parties thereto from time to time and certain other parties thereto from time to time as managing agents and letter of credit issuers	8-K	10.1	12/23/2013	001-35054		
10.2	Second Amended and Restated Receivables Sale Agreement, dated as of December 18, 2013, by and between Marathon Petroleum Company LP and MPC Trade Receivables Company LLC	8-K	10.2	12/23/2013	001-35054		
10.3	Omnibus Agreement, dated as of October 31, 2012, among Marathon Petroleum Corporation, Marathon Petroleum Company LP, MPL Investment LLC, MPLX Operations LLC, MPLX Terminal and Storage LLC, MPLX Pipe Line Holdings LP, Marathon Pipe Line LLC, Ohio River Pipe Line LLC, MPLX LP and MPLX GP LLC	8-K	10.2	11/6/2012	001-35054		
10.4 *	Marathon Petroleum Corporation Second Amended and Restated 2011 Incentive Compensation Plan	S-3	4.3	12/7/2011	333-175286		
10.5 *	Marathon Petroleum Corporation Policy for Recoupment of Annual Cash Bonus Amounts	10-K	10.10	2/29/2012	001-35054		
10.6 *	Marathon Petroleum Corporation Deferred Compensation Plan for Non-Employee Directors	10-K	10.13	2/28/2013	001-35054		
10.7 *	Marathon Petroleum Amended and Restated Excess Benefit Plan	10-K	10.14	2/24/2017	001-35054		
10.8 *	Marathon Petroleum Amended and Restated Deferred Compensation Plan	10-K	10.13	2/29/2012	001-35054		
10.9 *	Marathon Petroleum Corporation Executive Tax, Estate, and Financial Planning Program	10-K	10.14	2/29/2012	001-35054		
10.10 *	Speedway Excess Benefit Plan	10-K	10.15	2/29/2012	001-35054		
10.11 *	Speedway Deferred Compensation Plan	10-K	10.16	2/29/2012	001-35054		
10.12 *	Form of Marathon Petroleum Corporation Amended and Restated 2011 Incentive Compensation Plan Nonqualified Stock Option Award Agreement – Section 16 Officer	8-K	10.6	7/7/2011	001-35054		
10.13 *	Form of Marathon Petroleum Corporation 2011 Incentive Compensation Plan Supplemental Nonqualified Stock Option Award Agreement – Section 16 Officer	8-K	10.2	12/7/2011	001-35054		
10.14 *	Form of Marathon Petroleum Corporation 2011 Incentive Compensation Plan Supplemental Restricted Stock Unit Award Agreement – Non-Employee Director	10-K	10.22	2/29/2012	001-35054		
10.15 *	Marathon Petroleum Corporation Amended and Restated Executive Change in Control Severance Benefits Plan	10-K	10.21	2/28/2018	001-35054		
10.16 *	Form of Marathon Petroleum Corporation Restricted Stock Award Agreement – Officer	10-Q	10.4	5/9/2012	001-35054		
10.17 *	Form of Marathon Petroleum Corporation Nonqualified Stock Option Award Agreement – Officer	10-Q	10.5	5/9/2012	001-35054		

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.18 *	MPC Non-Employee Director Phantom Unit Award Policy	10-K	10.32	2/28/2013	001-35054		
10.19 *	Form of Marathon Petroleum Corporation Restricted Stock Award Agreement – Officer	10-Q	10.2	5/9/2013	001-35054		
10.20 *	Form of Marathon Petroleum Corporation Nonqualified Stock Option Award Agreement – Officer	10-Q	10.3	5/9/2013	001-35054		
10.21 *	MPLX LP – Form of MPC Officer Phantom Unit Award Agreement	10-Q	10.4	5/9/2013	001-35054		
10.22 *	First Amendment to the Marathon Petroleum Corporation Amended and Restated 2011 Incentive Compensation Plan	10-Q	10.1	8/3/2015	001-35054		
10.23	First Amendment to Receivables Purchase Agreement, dated July 20, 2016, by and among MPC Trade Receivables Company LLC, Marathon Petroleum Company LP, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as administrative agent and sole lead arranger, certain committed purchasers and conduit purchasers that are parties thereto from time to time and certain other parties thereto from time to time as managing agents and letter of credit issuers	8-K	10.3	7/26/2016	001-35054		
10.24 *	Form of Marathon Petroleum Corporation Restricted Stock Award Agreement - Officer	10-Q	10.2	5/2/2016	001-35054		
10.25 *	Form of Marathon Petroleum Corporation Nonqualified Stock Option Award Agreement - Officer	10-Q	10.3	5/2/2016	001-35054		
10.26 *	Form of MPLX LP Phantom Unit Award Agreement - Marathon Petroleum Corporation Officer	10-Q	10.5	5/2/2016	001-35054		
10.27 *	MPLX LP Executive Change in Control Severance Benefits Plan	10-Q	10.4	10/30/2017	001-35054		
10.28 *	MPLX LP 2018 Incentive Compensation Plan	8-K	10.1	3/5/2018	001-35714		
10.29 *	Form of Marathon Petroleum Corporation Restricted Stock Award Agreement - Officer	10-Q	10.4	4/30/2018	001-35054		
10.30 *	Form of MPLX LP Performance Unit Award Agreement - Marathon Petroleum Corporation Officer	10-Q	10.5	4/30/2018	001-35054		
10.31 *	Form of MPLX LP Phantom Unit Award Agreement - Marathon Petroleum Corporation Officer	10-Q	10.6	4/30/2018	001-35054		
10.32 *	Form of MPLX LP Performance Unit Award Agreement	10-Q	10.7	4/30/2018	001-35054		
10.33 *	Form of MPLX LP Phantom Unit Award Agreement - Officer	10-Q	10.8	4/30/2018	001-35054		
10.34 *	Form of MPLX LP Phantom Unit Award Agreement - Officer - Three Year Cliff Vesting	10-Q	10.9	4/30/2018	001-35054		
10.35	Five Year Revolving Credit Agreement, dated as of August 28, 2018, among MPC, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, each of JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC, Barclays Bank PLC, Citibank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho Bank, Ltd., MUFG Bank, Ltd. and RBC Capital Markets, as joint lead arrangers and joint bookrunners, Wells Fargo Bank, National Association, as syndication agent, each of Bank of America, N.A., Barclays Bank PLC, Citibank N.A., Mizuho Bank, Ltd., MUFG Bank, Ltd., and Royal Bank of Canada, as documentation agents, and the other lenders and issuing banks that are parties thereto	8-K	10.1	8/31/2018	001-35054		

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.36 *	Andeavor 2011 Long-Term Incentive Plan (as amended and restated)	10-K	10.68	2/21/2018	001-03473 (Andeavor)		
10.37 *	Form of Executive Officer Synergy Incentive Award Agreement	8-K	10.1	1/30/2019	001-35054		
10.38 *	Form of Chief Executive Officer Synergy Incentive Award Agreement	8-K	10.2	1/30/2019	001-35054		
10.39 *	Andeavor 2018 Performance Share Award Grant Letter	8-K	10.1	2/20/2018	001-03473 (Andeavor)		
10.40 *	Andeavor Performance Share Awards Granted in 2018 Summary of Key Provisions	8-K	10.2	2/20/2018	001-03473 (Andeavor)		
10.41 *	Andeavor 2018 Market Stock Unit Award Grant Letter	8-K	10.3	2/20/2018	001-03473 (Andeavor)		
10.42 *	Andeavor Market Stock Unit Awards Granted in 2018 Summary of Key Provisions	8-K	10.4	2/20/2018	001-03473 (Andeavor)		
10.43 *	Marathon Petroleum Corporation Deferred Compensation Plan for Non-Employee Directors, as amended and restated January 1, 2019	10-K	10.75	2/28/2019	001-35054		
10.44 *	Conversion Notice for Andeavor Awards	10-K	10.76	2/28/2019	001-35054		
10.45	First Amendment to Fourth Amended and Restated Omnibus Agreement, dated as of January 30, 2019, among Andeavor LLC, Marathon Petroleum Company LP, Tesoro Refining & Marketing Company LLC, Tesoro Companies, Inc., Tesoro Alaska Company LLC, Andeavor Logistics LP and Tesoro Logistics GP, LLC	10-K	10.77	2/28/2019	001-35054		
10.46	Fourth Amended and Restated Omnibus Agreement, dated as of October 30, 2017, among Andeavor, Tesoro Refining & Marketing Company LLC, Tesoro Companies, Inc., Tesoro Alaska Company LLC, Tesoro Logistics LP and Tesoro Logistics GP, LLC	8-K	10.2	10/31/2017	001-35143 (ANDX)		
10.47	Third Amended and Restated Schedules to Fourth Amended and Restated Omnibus Agreement, effective August 6, 2018, by and among Andeavor, Tesoro Refining & Marketing Company LLC, Tesoro Companies, Inc., Tesoro Alaska Company LLC, Andeavor Logistics LP and Tesoro Logistics GP, LLC	10-Q	10.2	11/7/2018	001-35143 (ANDX)		
10.48 *	MPLX LP 2018 Incentive Compensation Plan MPC Non-Employee Director Phantom Unit Award Policy	10-K	10.86	2/28/2019	001-35054		
10.49 *	Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan	10-K	10.87	2/28/2019	001-35054		
10.50 *	First Amendment to the Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan	10-K	10.84	2/28/2020	001-35054		
10.51	Cooperation Agreement, dated as of December 15, 2019, by and among Marathon Petroleum Corporation, MPLX LP, Elliott Associates, L.P., Elliott International, L.P. and Elliott International Capital Advisors Inc.	8-K	10.1	12/16/2019	001-35054		
10.52 *	Restricted Stock Award Agreement - Officer	10-Q	10.1	5/9/2019	001-35054		
10.53 *	Nonqualified Stock Option Award Agreement - Officer	10-Q	10.2	5/9/2019	001-35054		
10.54 *	Performance Unit Award Agreement 2019 - 2021 Performance Cycle	10-Q	10.3	5/9/2019	001-35054		

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.55	Second Amendment to Receivables Purchase Agreement, dated July 19, 2019, by and among MPC Trade Receivables Company LLC, as seller, Marathon Petroleum Company LP, as servicer, MUFG Bank, Ltd., as administrative agent, certain committed purchasers and conduit purchasers that are parties thereto from time to time and certain other parties thereto from time to time as managing agents and letter of credit issuers	8-K	10.1	7/25/2019	001-35054		
10.56	Omnibus Amendment No. 1 to Second Amended and Restated Receivables Sale Agreement, Receivables Purchase Agreement and Performance Undertaking, dated as of October 1, 2020, by and among Marathon Petroleum Corporation, Marathon Petroleum Company LP, MPC Trade Receivables Company LLC, Marathon Petroleum Trading Canada LLC, MUFG Bank, Ltd., as the administrative agent, certain committed purchasers and conduit purchasers that are parties thereto from time to time and certain other parties thereto from time to time as managing agents and letter of credit issuers	10-Q	10.3	11/6/2020	001-35054		
10.57	Amended and Restated Credit Agreement, dated as of July 26, 2019, by and among MPLX LP, as borrower, Wells Fargo Bank, National Association, as administrative agent, each of Wells Fargo Securities, LLC, JPMorgan Chase Bank, N.A., Barclays Bank PLC, BofA Securities, Inc., Citigroup Global Markets Inc., Mizuho Bank, Ltd., MUFG Bank, Ltd. and Royal Bank of Canada, as joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A., as syndication agent, each of Bank of America, N.A., Barclays Bank PLC, Citigroup Global Markets Inc., Mizuho Bank, Ltd., MUFG Bank, Ltd. and Royal Bank of Canada, as documentation agents, and the other lenders and issuing banks that are parties thereto	8-K	10.2	8/1/2019	001-35054		
10.58	Waiver and Second Amendment to Fourth Amended and Restated Omnibus Agreement, dated as of July 29, 2019, by and among MPC, Andeavor Logistics LP, Tesoro Logistics GP, LLC, Tesoro Refining & Marketing Company LLC, Tesoro Companies, Inc., Tesoro Alaska Company LLC, Andeavor Logistics GP LLC and Marathon Petroleum Company LP	8-K	10.3	8/1/2019	001-35054		
10.59 *	Form of 2020 Officer RSU Award Agreement	10-Q	10.2	5/7/2020	001-35054		
10.60 *	Form of 2020 Officer Stock Option Award Agreement	10-Q	10.3	5/7/2020	001-35054		
10.61 *	Form of 2020 Officer Performance Unit Award Agreement 2020 - 2022 Performance Cycle	10-Q	10.4	5/7/2020	001-35054		
10.62 *	Form of 2020 MPLX LP Phantom Unit Award Agreement - MPC Officer	10-Q	10.5	5/7/2020	001-35054		
10.63 *	Form of MPLX LP Performance Unit Award Agreement 2020-2022 Performance Cycle - MPC Officer	10-Q	10.6	5/7/2020	001-35054		

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.64	Revolving Credit Agreement, dated as of September 23, 2020, by and among Marathon Petroleum Corporation, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, each of JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC, Barclays Bank PLC, BofA Securities, Inc., Citibank, N.A., Mizuho Bank, Ltd., MUFG Bank, Ltd., Royal Bank of Canada and TD Securities (USA) LLC, as joint lead arrangers and joint bookrunners, Wells Fargo Bank, National Association, as syndication agent, each of Bank of America, N.A., Barclays Bank PLC, Citibank, N.A., Mizuho Bank, Ltd., MUFG Bank, Ltd., Royal Bank of Canada and TD Securities (USA) LLC, as documentation agents, and the other lenders and issuing banks that are parties thereto	8-K	10.1	9/28/2020	001-35054		
10.65 *	Chief Executive Officer RSU Award Agreement	10-Q	10.2	11/6/2020	001-35054		
10.66 *	Letter Agreement with Timothy T. Griffith, dated November 13, 2020	8-K	10.1	11/18/2020	001-35054		
10.67	Aircraft Time Sharing Agreement, dated as of December 29, 2020, by and between Marathon Petroleum Company LP and Michael J. Hennigan						X
10.68	364-Day Revolving Credit Agreement, dated as of April 27, 2020, by and among Marathon Petroleum Corporation, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, each of JPMorgan Chase Bank, N.A., Citibank, N.A. ("Citi"), Mizuho Bank, Ltd. ("Mizuho"), Barclays Bank PLC, MUFG Union Bank, N.A., Royal Bank of Canada and TD Securities (USA) LLC, as joint lead arrangers and bookrunners, Citi and Mizuho, as syndication agents, and the other agents and lenders that are parties thereto	8-K	10.1	4/27/2020	001-35054		
10.69 *	Form of 2021 MPC Officer RSU Award Agreement						X
10.70 *	Form of 2021 MPC Performance Share Unit Award Agreement 2021 - 2023 Performance Cycle						X
10.71 *	Form of 2021 MPLX LP Phantom Unit Award Agreement - MPC Officer						X
10.72 *	2021 Marathon Petroleum Annual Cash Bonus Program						X
10.73 *	Marathon Petroleum Executive Deferred Compensation Plan, effective January 1, 2021						X
10.74 *	Marathon Petroleum Executive Deferred Compensation Plan Adoption Agreement, effective January 1, 2021						X
10.75 *	Form of 2021 MPC Restricted Stock Unit Award – Broad-Based Employees						X
10.76 *	Form of 2021 MPC Performance Share Unit Award Agreement – 2021-2023 Performance Cycle – Broad-Based Employees						X
21.1	List of Subsidiaries						X
23.1	Consent of Independent Registered Public Accounting Firm						X
24.1	Power of Attorney of Directors and Officers of Marathon Petroleum Corporation						X
31.1	Certification of Chief Executive Officer pursuant to Rule 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934.						X

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith	Furnished Herewith	
		Form	Exhibit	Filing Date			SEC File No.
31.2	Certification of Chief Financial Officer pursuant to Rule 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934.					X	
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.						X
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.						X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded with the Inline XBRL document.					X	
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					X	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).						

† The exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request.

* Indicates management contract or compensatory plan, contract or arrangement in which one or more directors or executive officers of the Registrant may be participants.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

February 26, 2021

MARATHON PETROLEUM CORPORATION

By: /s/ John J. Quaid

John J. Quaid
Senior Vice President and Controller

[Table of Contents](#)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on February 26, 2021 on behalf of the registrant and in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Michael J. Hennigan</u> Michael J. Hennigan	Director, President and Chief Executive Officer (principal executive officer)
<u>/s/ Maryann T. Mannen</u> Maryann T. Mannen	Executive Vice President and Chief Financial Officer (principal financial officer)
<u>/s/ John J. Quaid</u> John J. Quaid	Senior Vice President and Controller (principal accounting officer)
<u>*</u> Abdulaziz F. Alkhayyal	Director
<u>*</u> Evan Bayh	Director
<u>*</u> Charles E. Bunch	Director
<u>*</u> Jonathan Z. Cohen	Director
<u>*</u> Steven A. Davis	Director
<u>*</u> Edward G. Galante	Director
<u>*</u> James E. Rohr	Director
<u>*</u> Kim K.W. Rucker	Director
<u>*</u> J. Michael Stice	Director
<u>*</u> John P. Surma	Chairman of the Board
<u>*</u> Susan Tomasky	Director

[Table of Contents](#)

* The undersigned, by signing his name hereto, does sign and execute this report pursuant to the Power of Attorney executed by the above-named directors and officers of the registrant, which is being filed herewith on behalf of such directors and officers.

By: /s/ Michael J. Hennigan

February 26, 2021

Michael J. Hennigan
Attorney-in-Fact



Marathon Petroleum Corporation

539 South Main Street
Findlay, OH 45840

October 16, 2020

7-Eleven, Inc.
3200 Hackberry Road
Irving, Texas 75063
Attention: Vice President, Mergers & Acquisitions and Senior Counsel, Mergers & Acquisitions

Re: Deadline to Deliver Basis Information

Ladies and Gentlemen:

Reference is made to that certain Purchase and Sale Agreement dated as of August 2, 2020 (the "Agreement"), by and among the entities set forth on Schedule I thereto, Marathon Petroleum Corporation, a Delaware corporation, and 7-Eleven, Inc., a Texas corporation ("Buyer"). Capitalized terms used but not defined herein have the meanings ascribed to them in the Agreement.

The third sentence of Section 5.16(g)(i) of the Agreement is hereby amended by deleting "seventy-five (75)" and inserting "ninety-six (96)" in lieu thereof.

For the avoidance of doubt, the Basis Information shall be timely delivered if it is delivered to Buyer on or before November 6, 2020.

Except as set forth herein, all of the terms and conditions of the Agreement remain unchanged and continue in full force and effect. All terms and conditions of the Agreement not in conflict with the terms of this letter agreement shall remain in full force and effect. On or after the date hereof, each reference in the Agreement to "this Agreement", "herein", "hereof", "hereunder" or words of similar import shall mean and be a reference to the Agreement as amended hereby.

Article IX of the Agreement is incorporated herein *mutatis mutandis*.

[Remainder of page intentionally left blank; signature page follows]

Sincerely,

MPC INVESTMENT LLC

By: /s/ Michael J. Hennigan
Name: Michael J. Hennigan
Title: President and Chief Executive Officer

ANDEAVOR LLC

By: /s/ Donald C. Templin
Name: Donald C. Templin
Title: President

WESTERN REFINING SOUTHWEST, INC.

By: /s/ Donald C. Templin
Name: Donald C. Templin
Title: Vice President

TESORO REFINING & MARKETING COMPANY LLC

By: /s/ Donald C. Templin
Name: Donald C. Templin
Title: Vice President

NORTHERN TIER RETAIL HOLDINGS LLC

By: /s/ Rick Linhardt
Name: Rick Linhardt
Title: Assistant Secretary

ACCEPTED AND AGREED:

7-ELEVEN, INC.

By: /s/ Joseph M. DePinto
Name: Joseph M. DePinto
Title: President and Chief Executive Officer

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

Marathon Petroleum Corporation, a Delaware corporation ("MPC"), has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): common stock, par value \$0.01 per share ("common stock"). References to the "Company," "we," "our" and "us" refer to MPC, unless the context otherwise requires. References to "stockholders" refer to holders of our common stock, unless the context otherwise requires.

DESCRIPTION OF COMMON STOCK

In the text that follows, we have summarized the material provisions of our certificate of incorporation (the "certificate of incorporation") and our bylaws (the "bylaws") relating to our capital stock. This discussion is qualified in its entirety by our certificate of incorporation, bylaws and applicable Delaware law. You should read the provisions of the certificate of incorporation and bylaws as currently in effect for more details regarding the provisions described below and for other provisions that may be important to you.

Authorized Capital Stock

The Company is authorized to issue 2,030,000,000 shares of capital stock, of which 2,000,000,000 shares are classified as common stock, par value \$.01 per share ("common stock"), and 30,000,000 shares are classified as preferred stock, par value \$.01 per share ("preferred stock"). All of the outstanding shares of the Company's common stock are fully paid and nonassessable.

Voting Rights

Each share of our common stock entitles its holder to one vote in the election of each director and on all other matters voted on generally by our stockholders. No share of our common stock affords any cumulative voting rights.

Under our bylaws, unless otherwise provided by law, our certificate of incorporation or our bylaws, the authorization of any action or the transaction of any business at any meeting of our stockholders at which a quorum is present (other than the election of directors) shall be decided by the affirmative vote of the majority of shares present in person or represented by proxy and entitled to vote on the matter. As described below, the affirmative vote of the holders of at least 80% of the voting power of all of the then outstanding shares of capital stock present in person or represented by proxy and generally entitled to vote in the election of directors, voting together as a single class ("voting stock"), is required to take certain actions, including amending certain provisions of the certificate of incorporation. Please read the section entitled "*—Anti-Takeover Effects of Provisions of our Certificate of Incorporation and Bylaws.*"

Under our bylaws, in connection with an election of directors, each nominee for election in an uncontested election is elected by the vote of the majority of votes cast with respect to such director at any meeting of our stockholders at which a quorum is present, meaning that the number of shares voted for such director must exceed the number of shares voted against such director; provided, however, that, if the number of nominees exceeds the number of directors to be elected as of a date that is ten (10) days in advance of the date we mail the notice for such meeting to stockholders entitled to vote at such meeting, the directors shall be elected by the affirmative vote of a plurality of the votes cast, not including broker non-votes and

abstentions, by stockholders entitled to vote on the election of directors at such meeting of stockholders at which a quorum is present.

Dividends

The holders of shares of common stock are entitled to receive such dividends, if any, as may be declared from time to time by the board of directors in its discretion from funds legally available therefor. The declaration and amount of future dividends is at the discretion of our board of directors and will depend on our financial condition, results of operations, cash flows, prospects, industry conditions, capital requirements and other factors and restrictions our board of directors deems relevant. In addition, the terms of the loan agreements, indentures and other agreements we may enter into from time to time may contain covenants or other provisions that could limit our ability to pay, or otherwise restrict the payment of, cash dividends.

Right to Receive Liquidation Distributions

Upon liquidation, dissolution or winding-up of the Company's business, the holders of our common stock will share ratably in all assets available for distribution to stockholders after our creditors are paid in full and the holders of all series of our outstanding preferred stock, if any, receive their liquidation preferences in full.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights and is not subject to conversion or sinking fund provisions. Under certain circumstances, as described more fully below in the section entitled "*—Restrictions on Stock Ownership by Non-U.S. Citizens,*" the Company shall have the power, but not the obligation, to redeem shares of common stock held by certain stockholders in excess of ownership thresholds set forth in the certificate of incorporation.

The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

Anti-Takeover Effects of Provisions of our Certificate of Incorporation and Bylaws

Certain provisions of our certificate of incorporation and bylaws discussed below may have the effect, either alone or in combination with the provisions of our certificate of incorporation discussed above and Section 203 of the General Corporation Law of the State of Delaware (the "DGCL"), of making more difficult or discouraging a tender offer, proxy contest, merger or other takeover attempt that our board of directors opposes but that a stockholder might consider to be in its best interest.

Our certificate of incorporation provides that our stockholders may act only at an annual or special meeting of stockholders and may not act by written consent. Our bylaws provide that a special meeting of our stockholders may only be called by (i) the chairman of our board of directors, (ii) the chief executive officer, (iii) the majority of our board of directors or (iv) the board of directors upon the written request of stockholders owning at least 25%, in the aggregate, of the voting power of the voting stock, subject to the requirements of Section 1.2(b) of our bylaws.

Our certificate of incorporation provides for a classified board of directors. Except for directors who may be elected by the holders of preferred stock, if any, our board of directors is divided into three classes, with the directors of each class as nearly equal in number as possible. At each annual meeting of our stockholders, the term of a different class of our directors will expire. As a result, under our certificate of incorporation, as currently in effect, we contemplate that our stockholders will elect approximately one-third of our board of directors each year.

Our certificate of incorporation provides that the number of directors will be fixed exclusively by, and may be increased or decreased exclusively by, our board of directors from time to time, but will not be less than three nor more than twelve. Our certificate of incorporation provides that directors may be removed only by the Court of Chancery of the State of Delaware under Section 225(c) of the DGCL or for cause (as such term is defined in our certificate of incorporation) as determined by a vote of at least 80% of the voting power of our outstanding voting stock. A vacancy on our board of directors may be filled by a vote of a majority of the directors in office, and a director appointed to fill a vacancy serves for the remainder of the term of the class of directors in which the vacancy occurred or until the earlier of such director's death, resignation or removal.

Our bylaws contain advance-notice and other procedural requirements that provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a stockholder's notice. Our certificate of incorporation and bylaws also confer on our board of directors the power to adopt, amend or repeal our bylaws with the affirmative vote of a majority of the directors then in office.

Our bylaws provide that a stockholder, or group of up to 20 stockholders, that has owned continuously for at least three years shares of common stock representing an aggregate of at least 3% of the Company's outstanding shares of common stock, may nominate and include in the Company's proxy materials director nominees constituting up to 20% of the Company's board of directors, provided that the stockholder(s) and nominee(s) satisfy the requirements in the bylaws.

Our certificate of incorporation provides that a vote of at least 80% of the voting power of our outstanding voting stock at any regular or special meeting of the stockholders is required to adopt, amend or repeal certain provisions of our certificate of incorporation.

Our certificate of incorporation provides that the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of MPC; (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of MPC to MPC or the stockholders; (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our certificate of incorporation, any preferred stock designation or our bylaws; or (iv) any other action asserting a claim against MPC or any director or officer of MPC that is governed by or subject to the internal affairs doctrine for choice of law purposes. The forum selection provision does not apply, however, to any claims actions or proceedings arising under the Securities Act of 1933, as amended, or the Exchange Act. Any person or entity purchasing or otherwise acquiring any interest in shares of our stock will be deemed to have notice of and consented to the provisions of our certificate of incorporation and bylaws, including the exclusive forum provisions in our certificate of incorporation.

Our certificate of incorporation authorizes our board of directors, without the approval of our stockholders, to provide for the issuance of all or any shares of our preferred stock in one or more series and to determine the designation, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions applicable to any of those rights, including dividend rights, voting rights, conversion or exchange rights, terms of redemption and liquidation preferences, of each series.

Statutory Business Combination Provision

We are a Delaware corporation and are subject to Section 203 of the DGCL. In general, Section 203 prevents an "interested stockholder," which is defined generally as a person owning 15% or more of a Delaware corporation's outstanding voting stock or any affiliate or associate of that person, from engaging in a broad range of "business combinations" with the corporation for three years following the date that person became an interested stockholder unless:

- before that person became an interested stockholder, the board of directors of the corporation approved the transaction in which that person became an interested stockholder or approved the business combination;
- on completion of the transaction that resulted in that person's becoming an interested stockholder, that person owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, other than stock held by (1) directors who are also officers of the corporation or (2) any employee stock plan that does not provide employees with the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- following the transaction in which that person became an interested stockholder, both the board of directors of the corporation and the holders of at least two-thirds of the outstanding voting stock of the corporation not owned by that person approve the business combination.

Under Section 203, the restrictions described above also do not apply to specific business combinations proposed by an interested stockholder following the announcement or notification of designated extraordinary transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation's directors, if a majority of the directors who were directors prior to any person's becoming an interested stockholder during the previous three years, or were recommended for election or elected to succeed those directors by a majority of those directors, approve or do not oppose that extraordinary transaction.

Restrictions on Stock Ownership by Non-U.S. Citizens

We are subject to a variety of U.S. federal statutes and regulations, including the Shipping Act of 1916, as amended, and the Merchant Marine Act of 1920, as amended, that govern the ownership and operation of vessels used to carry cargo between U.S. ports (the "Maritime Laws").

To ensure that ownership by non-U.S. citizens of our stock will not exceed the 25% maximum permitted by the Maritime Laws, our certificate of incorporation limits the aggregate percentage ownership by non-U.S. citizens of our stock to 23% of the outstanding shares. We may prohibit transfers that would cause ownership of our stock by non-U.S. citizens to exceed 23%. Our certificate of incorporation authorizes us to effect any and all measures necessary or desirable to monitor and limit foreign ownership of our stock.

If, despite such measures, the number of shares of our stock that are owned by non-U.S. citizens exceeds 23%, we may suspend the voting, dividend and other distribution rights of the shares owned by non-U.S. citizens in excess of 23%. The determination of which shares will be deemed in excess of the 23% limitation will be made by reference to the dates the shares were acquired by non-U.S. citizens. Our determination of which shares are deemed to be in excess will be conclusive. We will have the power but are under no obligation to redeem any such excess shares at a redemption price per share equal to the fair market value of the shares on the date it calls for redemption plus any dividend or other distribution declared with respect to such shares prior to the date we call for redemption and remaining unpaid.

Listing

The Company's common stock is listed on The New York Stock Exchange under the trading symbol "MPC."

AIRCRAFT TIME SHARING AGREEMENT

This **AIRCRAFT TIME SHARING AGREEMENT** (the “Agreement”) is entered into this 29th day of December, 2020, by and between **MARATHON PETROLEUM Company LP**, a Delaware limited partnership (the “Company”), and **Michael J. Hennigan**, an individual (the “Executive”), and shall be effective commencing on January 1, 2021 (the “Effective Date”).

WITNESSETH:

WHEREAS, the Company leases certain aircraft identified on Exhibit A (individually and collectively as the context requires, the “Aircraft”) and operates the Aircraft for business use in accordance with the FAR (as hereinafter defined) and the Company’s policies regarding use of the Aircraft.

WHEREAS, in order to provide for the safety and security of the Executive in his capacity as the Chief Executive Officer of MPC Investment LLC, a Delaware limited liability company and the general partner of the Company (the “General Partner”), and to maximize the Executive’s ability to carry out his responsibilities to the Company, the Company has determined it is appropriate for the Company to make the Aircraft available to the Executive for personal use, subject to the terms and conditions set forth in this Agreement;

WHEREAS, the Executive desires to have the Company operate the Aircraft for him from time to time on a non-exclusive time sharing basis in accordance with the provisions of Sections 91.501(b)(6), 91.501(c)(1) and 91.501(d) of the FAR;

WHEREAS, the Company is willing to provide the Aircraft to the Executive from time to time, on a non-exclusive time sharing basis; and

WHEREAS, during the Term (as hereinafter defined) of this Agreement, the Aircraft will be subject to use by or at the direction of the Company.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. The following terms shall have the following meanings for all purposes of this Agreement:

“**Applicable Law**” means, without limitation, all applicable laws, treaties, international agreements, decisions and orders of any court, arbitration or governmental agency or authority and rules, regulations, orders, directives, licenses and permits of any governmental body, instrumentality, agency or authority, including, without limitation, the FAR and 49 U.S.C. § 41101, *et seq.*, as amended.

“**FAA**” means the Federal Aviation Administration or any successor agency.

“**FAR**” means collectively the Federal Aviation Regulations issued by the FAA, as codified at Title 14, Parts 1 to 199 of the United States Code of Federal Regulations, as from time to time amended.

“**Operational Control**” has the same meaning given the term in Section 1.1 of the FAR.

“**Pilot in Command**” has the same meaning given the term in Section 1.1 of the FAR.

“**Taxes**” means all taxes, charges and fees, including federal air transportation excise taxes pursuant to Section 4261 of the Internal Revenue Code of 1986, as amended, and international departure/arrival fees, as applicable, that are required to be collected from passengers and remitted by an aircraft operator regardless of whether any flight is considered “noncommercial” under the FAR.

“**Term**” means the entire period from the Effective Date to the date this Agreement is terminated pursuant to Section 3 (Term).

2. Provision of the Aircraft.

2.1 Time Sharing. The Company agrees to allow the Executive to use the Aircraft for personal travel from time to time on an “as needed and as available” time sharing basis in accordance with Company policy and the terms

and conditions of this Agreement.

2.2 Automatic Removal of Aircraft. In the event that the Company returns, transfers or otherwise disposes of any individual Aircraft listed on Exhibit A, such Aircraft shall be deemed immediately removed from the applicability of this Agreement immediately upon the occurrence of such event regardless of whether such Aircraft is specifically removed from Exhibit A and this Agreement shall be terminated as to such Aircraft but shall remain in full force and effect with respect to each of the other Aircraft identified thereon, if any. No such termination shall affect any of the rights and obligations of the parties accrued or incurred prior to such termination. If Company becomes the owner and/or operator of any aircraft not listed on Exhibit A, Exhibit A shall be modified to include such aircraft as an Aircraft covered by this Agreement, and thereafter this Agreement shall remain in full force and effect with respect to such Aircraft and each of the other Aircraft identified thereon, if any.

2.3 No Liability. The Company shall not be liable to the Executive or any other person for loss, injury, or damage occasioned by the delay or failure to furnish the Aircraft and crew pursuant to this Agreement for any reason.

3. **Term.**

3.1 Term. This Agreement shall commence on the Effective Date and shall continue until terminated pursuant to Section 3.2 (Termination) of this Agreement.

3.2 Termination.

3.2.1 Each party shall have the right to terminate this Agreement at any time with or without cause on ten (10) days' written notice to the other party; *provided, however*, that this Agreement may be terminated by the Company on such shorter notice as may be required for the Company to comply with Applicable Law, regulations, the requirements of any financial institution with a security or other interest in the Aircraft, insurance requirements, or in the event the insurance required hereunder is not in full force and effect.

3.2.2 In the event that the Executive no longer serves as Chief Executive Officer of the General Partner, the Agreement shall terminate concurrent with the Executive's departure from the role of Chief Executive Officer of the General Partner.

3.2.3 Notwithstanding the foregoing, any provisions directly or indirectly related to the Executive's payment obligations for flights completed prior to the date of termination and the limitation of liability provisions in Section 20 (Limitation of Liability) shall survive the termination of this Agreement.

4. **Applicable Regulations**. The parties intend this Agreement to constitute, and this Agreement shall be interpreted as, a Time Sharing Agreement as defined in Section 91.501(c)(1) and authorized by Section 91.501(b)(6) of the FAR. The parties agree that the Aircraft shall be operated by the Company under the pertinent provisions of Part 91 of the FAR for all flights under this Agreement. If any provision of this Agreement is determined to be inconsistent with any of the requirements of Part 91 of the FAR, this Agreement shall be deemed amended in any respect necessary to bring it into compliance with such requirements.

5. **Charges**. For any flight conducted under this Agreement (including any deadhead flights required for repositioning), the Executive shall pay the Company an amount determined by the Company, not to exceed the expenses of operating such flight that may be charged pursuant to Section 91.501(d) of the FAR, which expenses are limited to:

5.1 fuel, oil, lubricants, and other additives;

5.2 travel expenses of the crew, including food, lodging, and ground transportation;

5.3 hangar and tie-down costs away from the Base (as defined in Section 9 (Aircraft Maintenance and Base of Operations) of this Agreement) of the Aircraft being used on the relevant flight;

5.4 insurance obtained for the specific flight;

5.5 landing fees, airport taxes, and similar assessments;

5.6 customs, foreign permit, and similar fees directly related to the flight;

5.7 in flight food and beverages;

5.8 passenger ground transportation;

5.9 flight planning and weather contract services; and

5.10 an additional charge equal to 100% of the expenses listed in Section 5.1 of this Agreement.

6. **Invoices and Payment.** For each flight operated under this Agreement for which the Company seeks reimbursement, the Company shall provide an invoice to the Executive for certain or all of the charges listed in Section 5 (Charges) of this Agreement as soon as administratively practicable (and in any event within ninety (90) days) after the end of the calendar quarter in which the flight took place. In the event some charges are invoiced based on estimates, as such charges are not accurately or definitively known in their entirety at the time of invoicing (such estimates to be reconciled against the actual costs when known), or a determination is made by the Company after the end of the calendar year to seek additional reimbursements from the Executive for amounts permitted under FAR Section 91.501(d) that were not previously invoiced or paid, the Company can, as soon as administratively practicable (and in any event within ninety (90) days) after the end of the calendar year in which the flights took place, invoice the Executive for a portion or all of the charges incurred during the calendar year but not yet invoiced. The Executive shall remit the full amount of any such invoice, together with any applicable Taxes under Section 7 (Taxes), to the Company within thirty (30) days after receipt of the invoice.

In the event any payment received by the Company for the transportation provided by the Company hereunder, exceeds the amount the Company is authorized to receive under FAR Part 91, such excess amount shall be held on behalf of the Executive to be applied to future flights under this Agreement or to be refunded upon termination of this Agreement less any outstanding amounts due the Company for flights performed prior to such termination.

7. **Taxes.** The Executive shall be responsible for all Taxes which may be assessed or levied as a result of the Executive's use of the Aircraft under this time sharing arrangement including the provision of a taxable transportation service to the Executive using the Aircraft. The Executive shall remit to the Company all such Taxes together with each payment made pursuant to Section 6 (Invoices and Payment).

8. **Scheduling Flights.**

8.1 Flight Requests. The Executive shall submit requests for flight time and proposed flight schedules to the Company as far in advance of any given flight as practical. The Executive shall provide at least the following information for each proposed flight prior to the scheduled departure:

(a) departure airport;

(b) destination airport;

(c) date and time of flight;

(d) the names and the relationship of all anticipated passengers to the Executive;

(e) purpose of the flight for each passenger;

(f) the nature and extent of luggage and/or cargo to be carried; and

(g) any other information concerning the proposed flight that may be pertinent or required by the Company, the flight crew or governmental authorities.

8.2 Approval of Flight Requests. The Company may approve or deny any flight scheduling request in its sole discretion. The Company shall be under no obligation to approve any flight request submitted by the Executive

and shall have final authority over the scheduling of all Aircraft. The Company shall have no liability to the Executive or his invitee(s) or guest(s) if the Aircraft is or becomes unavailable, if the Company's approval is withdrawn or if the Aircraft is recalled from the Executive's flight due to a conflicting Company requirement. This Section 8.2 shall survive termination of this Agreement.

8.3 Subordinated Use of Aircraft. The Executive's rights to schedule use of the Aircraft during the Term of this Agreement shall at all times be subordinate to the Aircraft use requirements of the Company. The Company shall at all times be entitled to preempt any scheduled, unscheduled, or anticipated use of any Aircraft by the Executive, notwithstanding any prior approval by the Company.

9. **Aircraft Maintenance and Base of Operations**. The Company shall be solely responsible for maintenance, preventive maintenance and required or otherwise necessary inspections of each Aircraft, and shall take such requirements into account in scheduling the Aircraft. No period of maintenance, preventative maintenance, or inspection shall be delayed or postponed for the purpose of scheduling the Aircraft, unless such maintenance or inspection can be safely conducted at a later time in compliance with all Applicable Laws and regulations as determined by the director of maintenance (or similar title) or a supervisory aircraft maintenance technician (or, in each case, his/her designee) and within the sound discretion of the Pilot in Command. For purposes of this Agreement, the base of operations ("Base") of the Aircraft shall be as set forth in Exhibit A; provided, however, that Base may be changed upon notice from the Company to the Executive.

10. **Flight Crews**. The Company shall provide a qualified flight crew for each flight conducted under this Agreement. The members of any such flight crew may be either employees or independent contractors of the Company. In either event, any flight crew shall be and remain under the exclusive command and control of the Company in all phases of all flights conducted under this Agreement.

11. **Operational Control**. THE PARTIES EXPRESSLY AGREE THAT THE COMPANY SHALL HAVE AND MAINTAIN OPERATIONAL CONTROL (AS DEFINED IN SECTION 1.1 OF THE FAR) OF ALL AIRCRAFT FOR ALL FLIGHTS OPERATED UNDER THIS AGREEMENT. The Company shall exercise exclusive authority over initiating, conducting, or terminating any flight conducted on behalf of the Executive pursuant to this Agreement.

12. **Authority of Pilot In Command**. Notwithstanding that the Company shall have Operational Control of the Aircraft during any flight conducted pursuant to this Agreement, the Company and the Executive expressly agree that the Pilot in Command, shall have absolute discretion in all matters concerning the preparation of the Aircraft for flight and any flight itself and may terminate any flight, refuse to commence any flight, or take any other flight-related action (including, without limitation, the route to be flown, the place where landings shall be made, and all other matters relating to operation of the Aircraft) which in the judgment of the Pilot in Command is necessary to ensure the safety and security of the Aircraft, the flight crew, the passengers, and persons and property on the ground. The Pilot in Command shall have final and complete authority to postpone or cancel any flight for any reason or condition that in his or her judgment could compromise the safety or security of the flight and to take any other action that in the sole judgment of the Pilot in Command is necessitated by considerations of safety. No such action of the Pilot in Command shall create or support any liability of the Company to the Executive, his invitees and guests for loss, injury, damage or delay related to such decisions or the results of such decisions.

13. **Insurance**.

13.1 Liability. In connection with any use of the Aircraft, for the benefit of the Company and the Executive, the Company shall maintain, or cause to be maintained, bodily injury and property damage, liability

insurance in an amount customary in the industry for similar aircraft and operations. Such policy shall be an occurrence policy naming the Company as Named Insured, and the Executive as an Additional Insured.

13.2 Hull. The Company shall maintain, or cause to be maintained, all risks aircraft hull insurance for each Aircraft in amounts determined from time to time by agreement of Company and the provider of the insurance.

13.3 Additional Insurance. The Company shall use reasonable efforts to provide such additional insurance coverage as the Executive may request or require. The Executive acknowledges that any trips scheduled to areas not currently covered by existing policies may require the Company to purchase additional insurance to comply with applicable regulations, and the Company shall be required to maintain or cause to be maintained such additional insurance. In each case, the cost of any such additional insurance shall be borne by the Executive as set forth in Section 5.4 of this Agreement.

13.4 Insurance Certificates. The Company will provide a copy of its Certificate of Insurance to the Executive from time to time as requested by the Executive.

14. **Representations and Warranties**. The Executive represents and warrants that:

14.1 The Executive will use the Aircraft solely for his own use and the use of his family and guests, and the Executive will not use any Aircraft for the purpose of providing transportation of passengers or cargo for compensation or hire.

14.2 The Executive shall not incur any mechanic's or other liens on the Aircraft nor do anything or take any action that might mature into such a lien. The Executive shall not attempt to convey, mortgage, assign, lease, sublease, or in any way alienate any Aircraft or the Company's rights hereunder.

14.3 During the Term of this Agreement, the Executive will (and will cause his invitee(s) and guest(s) to) abide by and conform to all Applicable Laws, governmental and airport orders, rules and regulations, as shall from time to time be in effect relating in any way to the operation and use of any Aircraft under a time sharing agreement.

15. **No Assignments**. Neither this Agreement nor any party's interest herein shall be assignable to any other party whatsoever. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective heirs, representatives and successors.

16. **Administration and Amendment Modification; Further Acts**. This Agreement may not be modified, altered, or amended except by written agreement executed by both parties; provided, however, that the Executive hereby acknowledges and agrees that the Company may amend Exhibit A to add or remove Aircraft without his consent or written agreement. The Company and the Executive shall from time to time perform such other and further acts and execute such other and further instruments as may be required by law or may be reasonably necessary (i) to carry out the intent and purpose of this Agreement, and (ii) to establish, maintain and protect the respective rights and remedies of each party.

17. **Headings**. The section headings in this Agreement are for convenience of reference only and shall not modify, define, expand, or limit any of the terms or provisions hereof.

18. **Notices**. All notices and communications required or permitted by this Agreement (except for notices made purely for flight scheduling, which are governed by the provisions of Section 8 (Scheduling Flights) of this Agreement) shall be in writing and shall be deemed to have been duly given or made when delivered personally or transmitted electronically by e-mail or facsimile, receipt acknowledged, or in the case of documented overnight

delivery service or registered or certified mail, return receipt requested, delivery charge or postage prepaid, on the date shown on the receipt therefor, in each case at the address set forth below:

If to the Company: Marathon Petroleum Company LP
539 South Main Street
Findlay, Ohio 45840
Attention: Suzanne Gagle, General Counsel
E-Mail: sgagle@marathonpetroleum.com

If to the Executive: at his home address listed in the records of the Company.

19. **Governing Law.** This Agreement shall be governed by the laws of the State of Ohio, without regard to its choice of law principles.
20. **Limitation of Liability.** THE COMPANY (IN ITS OWN RIGHT AND ON BEHALF OF ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES AND AGENTS) HEREBY DISCLAIMS, AND THE EXECUTIVE (IN HIS OWN RIGHT AND ON BEHALF OF HIS INVITEES AND GUESTS) HEREBY WAIVES, ANY LIABILITY, DUTY FOR INDEMNIFICATION OR CONTRIBUTION TO EXECUTIVE OR EXECUTIVE'S GUESTS FOR ANY CLAIMED LIABILITIES, LOSSES, OR DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY AND/OR PUNITIVE DAMAGES OF ANY KIND OR NATURE UNDER ANY CIRCUMSTANCES OR FOR ANY REASON RESULTING FROM OR ARISING OUT OF THE USE OR OPERATION OF THE AIRCRAFT PURSUANT TO THIS AGREEMENT (INCLUDING ANY DELAY OR FAILURE TO FURNISH THE AIRCRAFT OR CAUSED OR OCCASIONED BY THE PERFORMANCE OR NON-PERFORMANCE OF ANY SERVICES COVERED BY THIS AGREEMENT) (ALTOGETHER, THE "LOSSES"), REGARDLESS OF WHETHER SUCH LOSSES ARISE OUT OF OR ARE CAUSED BY, IN WHOLE OR IN PART, COMPANY'S NEGLIGENCE, GROSS NEGLIGENCE, OR STRICT LIABILITY OR WHETHER COMPANY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH LOSSES.
21. **Sole Recourse.** The Executive agrees that the Aircraft liability insurance carried by, or on behalf of, the Company shall provide the Executive's sole recourse for all claims, losses, liabilities, obligations, demands, suits, judgments or causes of action, penalties, fines, costs and expenses of any nature whatsoever, including attorneys' fees and expenses for or on account of or arising out of, or in any way connected with the use of the Aircraft by the Executive or his guests, including, without limitation, injury to or death of any persons, including, without limitation, guests, invitees or other parties which may result from or arise out of the use or operation of the Aircraft. The Executive agrees in his own right and on behalf of his invitees and guests that the proceeds of the insurance required by Section 13 (Insurance) shall provide the sole recourse for all claims, losses, liabilities, obligations, demands, suits, judgments or causes of action, penalties, fines, costs and expenses of any nature whatsoever, including attorneys' fees and expenses for or on account of or arising out of, or in any way connected with the use of the Aircraft by the Executive and his invitees and guests, including property damage, bodily injury to or death of any persons, including the Executive and his invitees and guests which may result from or arise out of the use or operation or maintenance of the Aircraft during the term of this Agreement.
22. **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each and all of which when so executed and delivered shall be an original, and all of which shall together constitute one and the same instrument. This Agreement may be signed manually or digitally and the counterparts may be delivered in person, by mail, overnight courier, fax, emailed as a pdf, through a digital signature application or any other electronic means that reproduces an image of the actual executed signature page and such counterpart shall be effective as if it was a manually executed counterpart hereof.

23. **Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. To the extent permitted by applicable law, each party waives any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

24. **Waivers.** The failure or delay on the part of any party hereto to insist upon or enforce strict performance of any provision of this Agreement by any other party hereto, or to exercise any right, power or remedy under this Agreement, shall not be deemed or construed as a waiver thereof nor shall it be deemed or construed as a general waiver thereof or of any other provision or rights thereunder.

25. **Force Majeure.** The Company shall not be liable for delay or failure to furnish the Aircraft and crew pursuant to this Agreement when scheduled when such failure is caused by government regulation or authority, mechanical difficulty or breakdown, war, terrorism, civil commotion, strikes or labor disputes, pandemics or quarantines, weather conditions, acts of God, or other circumstances beyond the Company's reasonable control.

26. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties as of the Effective Date and supersedes all prior or independent, oral or written agreements, understandings, statements, representations, commitments, promises, and warranties made with respect to the subject matter of this Agreement.

27. **No Third Party Beneficiary.** No party, other than the parties expressly named herein, is intended to be a beneficiary of any provision of this Agreement.

28. **Survival.** The provisions of Sections 3.2.2, 6, 7, 8.2, 12, 16, 20 and 21 shall survive termination of this Agreement.

[Remainder of Page Intentionally Blank]

29. **Truth In Leasing Statement Under Section 91.23 of the Federal Aviation Regulations.**

WITHIN THE TWELVE (12) MONTH PERIOD PRECEDING THE DATE OF THIS AGREEMENT, EACH AIRCRAFT HAS BEEN INSPECTED AND MAINTAINED IN ACCORDANCE WITH THE PROVISIONS OF FAR PART 91.

THE PARTIES HERETO CERTIFY THAT DURING THE TERM OF THIS AGREEMENT AND FOR OPERATIONS CONDUCTED HEREUNDER, EACH AIRCRAFT WILL BE MAINTAINED AND INSPECTED IN ACCORDANCE WITH THE PROVISIONS OF FAR PART 91.

THE COMPANY (WHOSE ADDRESS APPEARS IN SECTION 18 (NOTICES) ABOVE) ACKNOWLEDGES (AND CERTIFIES BY ITS SIGNATURE BELOW) THAT (i) THE AIRCRAFT ARE IN COMPLIANCE WITH APPLICABLE MAINTENANCE AND INSPECTION REQUIREMENTS UNDER PART 91 OF THE FEDERAL AVIATION REGULATIONS, (ii) WHEN IT OPERATES ANY AIRCRAFT UNDER THIS AGREEMENT, THE COMPANY SHALL BE KNOWN AS, CONSIDERED, AND IN FACT WILL BE THE OPERATOR OF, AND SHALL HAVE OPERATIONAL CONTROL OF, THE AIRCRAFT.

EACH PARTY HERETO CERTIFIES THAT IT UNDERSTANDS THE EXTENT OF ITS RESPONSIBILITIES, SET FORTH IN THIS AGREEMENT FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND THE PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS OFFICE. THE PARTIES HERETO CERTIFY THAT A TRUE COPY OF THIS AGREEMENT SHALL BE CARRIED ON EACH AIRCRAFT AT ALL TIMES, AND SHALL BE MADE AVAILABLE FOR INSPECTION UPON REQUEST BY AN APPROPRIATELY CONSTITUTED AND IDENTIFIED REPRESENTATIVE OF THE ADMINISTRATOR OF THE FAA.

THE COMPANY, ON BEHALF OF THE EXECUTIVE, SHALL TAKE THE STEPS SET FORTH ON EXHIBIT B TO COMPLY WITH THE TRUTH-IN-LEASING REQUIREMENTS.

IN WITNESS WHEREOF, the parties have executed this AIRCRAFT TIME SHARING AGREEMENT as of the date and year first written above.

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

THE EXECUTIVE:
MICHAEL J. HENNIGAN

By: /s/ Molly R. Benson
Name: Molly R. Benson
Title: Vice President & Corporate Secretary

/s/ Michael J. Hennigan
MICHAEL J. HENNIGAN, Individually

**MARATHON PETROLEUM CORPORATION
RESTRICTED STOCK UNIT AWARD AGREEMENT**

CEO, DESIGNATED POSITIONS, & EXECUTIVE RESOURCES

As evidenced by this Award Agreement and under the Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan (the "Plan"), Marathon Petroleum Corporation (the "Corporation") has granted to [NAME] (the "Participant"), an employee of the Corporation or a Subsidiary, on [DATE] (the "Grant Date"), [NUMBER] Restricted Stock Units. The number of Restricted Stock Units awarded is subject to adjustment as provided in the Plan, and the Restricted Stock Units are subject to the following terms and conditions:

1. Relationship to the Plan. This grant of Restricted Stock Units is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, that have been adopted by the Committee. Except as otherwise defined in this Award Agreement, capitalized terms shall have the same meanings given to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan.

2. Vesting and Forfeiture of Restricted Stock Units.

- (a) Subject to Paragraph 3, the Restricted Stock Units shall vest incrementally in three cumulative annual installments, as follows:
- (i) one-third of the Restricted Stock Units shall vest upon the completion of the service period which commences on the Grant Date and ends on the first anniversary of the Grant Date;
 - (ii) an additional one-third of the Restricted Stock Units shall vest upon the completion of the service period which commences on the first anniversary of the Grant Date and ends on the second anniversary of the Grant Date; and
 - (iii) all remaining Restricted Stock Units shall vest upon the completion of the service period which commences on the second anniversary of the Grant Date and ends on the third anniversary of the Grant Date;

provided, however, that the Participant must be in continuous Employment from the Grant Date through the completion of the service period as listed above for each annual installment in order for the Restricted Stock Units for each annual installment to vest. If the Employment of the Participant is terminated for any reason other than death, Approved Separation, Mandatory Retirement, or a Qualified Termination, any Restricted Stock Units that have not vested as of the date of such termination of Employment shall be forfeited to the Corporation.

(b) Subject to Paragraphs 3 and 4, the Restricted Stock Units shall immediately vest in full, irrespective of the limitations set forth in subparagraph (a) of this Paragraph 2, upon the occurrence of any of the following events:

- (i) the Participant's death;

- (ii) the Participant's Approved Separation, provided, that the Participant has been in continuous Employment from the Grant Date to the Approved Separation;
- (iii) the termination of the Participant's Employment due to Mandatory Retirement, provided the Participant has been in continuous Employment from the Grant Date to the Mandatory Retirement; or
- (iv) the Participant's Qualified Termination, provided, that the Participant has been in continuous Employment from the Grant Date to the Qualified Termination.

3. Forfeiture of Restricted Stock Units if Award Not Timely Accepted. This Award is conditioned upon and subject to the Participant accepting the Award by signing and delivering to the Corporation this Award Agreement, or otherwise electronically accepting the Award in such manner as the Committee may in its discretion determine, no later than 11 months after the Grant Date. If the Participant does not timely accept this Award, all Restricted Stock Units subject to this Award shall be forfeited to the Corporation. In the event of the Participant's death or incapacitation prior to accepting the Award, the Corporation shall deem the Award as having been accepted by the Participant.

4. Conditions Precedent. This Paragraph 4 shall apply to this Award notwithstanding any other provision of this Award Agreement to the contrary. The Participant's services to the Corporation and its Subsidiaries are unique, extraordinary and essential to the business of the Corporation and its Subsidiaries, particularly in view of the Participant's access to the Corporation's or its Subsidiaries' confidential information and trade secrets. Accordingly, in consideration of this Award Agreement and by accepting this Award, the Participant agrees that in order to otherwise vest in any right to payment of Restricted Stock Units under this Award, the Participant must satisfy the following conditions to and including the vesting date and the payment date for each applicable annual installment or other applicable portion of this Award:

(a) The Participant agrees that the Participant will not, without the prior written approval of the Board, at any time during the term of the Participant's Employment and for a period of one year following the date on which the Participant's Employment terminates (the "Restricted Period"), directly or indirectly, serve as an officer, director, owner, contractor, consultant, or employee of any the following organizations (or any of their respective subsidiaries or divisions): BP plc; Chevron Corporation; ExxonMobil Corporation; HollyFrontier Corporation; PBF Energy Inc.; Phillips 66; Valero Energy Corporation; Buckeye Partners, L.P.; DCP Midstream Partners, L.P.; Enterprise Product Partners; Genesis Energy, L.P.; Holly Energy Partners L.P.; Magellan Midstream Partners, L.P.; Phillips 66 Partners, L.P.; Plains All American Pipeline L.P.; Western Midstream Partners, or otherwise engage in any business activity directly or indirectly competitive with the business of the Corporation or any of its Subsidiaries as in effect from time to time.

(b) The Participant agrees that during the term of the Participant's Employment and for a period of one year following the date on which the Participant's Employment terminates, the Participant will not, alone or in conjunction with another party, hire, solicit for hire, aid in or facilitate the hire, or cause to be hired, either as an employee, contractor or consultant, any individual who is currently engaged, or was engaged at any time during the six month period prior such event, as an employee, contractor or consultant of the Corporation or any of its Subsidiaries.

(c) The Participant agrees that the Participant may not, either during the Participant's Employment or thereafter, make or encourage others to make any public statement or release any information or otherwise engage in

any conduct that is intended to, or reasonably could be foreseen to, embarrass, criticize or harm the reputation or goodwill of the Corporation or any of its Subsidiaries, or any of their employees, directors or shareholders; provided that this shall not preclude the Participant from reporting to the Corporation's management or directors or to the government or a regulator conduct the Participant believes to be in violation of the law or the Corporation's Code of Business Conduct or responding truthfully to questions or requests for information to the government, a regulator or in a court of law in connection with a legal or regulatory investigation or proceeding.

(d) The Participant agrees and understands that the Corporation and its Subsidiaries own and/or control information and material which is not generally available to third parties and which the Corporation or its Subsidiaries consider confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to its business and that it may from time to time acquire, improve or produce additional methods, products, processes, customers lists, trade secrets and other information (collectively, the "Confidential Information"). The Participant acknowledges that each element of the Confidential Information constitutes a unique and valuable asset of the Corporation and its Subsidiaries, and that certain items of the Confidential Information have been acquired from third parties upon the express condition that such items would not be disclosed to the Corporation or a Subsidiary and the officers and agents thereof other than in the ordinary course of business. The Participant acknowledges that disclosure of the Confidential Information to and/or use by anyone other than in the Corporation's or its Subsidiaries' ordinary course of business would result in irreparable and continuing damage to the Corporation and its Subsidiaries. Accordingly, the Participant agrees to hold the Confidential Information in the strictest secrecy, and covenants that, during the term of the Participant's Employment or at any time thereafter, the Participant will not, without the prior written consent of the Board, directly or indirectly, allow any element of the Confidential Information to be disclosed, published or used, nor permit the Confidential Information to be discussed, published or used, either by the Participant or by any third parties, except in effecting the Participant's duties for the Corporation and its Subsidiaries in the ordinary course of business.

(e) The Participant agrees that in addition to the forfeiture provisions otherwise provided for in this Award Agreement, upon the Participant's failure to satisfy in any respect of any of the conditions described in Paragraphs 4(a), (b), (c) or (d), any unvested or unpaid portion of this Award (including any otherwise vested, but unpaid portion of this Award) at the time of such failure shall be forfeited, and the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be satisfied in full, in each case to the extent permitted by applicable law.

5. Forfeiture or Repayment Resulting from Forfeiture Event.

(a) If there is a Forfeiture Event during the Participant's Employment or within two years after termination of the Participant's Employment, then the Committee may, but is not obligated to, cause all of the Participant's unvested Restricted Stock Units and vested, but unpaid Restricted Stock Units to be forfeited by the Participant and returned to the Corporation.

(b) If there is a Forfeiture Event either during the Participant's Employment or within two years after termination of the Participant's Employment, then with respect to Restricted Stock Units granted under this Award Agreement that have vested and have been paid to the Participant, the Committee may, but is not obligated to, require that the Participant pay to the Corporation an amount (the "Forfeiture Amount") up to (but not in excess of) the lesser of (i) the value of such previously vested Restricted Stock Units as of the date such Restricted Stock Units

vested or (ii) the value of such previously vested Restricted Stock Units as of the date on which the Committee makes a demand for payment of the Forfeiture Amount. Any Forfeiture Amount shall be paid by the Participant within 60 days of receipt from the Corporation of written notice requiring payment of such Forfeiture Amount.

(c) This Paragraph 5 shall apply notwithstanding any provision of this Award Agreement to the contrary and is meant to provide the Corporation with rights in addition to any other remedy which may exist in law or in equity. This Paragraph 5 shall not apply to the Participant following the effective time of a Change in Control.

(d) Notwithstanding the foregoing or any other provision of this Award Agreement to the contrary, the Participant agrees that the Corporation may also require that the Participant repay to the Corporation any compensation paid to the Participant under this Award Agreement, as is required by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations thereunder or any other “clawback” provisions as required by law or by the applicable listing standards of the exchange on which the Common Stock is listed for trading.

6. Dividend Equivalent and Voting Rights.

(a) *Limitations on Rights Associated with Restricted Stock Units.* The Participant shall have no rights as a shareholder of the Corporation, no dividend rights (except as expressly provided in Paragraph 6(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Restricted Stock Units or any Shares underlying or issuable in respect of such Restricted Stock Units until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate or book entry or like action evidencing such Shares.

(b) *Dividend Equivalent Rights Distributions.* As of any date that the Corporation pays an ordinary cash dividend on its Common Stock, the Corporation shall credit the Participant with a dollar amount equal to (i) the per share cash dividend paid by the Corporation on its Common Stock on such date, multiplied by (ii) the total number of Restricted Stock Units (with such total number adjusted pursuant to Section 14 of the Plan) subject to the Award that are outstanding immediately prior to the record date for that dividend (a “Dividend Equivalent Right”). Any Dividend Equivalent Rights credited pursuant to the foregoing provisions of this Paragraph 6(b) shall be subject to the same vesting, payment, tax withholding, forfeiture, repayment and other terms, conditions and restrictions applicable to the Restricted Stock Units to which they relate; provided, however, that the amount of any vested Dividend Equivalent Rights shall be paid in cash. No crediting of Dividend Equivalent Rights shall be made pursuant to this Paragraph 6(b) with respect to any Restricted Stock Units which, immediately prior to the record date for that dividend, have either been paid pursuant to Paragraph 8 or forfeited pursuant to the terms of this Award.

7. Nonassignability. Upon the Participant’s death, the Restricted Stock Units (or Shares payable in respect thereof) and the Dividend Equivalent Rights shall be transferred to the Participant’s estate. Otherwise, the Participant may not sell, transfer, assign, pledge or otherwise encumber any portion of the Restricted Stock Units (or Shares payable in respect thereof) or the Dividend Equivalent Rights, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Restricted Stock Units (or Shares payable in respect thereof) or the Dividend Equivalent Rights shall have no effect.

8. Timing and Manner of Payment of Restricted Stock Units. Subject to the terms of the Plan and this Award, any Restricted Stock Units that vest pursuant to Paragraph 2 shall be released and settled in whole

Shares within 30 days of the applicable vesting date by the Corporation delivering to the Participant a number of Shares (in such manner as the Committee in its discretion may determine, e.g., by entering such Shares in book entry form, and/or causing the vested Shares to be deposited in an account maintained by a broker designated by the Corporation) equal to the number of Restricted Stock Units subject to the Award that vest on the vesting date, less tax withholdings as provided under Paragraph 9.

9. Taxes. Pursuant to the applicable provisions of the Plan, the Corporation or its designated representative shall have the right to withhold applicable taxes from the Shares otherwise deliverable to the Participant due to the vesting of Restricted Stock Units pursuant to this Award Agreement (to the extent such withholding does not violate Section 409A of the Code), or from other compensation payable to the Participant, at the time of the vesting and delivery of such Shares.

10. No Employment Guaranteed. Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Corporation or any Subsidiary or successor, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

11. Modification of Agreement. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Corporation, provided that no modification may, without the consent of the Participant, adversely affect the rights of the Participant hereunder.

12. Officer Holding Requirement. The Participant agrees that any Shares vested under this Award shall be subject an additional holding period of one year from the date on which the Award is settled, during which holding period such Shares (net of Shares used to satisfy the applicable tax withholding requirements) may not be sold or transferred by the Participant. This holding requirement shall cease to apply upon the Participant's separation from service during the holding period.

13. Specified Employee; Section 409A of the Code. Notwithstanding any other provision of this Award Agreement to the contrary, if the Participant is a "specified employee" within the meaning of Section 409A of the Code as determined by the Corporation in accordance with its established policy, any settlement of any amount described in this Award Agreement which would be a payment of deferred compensation within the meaning of Section 409A of the Code with respect to the Participant as a result of the Participant's "separation from service" as defined under Section 409A of the Code (other than as a result of death) and which would otherwise be paid within six months of the Participant's separation from service shall be paid on the date that is one day after the earlier of (i) the date that is six months after the Participant's separation from service or (ii) the date that otherwise complies with the requirements of Section 409A of the Code. The payment of each amount under this Award Agreement is deemed as a "separate payment" for purposes of Section 409A of the Code. For all purposes under this Award, "termination of Employment" and similar terms shall mean "separation from service" as defined and determined under Section 409A of the Code.

14. Definitions. For purposes of this Award Agreement:

"**Approved Separation**" means termination of Employment on or after the date the Participant has attained age 55 and completed five years of Employment, provided, that, the termination of Employment occurs no earlier than the later of: (a) six month anniversary of the

Grant Date; and (b) 180 days after the Participant has provided written notice to the Committee or its delegate of the date of his or her termination of Employment. The Committee may, in its discretion, waive the notice requirement under clause (b) of the preceding sentence if the Participant is an Employee under its purview for the grant and administration of the Award, and the Chief Executive Officer of the Corporation may, in his or her sole discretion, waive the notice requirement under clause (b) of the preceding sentence if the Participant is an Employee not under the Committee's purview for the grant and administration of the Award.

"Employment" means employment with the Corporation or any of its Subsidiaries. For purposes of this Award Agreement, Employment shall also include any period of time during which the Participant is on Disability status. The length of any period of Employment shall be determined by the Corporation or the Subsidiary that either (a) employs the Participant or (b) employed the Participant immediately prior to the Participant's termination of Employment.

"Forfeiture Event" means the occurrence of at least one of the following events: (a) the Corporation is required, pursuant to a determination made by the Securities and Exchange Commission or by the Audit Committee of the Board, to prepare a material accounting restatement due to the noncompliance of the Corporation with any financial reporting requirement under applicable securities laws as a result of misconduct, and the Committee determines that (i) the Participant knowingly engaged in the misconduct, (ii) the Participant was grossly negligent with respect to such misconduct or (iii) the Participant knowingly or grossly negligently failed to prevent the misconduct; or (b) the Committee concludes that the Participant engaged in fraud, embezzlement or other similar misconduct materially detrimental to the Corporation.

"Mandatory Retirement" means termination of Employment as a result of the Corporation's policy, if any, in effect at the time of the Grant Date, requiring the mandatory retirement of officers and/or other employees upon reaching a certain age or milestone.

"Qualified Termination" for purposes of this Award Agreement shall have the same definition as under the Marathon Petroleum Corporation Amended and Restated Executive Change in Control Severance Benefits Plan, as in effect on the Grant Date, and such definition and associated terms are hereby incorporated into this Award Agreement by reference.

"Share" means one share of Common Stock.

Marathon Petroleum Corporation

By _____

Authorized Officer

**MARATHON PETROLEUM CORPORATION
PERFORMANCE SHARE UNIT AWARD AGREEMENT
2021 – 2023 PERFORMANCE CYCLE**

CEO, DESIGNATED POSITIONS & EXECUTIVE RESOURCES

As evidenced by this Award Agreement and under the Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan (the “Plan”), Marathon Petroleum Corporation (the “Corporation”) has granted to [NAME] (the “Participant”), an employee of the Corporation or a Subsidiary, on [DATE] (the “Grant Date”), [NUMBER] performance share units (“Performance Share Units”), conditioned upon the Corporation’s TSR ranking relative to the Peer Group for the Performance Cycle as established by the Compensation and Organization Development Committee of the Board of Directors of the Corporation (which is the “Committee” as defined in the Plan), and as set forth herein. The Performance Share Units are subject to the following terms and conditions:

1. Relationship to the Plan. This grant of Performance Share Units is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, that have been adopted by the Committee. Except as otherwise defined in this Award Agreement, capitalized terms shall have the same meanings given to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan. References to the Participant also include the heirs or other legal representatives of the Participant.

2. Forfeiture of Performance Share Units if Award Not Timely Accepted. This Award is conditioned upon and subject to the Participant accepting the Award by signing and delivering to the Corporation this Award Agreement, or otherwise electronically accepting the Award in such manner as the Committee may in its discretion determine, no later than 11 months after the Grant Date. If the Participant does not timely accept this Award, all Performance Share Units subject to this Award shall be forfeited to the Corporation. In the event of the Participant’s death or incapacitation prior to accepting the Award, the Corporation shall deem the Award as being accepted by the Participant.

3. Determination of Payout Percentage. As soon as administratively feasible following the end of the Performance Cycle, the Committee shall determine and certify the TSR Performance Percentile and the resulting Payout Percentage as follows (using straight-line interpolation between the 30th percentile and the 50th percentile and between the 50th percentile and the 100th percentile):

TSR Performance Percentile	Payout Percentage
Ranked below 30 th percentile	0%
Ranked at 30 th percentile	50%
Ranked at 50 th percentile	100%
Ranked at the 100 th percentile	200%

Notwithstanding anything in this Award Agreement to the contrary, if the Corporation’s TSR calculated for the Performance Cycle is negative, then the Payout Percentage shall not exceed 100% regardless of the TSR Performance Percentile.

Notwithstanding anything in this Award Agreement to the contrary, the Committee has the sole and absolute authority and discretion to reduce the Payout Percentage as it may deem appropriate.

4. Vesting and Payment of Performance Share Units. Unless the Participant's right to the Performance Share Units is previously forfeited or vested and payable in accordance with Paragraphs 5, 6, 7, 8 or 9, following the Committee's determinations pursuant to Paragraph 3, the Participant shall vest in the Performance Share Units on the Performance Cycle End Date, provided the Participant has been in continuous employment from the Grant Date to and including the Performance Cycle End Date, and the Participant shall be entitled to receive a payment equal to the Payout Value. The Payout Value shall be paid in cash as soon as administratively feasible following the Committee's determination under Paragraph 3 and, in any event, between January 1 and March 15 immediately following the end of the Performance Cycle. If, in accordance with the Committee's determination under Paragraph 3, the Payout Value is zero, the Participant shall immediately forfeit any and all rights to the Performance Share Units. Upon the vesting and/or forfeiture of the Performance Share Units pursuant to this Paragraph 4 and the making of the related cash payment, if any, the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be satisfied in full.

5. Termination of Employment. Except as provided in Paragraphs 6, 7, 8 or 9, if the Participant's Employment is terminated prior to the Performance Cycle End Date, the Participant's right to the Performance Share Units shall be forfeited in its entirety as of the date of such termination, and the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be terminated.

6. Death. Except as provided in Paragraphs 7 and 8, in the event of the Participant's death prior to the Performance Cycle End Date, the Performance Share Units shall vest in full as of the date of death, the Payout Percentage shall be 100%, the Payout Value shall be determined as of the date of the Participant's death and shall be paid in cash as soon as administratively feasible following the date of the Participant's death, but in all cases no later than the last day of the calendar year following the calendar year in which the Participant's death occurs; provided, however, that the timing of the payment shall be determined in the sole discretion of the Board and no other individual or entity shall directly or indirectly designate the taxable year of payment. Such vesting and payment shall satisfy the rights of the Participant and the obligations of the Corporation under this Award Agreement in full.

7. Approved Separation. In the event of the Participant's Approved Separation prior to the Performance Cycle End Date, the Performance Share Units shall vest in full as of the date of the Approved Separation, and such vested Performance Share Units shall be determined and paid as otherwise provided in Paragraphs 3 and 4. The death of the Participant following the Participant's Approved Separation shall have no effect on this Paragraph 7.

8. Qualified Termination. In the event of the Participant's termination of Employment on account of Qualified Termination prior to the Performance Cycle End Date, the Performance Share Units shall vest in full as of the date of the Qualified Termination, the Payout Percentage shall be 100%, and such vested Performance Share Units shall be determined and paid as otherwise provided in Paragraphs 3 and 4. The death of the Participant following the Participant's termination of Employment on account of Qualified Termination shall have no effect on this Paragraph 8.

9. Mandatory Retirement. In the event of the Participant's termination of Employment on account of Mandatory Retirement prior to the Performance Cycle End Date, the Performance Units shall vest in full as of the

date of Mandatory Retirement, and such vested Performance Units shall be determined and paid as otherwise provided in Paragraph 3 and 4. The death of the Participant following the Participant's termination of Employment on account of Mandatory Retirement shall have no effect on this Paragraph 9.

10. Conditions Precedent. This Paragraph 10 shall apply to this Award notwithstanding any other provision of this Award Agreement to the contrary. The Participant's services to the Corporation and its Subsidiaries are unique, extraordinary and essential to the business of the Corporation and its Subsidiaries, particularly in view of the Participant's access to the Corporation's or its Subsidiaries' confidential information and trade secrets. Accordingly, in consideration of this Award Agreement and by accepting this Award, the Participant agrees that in order to otherwise vest in any right to payment of Performance Share Units under this Award, the Participant must satisfy the following conditions to and including the vesting date under this Award:

(a) The Participant agrees that the Participant will not, without the prior written approval of the Board, at any time during the term of the Participant's Employment and for a period of one year following the date on which the Participant's Employment terminates (the "Restricted Period"), directly or indirectly, serve as an officer, director, owner, contractor, consultant, or employee of any the following organizations (or any of their respective subsidiaries or divisions): BP plc; Chevron Corporation; ExxonMobil Corporation; HollyFrontier Corporation; PBF Energy Inc.; Phillips 66; Valero Energy Corporation; Buckeye Partners, L.P.; DCP Midstream Partners, L.P.; Enterprise Product Partners; Genesis Energy, L.P.; Holly Energy Partners L.P.; Magellan Midstream Partners, L.P.; Phillips 66 Partners, L.P.; Plains All American Pipeline L.P.; Western Midstream Partners, or otherwise engage in any business activity directly or indirectly competitive with the business of the Corporation or any of its Subsidiaries as in effect from time to time.

(b) The Participant agrees that during the term of the Participant's Employment and for a period of one year following the date on which the Participant's Employment terminates, the Participant will not, alone or in conjunction with another party, hire, solicit for hire, aid in or facilitate the hire, or cause to be hired, either as an employee, contractor or consultant, any individual who is currently engaged, or was engaged at any time during the six month period prior such event, as an employee, contractor or consultant of the Corporation or any of its Subsidiaries.

(c) The Participant agrees that the Participant may not, either during the Participant's Employment or thereafter, make or encourage others to make any public statement or release any information or otherwise engage in any conduct that is intended to, or reasonably could be foreseen to, embarrass, criticize or harm the reputation or goodwill of the Corporation or any of its Subsidiaries, or any of their employees, directors or shareholders; provided that this shall not preclude the Participant from reporting to the Corporation's management or directors or to the government or a regulator conduct the Participant believes to be in violation of the law or the Corporation's Code of Business Conduct or responding truthfully to questions or requests for information to the government, a regulator or in a court of law in connection with a legal or regulatory investigation or proceeding.

(d) The Participant agrees and understands that the Corporation and its Subsidiaries own and/or control information and material which is not generally available to third parties and which the Corporation or its Subsidiaries consider confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to its business and that it may from time to time acquire, improve or produce additional methods, products, processes, customers lists, trade secrets and other information (collectively, the "Confidential Information"). The Participant acknowledges that each element of the Confidential Information

constitutes a unique and valuable asset of the Corporation and its Subsidiaries, and that certain items of the Confidential Information have been acquired from third parties upon the express condition that such items would not be disclosed to the Corporation or a Subsidiary and the officers and agents thereof other than in the ordinary course of business. The Participant acknowledges that disclosure of the Confidential Information to and/or use by anyone other than in the Corporation's or its Subsidiaries' ordinary course of business would result in irreparable and continuing damage to the Corporation and its Subsidiaries. Accordingly, the Participant agrees to hold the Confidential Information in the strictest secrecy, and covenants that, during the term of the Participant's Employment or at any time thereafter, the Participant will not, without the prior written consent of the Board, directly or indirectly, allow any element of the Confidential Information to be disclosed, published or used, nor permit the Confidential Information to be discussed, published or used, either by the Participant or by any third parties, except in effecting the Participant's duties for the Corporation and its Subsidiaries in the ordinary course of business.

(e) The Participant agrees that in addition to the forfeiture provisions otherwise provided for in this Award Agreement, upon the Participant's failure to satisfy in any respect of any of the conditions described in Paragraphs 10(a), (b), (c) or (d), any unvested or unpaid portion of this Award (including any otherwise vested, but unpaid portion of this Award) at the time of such failure shall be forfeited, and the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be satisfied in full, in each case to the extent permitted by applicable law.

11. Forfeiture or Repayment Resulting from Forfeiture Event.

(a) If there is a Forfeiture Event during the Participant's Employment or within three years after termination of the Participant's Employment, then the Committee may, but is not obligated to, cause some or all of the Participant's outstanding Performance Share Units (whether unvested or vested but not yet paid) to be forfeited by the Participant.

(b) If there is a Forfeiture Event either during the Participant's Employment or within three years after termination of the Participant's Employment and a payment has previously been made in settlement of Performance Share Units granted under this Award Agreement, the Committee may, but is not obligated to, require that the Participant pay to the Corporation an amount in cash (the "Forfeiture Amount") up to (but not in excess of) the amount paid in settlement of the Performance Share Units.

(c) This Paragraph 11 shall apply notwithstanding any provision of this Award Agreement to the contrary and is meant to provide the Corporation with rights in addition to any other remedy which may exist in law or in equity. This Paragraph 11 shall not apply to the Participant following the effective time of a Change in Control.

(d) Notwithstanding the foregoing or any other provision of this Award Agreement to the contrary, the Participant agrees that the Corporation may also require that the Participant repay to the Corporation any compensation paid to the Participant under this Award Agreement, as is required by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations thereunder or any other "clawback" provisions as required by law or by the applicable listing standards of the exchange on which the Common Stock is listed for trading.

12. Taxes. Pursuant to the applicable provisions of the Plan, the Corporation or its designated representative shall have the right to withhold applicable taxes from the cash otherwise payable to the Participant, or from other compensation payable to the Participant (to the extent consistent with Section 409A of the Code), at the time of the vesting and delivery of such cash payment.

13. Nonassignability. Upon the Participant's death, the Performance Share Units may be transferred by will or by the laws governing the descent and distribution of the Participant's estate. Otherwise, the Participant may not sell, transfer, assign, pledge or otherwise encumber any portion of the Performance Share Units, and any attempt to sell, transfer, assign, pledge, or encumber any portion of the Performance Share Units shall have no effect.

14. No Employment Guaranteed. Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Corporation or any affiliate thereof or successor thereto, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

15. Modification of Agreement. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Corporation, provided that no modification may, without the consent of the Participant, adversely affect the rights of the Participant hereunder.

16. Specified Employee; Section 409A of the Code. Notwithstanding any other provision of this Award Agreement to the contrary, if the Participant is a "specified employee" within the meaning of Section 409A of the Code as determined by the Corporation in accordance with its established policy, any settlement of any amount described in this Award Agreement which would be a payment of deferred compensation within the meaning of Section 409A of the Code with respect to the Participant as a result of the Participant's "separation from service" as defined under Section 409A of the Code (other than as a result of death) and which would otherwise be paid within six months of the Participant's separation from service shall be paid on the date that is one day after the earlier of (i) the date that is six months after the Participant's separation from service or (ii) the date that otherwise complies with the requirements of Section 409A of the Code. The payment of each amount under this Award Agreement is deemed as a "separate payment" for purposes of Section 409A of the Code. For all purposes under this Award, "termination of Employment" and similar terms shall mean "separation from service" as defined and determined under Section 409A of the Code.

17. Definitions. For purposes of this Award Agreement:

"Approved Separation" means termination of Employment on or after the date the Participant has attained age 55 and completed five years of Employment, provided, that, the termination of Employment occurs no earlier than the later of: (a) six month anniversary of the Grant Date; and (b) 180 days after the Participant has provided written notice to the Committee or its delegate of the date of his or her termination of Employment. The Committee may, in its sole discretion, waive the notice requirement under clause (b) of the preceding sentence if the Participant is an Employee under its purview for the grant and administration of the Award, and the Chief Executive Officer of the Corporation may, in his or her sole discretion, waive the notice requirement under clause (b) of the preceding sentence if the Participant is an Employee not under the Committee's purview for the grant and administration of the Award.

“Beginning Stock Price” means the average of the daily closing price of a share of common stock for the 20 trading days immediately prior to the commencement of the Performance Cycle, historically adjusted, if necessary, for any stock split, stock dividend, recapitalizations, or similar corporate events that occur during Performance Cycle.

“Change in Control” for purposes of this Award Agreement shall have the same definition as under the Marathon Petroleum Corporation Amended and Restated Executive Change in Control Severance Benefits Plan, as in effect on the Grant Date, and such definition and associated terms are hereby incorporated into this Award Agreement by reference.

“Compensation Reference Group” means 3M, Archer-Daniels-Midland, Caterpillar, ConocoPhillips, DuPont de Nemours, Halliburton, Honeywell Int’l, Phillips 66, PPG Industries, Schlumberger, Valero Energy, Baker Hughes, Bunge, Cummins, Dow, EOG Resources, General Dynamics, L3Harris Tech., LyondellBasell, and Textron.

“Employment” means employment with the Corporation or any of its Subsidiaries. For purposes of this Award Agreement, Employment shall also include any period of time during which the Participant is on Disability status. The length of any period of Employment shall be determined by the Corporation or the Subsidiary that either (a) employs the Participant or (b) employed the Participant immediately prior to the Participant’s termination of Employment.

“Ending Stock Price” means the average of the daily closing price of a share of common stock for the 20 trading days prior to the end of the Performance Cycle.

“Forfeiture Event” means the occurrence of at least one of the following events: (a) the Corporation is required, pursuant to a determination made by the Securities and Exchange Commission or by the Audit Committee of the Board, to prepare a material accounting restatement due to the noncompliance of the Corporation with any financial reporting requirement under applicable securities laws as a result of misconduct, and the Committee determines that (i) the Participant knowingly engaged in the misconduct, (ii) the Participant was grossly negligent with respect to such misconduct or (iii) the Participant knowingly or grossly negligently failed to prevent the misconduct; or (b) the Committee concludes that the Participant engaged in fraud, embezzlement or other similar misconduct materially detrimental to the Corporation.

“Mandatory Retirement” means, as determined by the Board of Directors of the Corporation (or its delegate), a Participant’s mandatory retirement under the Marathon Petroleum Corporation Mandatory Retirement Policy, or equivalent thereto, provided such Mandatory Retirement constitutes a separation from service within the meaning of Section 409A of the Code.

“**Payout Percentage**” means the percentage (from 0% to 200%) determined by the Committee in accordance with the procedures set forth in Paragraph 3, which shall be used to determine the Payout Value.

“**Payout Value**” means the product of (a) the Payout Percentage, (b) the number of Performance Share Units, and (c) the Fair Market Value of one share of Common Stock on the date on which the Payout Percentage is certified by the Committee.

“**Peer Group**” means the group of companies that are pre-established by the Committee which principally represent a group of selected peers, or such other group of companies as selected and pre-established by the Committee. For this Award, the Committee has determined that the peer group will be BP, Chevron, CVR Energy, Delek US Holdings, ExxonMobil, HollyFrontier, PBF Energy, Phillips 66, Valero, the S&P 500 Index, the Alerian MLP Index, and one company from the 2021 Compensation Reference Group. The company from the 2021 Compensation Reference Group will be determined by selecting the median company when ranking the 2021 Compensation Reference Group by TSR in descending order for the Performance Cycle. Such pre-established Peer Group is subject to the following adjustments:

(a) If a member of the Peer Group is substantially acquired by another company, the acquired Peer Group company will be removed from the Peer Group for the Performance Cycle.

(b) If a member of the Peer Group sells, spins-off, or disposes of a portion of its business, then such Peer Group company will remain in the Peer Group for the Performance Cycle unless such disposition(s) results in the disposition of more than 50% of such company’s total assets during the Performance Cycle.

(c) If a member of the Peer Group acquires another company, the acquiring Peer Group company will remain in the Peer Group for the Performance Cycle, unless the newly formed company’s primary business no longer satisfies the criteria for which such member was originally selected as a member of the Peer Group, then in such case the company shall be removed from the Peer Group.

(d) If a member of the Peer Group is delisted on all major U.S. stock exchanges, or is no longer publicly-traded, such company will be removed from the Peer Group for the Performance Cycle.

(e) If any member of the Peer Group splits its stock, such company’s TSR performance will be adjusted for the stock split so as not to give an advantage or disadvantage to such company by comparison to the other companies.

(f) Members of the Peer Group that file for bankruptcy, liquidation or reorganization during the Performance Cycle will remain in the Peer Group positioned below the lowest performing non-bankrupt member of the Peer Group for the Performance Cycle.

In addition, the Committee shall have the discretionary authority to make other appropriate adjustments in response to a change in circumstances after the commencement of the Performance Cycle that results in a member of the Peer Group no longer satisfying the criteria for which such member was originally selected.

“**Performance Cycle**” means the period beginning on January 1, 2021 and ending at the close of December 31, 2023.

“**Performance Cycle End Date**” means December 31, 2023.

“**Qualified Termination**” for purposes of this Award Agreement shall have the same definition as under the Marathon Petroleum Corporation Amended and Restated Executive Change in Control Severance Benefits Plan, as in effect on the Grant Date, and such definition and associated terms are hereby incorporated into this Award Agreement by reference.

“**Total Shareholder Return**” or “**TSR**” means for the Corporation and each entity in the Peer Group, the number derived using the following formula:

$$\frac{(\text{Ending Stock Price} - \text{Beginning Stock Price}) + \text{Cumulative Dividends}}{\text{Beginning Stock Price}}$$

“**TSR Performance Percentile**” means the percentile ranking of the Corporation’s Total Shareholder Return for the Performance Cycle among the Total Shareholder Returns of the Peer Group companies, ranked in descending order.

Marathon Petroleum Corporation

By _____
Authorized Officer

**MPLX LP
2018 INCENTIVE COMPENSATION PLAN
PHANTOM UNIT AWARD AGREEMENT**

MPC CEO, DESIGNATED POSITIONS, & EXECUTIVE RESOURCES

As evidenced by this Award Agreement and under the MPLX LP 2018 Incentive Compensation Plan (the “Plan”), MPLX GP LLC, a Delaware limited liability company (the “Company”), the general partner of MPLX LP, a Delaware limited partnership (the “Partnership”) has granted to [NAME] (the “Participant”), an officer of Marathon Petroleum Corporation, the parent corporation of the Company (“MPC”) in connection with benefits conferred on the Company and the Partnership for their service as an officer of MPC, on [DATE] (the “Grant Date”), [NUMBER] Phantom Units, with each Phantom Unit representing the right to receive a Unit of the Partnership, subject to the terms and conditions in the Plan and this Award Agreement. The number of Phantom Units awarded is subject to adjustment as provided in the Plan, and the Phantom Units hereby granted are also subject to the following terms and conditions:

1. Relationship to the Plan. This grant of Phantom Units is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, that have been adopted by the Board. Except as defined in this Award Agreement, capitalized terms shall have the same meanings given to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan.

2. Vesting and Forfeiture of Phantom Units.

(a) Subject to paragraph 3, the Phantom Units shall vest in three cumulative annual installments, as follows:

- (i) one-third of the Phantom Units shall vest on the first anniversary of the Grant Date;
- (ii) an additional one-third of the Phantom Units shall vest on the second anniversary of the Grant Date; and
- (iii) all remaining Phantom Units shall vest on the third anniversary of the Grant Date;

provided, however, that the Participant must be in continuous Employment from the Grant Date through the applicable vesting date in order for the applicable Phantom Units to vest. If the Employment of the Participant is terminated for any reason other than one listed in subparagraph (b)(i) – (iv) of this Paragraph 2, any Phantom Units that have not vested as of the date of such termination of Employment shall be immediately and 100% forfeited to the Company.

(b) Subject to paragraph 3, the Phantom Units shall immediately vest in full, irrespective of the limitations set forth in subparagraph (a) of this Paragraph 2, upon the occurrence of any of the following events:

- (i) the Participant’s death;

- (ii) the Participant's Approved Separation, provided the Participant has been in continuous Employment from the Grant Date to the Approved Separation;
- (iii) the termination of the Participant's Employment due to Mandatory Retirement, provided the Participant has been in continuous Employment from the Grant Date to the Mandatory Retirement; or
- (iv) the Participant's Qualified Termination, provided, that the Participant has been in continuous Employment from the Grant Date to the Qualified Termination.

3. Forfeiture of Phantom Unit if Award Not Timely Accepted. This Award is conditioned upon and subject to the Participant accepting the Award by signing and delivering to the Company this Award Agreement, or otherwise electronically accepting the Award in such manner as the Board may in its discretion determine, no later than 11 months after the Grant Date. If the Participant does not timely accept this Award, all Phantom Units subject to this Award shall be forfeited to the Company. In the event of the Participant's death or incapacitation prior to accepting the Award, the Company shall deem the Award as having been accepted by the Participant.

4. Distributions. During the period between the Grant Date and the date the Phantom Units are settled, for any distributions from the Partnership on outstanding Units of the Partnership, the Participant shall be credited with the equivalent of all of the distributions that would be payable with respect to the Unit of the Partnership represented by each Phantom Unit, including any fractional Phantom Units, then credited to the Participant and the amount related to such credited distributions shall be accrued as a credit to the Participant's account on the date such distribution is made. Any additional cash or Phantom Units credited pursuant to this Paragraph 4 shall be subject to the same terms and conditions applicable to the Phantom Units to which these distributions relate, including, without limitation, the same vesting, restrictions on transfer, forfeiture, settlement, distribution, tax withholding, repayment and other terms, conditions and restrictions.

5. Settlement and Issuance of Units. Subject to the terms of the Plan, all vested amounts payable to the Participant in respect of the Phantom Units, including the issuance of Units of the Partnership pursuant to this Paragraph 5, shall be settled in Units and for cash accruals credited under Paragraph 4 above, in cash, within 60 days following the vesting date. During the period of time between the Grant Date and the date the Phantom Units settle, the Phantom Units will be evidenced by a credit to a bookkeeping account evidencing the unfunded and unsecured right of the Participant to receive Units, subject to the terms and conditions applicable to the Phantom Units. Following vesting and upon the settlement date as described above, the Participant shall be entitled to receive a number of Units of the Partnership equal to the total of the number of Phantom Units granted, with any fractional Phantom Units remaining settled in cash. Such Units shall be issued and registered in the name of the Participant. The Participant shall not have the right or be entitled to exercise any voting rights, receive distributions or have or be entitled to any rights as a Partnership unitholder in respect of the Phantom Units until such time as the Phantom Units have vested and been settled and corresponding Units of the Partnership have been issued.

6. Taxes. Pursuant to the applicable provisions of the Plan, the Company or its designated representative shall have the right to withhold applicable taxes from the Units otherwise deliverable to the Participant due to the vesting of Phantom Units pursuant to Paragraph 2, or from other compensation payable to the Participant, at the time of the vesting and delivery of such Units. Because the Participant is an employee of Marathon Petroleum Corporation ("MPC"), and provides beneficial services to the Company through Participant's Employment with MPC,

MPC as the employer of Participant shall be the designated representative for purposes of payroll administration of the Award and withholding of applicable taxes at the time of vesting.

7. Conditions Precedent. This Paragraph 7 shall apply to this Award notwithstanding any other provision of this Award Agreement to the contrary. The Participant's services to the Company, the Partnership and MPC and their Affiliates (the "Company Group") are unique, extraordinary and essential to the business of the Company Group, particularly in view of the Participant's access to the confidential information and trade secrets of members of the Company Group, such as, the Company, the Partnership and MPC. Accordingly, in consideration of this Award Agreement and by accepting this Award, the Participant agrees that in order to otherwise vest in any right to payment of Phantom Units under this Award, the Participant must satisfy the following conditions to and including the vesting date and the payment date for each applicable annual installment or other applicable portion of this Award:

(a) The Participant agrees that the Participant will not, without the prior written approval of the Board, at any time during the term of the Participant's Employment and for a period of one year following the date on which the Participant's Employment terminates (the "Restricted Period"), directly or indirectly, serve as an officer, director, owner, contractor, consultant, or employee of any the following organizations (or any of their respective subsidiaries or divisions): BP plc; Chevron Corporation; ExxonMobil Corporation; HollyFrontier Corporation; PBF Energy Inc.; Phillips 66; Valero Energy Corporation; Buckeye Partners, L.P.; DCP Midstream Partners, L.P.; Enterprise Product Partners; Genesis Energy, L.P.; Holly Energy Partners L.P.; Magellan Midstream Partners, L.P.; Phillips 66 Partners, L.P.; Plains All American Pipeline L.P.; Western Midstream Partners, or otherwise engage in any business activity directly or indirectly competitive with the business of the any member of the Company Group as in effect from time to time.

(b) The Participant agrees that during the term of the Participant's Employment and for a period of one year following the date on which the Participant's Employment terminates, the Participant will not, alone or in conjunction with another party, hire, solicit for hire, aid in or facilitate the hire, or cause to be hired, either as an employee, contractor or consultant, any individual who is currently engaged, or was engaged at any time during the six month period prior such event, as an employee, contractor or consultant of any member of the Company Group.

(c) The Participant agrees that the Participant may not, either during the Participant's Employment or thereafter, make or encourage others to make any public statement or release any information or otherwise engage in any conduct that is intended to, or reasonably could be foreseen to, embarrass, criticize or harm the reputation or goodwill of the any member of the Company Group, or any of their employees, directors or shareholders; provided that this shall not preclude the Participant from reporting to the Company's management or directors or to the government or a regulator conduct the Participant believes to be in violation of the law or the Code of Business Conduct (or similar code or rules) of any member of the Company Group or responding truthfully to questions or requests for information to the government, a regulator or in a court of law in connection with a legal or regulatory investigation or proceeding.

(d) The Participant agrees and understands that the members of the Company Group own and/or control information and material which is not generally available to third parties and which the members of the Company Group consider confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to its business and that it may from time to time acquire, improve or produce additional methods, products, processes, customers lists, trade secrets and other information (collectively, the "Confidential Information"). The Participant acknowledges that each element of the Confidential Information constitutes a unique and valuable asset of the members of the Company Group, and that certain items of the

Confidential Information have been acquired from third parties upon the express condition that such items would not be disclosed to all or certain members of the Company Group and the officers and agents thereof other than in the ordinary course of business. The Participant acknowledges that disclosure of the Confidential Information to and/or use by anyone other than in the Company, the Partnership's, or MPC's or other Company Group member's ordinary course of business would result in irreparable and continuing damage to the Company, the Partnership and/or MPC and/or other members of the Company Group. Accordingly, the Participant agrees to hold the Confidential Information in the strictest secrecy, and covenants that, during the term of the Participant's Employment or at any time thereafter, the Participant will not, without the prior written consent of the Board, directly or indirectly, allow any element of the Confidential Information to be disclosed, published or used, nor permit the Confidential Information to be discussed, published or used, either by the Participant or by any third parties, except in effecting the Participant's duties for the Company, the Partnership and/or MPC and/or other Company Group members in the ordinary course of business.

(e) The Participant agrees that in addition to the forfeiture provisions otherwise provided for in this Award Agreement, upon the Participant's failure to satisfy in any respect of any of the conditions described in Paragraphs 7 (a), (b), (c) or (d), any unvested or unpaid portion of this Award (including any otherwise vested, but unpaid portion of this Award) at the time of such failure shall be forfeited, and the rights of the Participant and the obligations of the Company under this Award Agreement shall be satisfied in full, in each case to the extent permitted by applicable law.

8. Forfeiture or Repayment Resulting from Forfeiture Event.

(a) If there is a Forfeiture Event during the Participant's Employment or within two years after termination of the Participant's Employment, then the Board may, but is not obligated to, cause all of the Participant's unvested Phantom Units and vested, but unpaid Phantom Units to be forfeited by the Participant and returned to the Company.

(b) If there is a Forfeiture Event either during the Participant's Employment or within two years after termination of the Participant's Employment, then with respect to Phantom Units granted under this Award Agreement that have vested and have been paid to the Participant, the Board may, but is not obligated to, require that the Participant pay to the Company an amount (the "Forfeiture Amount") up to (but not in excess of) the lesser of (i) the value of such previously vested Phantom Units as of the date such Phantom Units vested or (ii) the value of such previously vested Phantom Units as of the date on which the Board makes a demand for payment of the Forfeiture Amount. Any Forfeiture Amount shall be paid by the Participant within 60 days of receipt from the Company of written notice requiring payment of such Forfeiture Amount.

(c) This Paragraph 8 shall apply notwithstanding any provision of this Award Agreement to the contrary and is meant to provide the Company with rights in addition to any other remedy which may exist in law or in equity. This Paragraph 8 shall not apply to the Participant following the effective time of a Change in Control.

(d) Notwithstanding the any other provision of this Award Agreement to the contrary, the Participant agrees that the Company may also require that the Participant repay to the Company any compensation paid to the Participant under this Award Agreement, as is required by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations thereunder or any other "clawback" provisions as required by law or by the applicable listing standards of the exchange on which the Units of the Partnership are listed for trading.

9. Nonassignability. Upon the Participant's death, the Phantom Units credited to the Participant under this Award Agreement shall be transferred to the Participant's estate and upon such transfer settled in Units of the Partnership. Otherwise, the Participant may not sell, transfer, assign, pledge or otherwise encumber any portion of the Phantom Units, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Phantom Units shall have no effect.

10. Nature of the Grant. Under this Award Agreement, the Participant is subject to condition that this Award of Phantom Units is voluntary and occasional and this Award Agreement does not create any contractual or other right to receive future Awards of Phantom Units, or benefits in lieu of Phantom Units even if Phantom Units have been awarded repeatedly in the past.

11. No Employment Guaranteed. Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Company or any subsidiary or successor, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

12. Modification of Instrument. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Company, provided that no modification may, without the consent of the Participant, adversely affect the rights of the Participant hereunder.

13. Officer Holding Requirement. The Participant agrees that any Units of the Partnership received by the Participant in settlement of this Award shall be subject an additional holding period of one year from the date on which the Award is settled, during which holding period such Units (net of any Units of the Partnership used to satisfy the applicable tax withholding requirements) may not be sold or transferred by the Participant. This holding requirement shall cease to apply upon the Participant's separation from service during the applicable holding period.

14. Section 409A of the Code. This Award is intended to comply with or be exempt from the requirements of Section 409A of the Code. Notwithstanding the foregoing, if the Participant is a "specified employee" as determined by the Company in accordance with its established policy, any settlement of any amount in this Award Agreement which would be a payment of deferred compensation within the meaning of Section 409A of the Code with respect to the Participant as a result of the Participant's separation from service as defined under Section 409A of the Code (other than as a result of death) and which would otherwise be paid within six months of the Participant's separation from service shall be paid on the date that is one day after the earlier of (i) the date that is six months after the Participant's separation from service or (ii) the date that otherwise complies with the requirements of Section 409A of the Code. In addition, notwithstanding any provision of the Plan or this Award Agreement to the contrary, any settlement of the Phantom Units granted in this Award Agreement that would be a payment of deferred compensation within the meaning of Section 409A of the Code with respect to the Participant and is a settlement as a result of the Participant's separation from service in connection with a Change in Control, the term "Change in Control" under the Plan shall mean a change in ownership or change in effective control for purposes of Section 409A of the Code. The payment of each amount under this Award Agreement is deemed as a "separate payment" for purposes of Section 409A of the Code. For all purposes under this Award, "termination of Employment" and similar terms shall mean "separation from service" as defined and determined under Section 409A of the Code.

15. Definitions. For purposes of this Award Agreement:

“Approved Separation” means termination of Employment on or after the date the Participant has attained age 55 and completed five years of Employment, provided, that, the termination of Employment occurs no earlier than the later of: (a) six month anniversary of the Grant Date; and (b) 180 days after the Participant has provided written notice to the Committee or its delegate of the date of his or her termination of Employment. The Committee may, in its sole discretion, waive the notice requirement under clause (b) of the preceding sentence if the Participant is an Employee under its purview for the grant and administration of the Award, and the Chief Executive Officer of MPC may, in his or her sole discretion, waive the notice requirement under clause (b) of the preceding sentence if the Participant is an Employee not under the Committee’s purview for the grant and administration of the Award.

“Employment” means employment with the Company or any of its subsidiaries or Affiliates including but not limited to MPC and its subsidiaries and Affiliates. For purposes of this Award Agreement, Employment shall also include any period of time during which the Participant is on Disability status. The length of any period of Employment shall be determined by the Company or the subsidiary or Affiliate that either (a) employs the Participant or (b) employed the Participant immediately prior to the Participant’s termination of Employment.

“Forfeiture Event” means the occurrence of at least one of the following events: (a) the Company is required, pursuant to a determination made by the Securities and Exchange Commission or by the Board, or an authorized subcommittee of the Board, to prepare a material accounting restatement due to the noncompliance of the Company with any financial reporting requirement under applicable securities laws as a result of misconduct, and the Board determines that (i) the Participant knowingly engaged in the misconduct, (ii) the Participant was grossly negligent with respect to such misconduct or (iii) the Participant knowingly or grossly negligently failed to prevent the misconduct or (b) the Board concludes that the Participant engaged in fraud, embezzlement or other similar misconduct materially detrimental to the Company.

“Mandatory Retirement” means termination of Employment as a result of the Company’s policy, if any, in effect at the time of the Grant Date, requiring the mandatory retirement of officers and/or other employees upon reaching a certain age or milestone.

“Qualified Termination” for purposes of this Award Agreement shall have the same definition as under the MPLX LP Executive Change in Control Severance Benefits Plan, as in effect on the Grant Date, and such definition and associated terms are hereby incorporated into this Award Agreement by reference.

MPLX GP LLC

By _____
Authorized Officer



**2021 Marathon Petroleum
Annual Cash Bonus (“ACB”) Program**

Effective January 1, 2021

Preamble

This document explains the Marathon Petroleum Annual Cash Bonus Program (the “Program”).

The Program operates under the Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan (the “Plan”) the terms of which are hereby incorporated into this document by reference. All Awards under the Program are granted pursuant to Section 7 of the Plan. Capitalized terms not specifically defined herein have the meanings specified in the Plan. In the event of any conflict between the Program and the Plan, the terms of the Plan shall control.

Program Objectives

The purpose of the Program is to incentivize and reward Eligible Employees for executing on the strategy of Marathon Petroleum Corporation (“Corporation”).

Definitions

As used in the Program, the following terms shall have the meanings set forth below:

- a. “Affiliate” means, any person or entity controlling, controlled by, or under common control with such person.
- b. “Change in Control” means a transaction of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), whether or not the Corporation is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:
 - i. any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (a “Person”) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation (not including the amount of the securities beneficially owned by such person, any such securities acquired directly from the Corporation or its Affiliates) representing 20% or more of the combined voting power of the Corporation’s then outstanding voting securities; provided, however, that for purposes of this Plan the term “Person” shall not include (A) the Corporation or any of its subsidiaries, (B) a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or any of its subsidiaries, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation; and provided, further, however, that for purposes of this paragraph (i), there shall be excluded any Person(s) who

become(s) such a beneficial owner in connection with an Excluded Transaction (as defined in paragraph (iii) below); or

- ii. the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest including, but not limited to, a consent solicitation, relating to the election of directors of the Corporation) whose appointment or election by the Board or nomination for election by the Corporation's stockholders was approved or recommended by a vote of at least two-thirds of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or
- iii. there is consummated a merger or consolidation of the Corporation or any direct or indirect subsidiary thereof with any other corporation, other than a merger or consolidation (an "Excluded Transaction") which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving corporation or any parent thereof) at least 50% of the combined voting power of the voting securities of the entity surviving the merger or consolidation (or the parent of such surviving entity) immediately after such merger or consolidation,
- iv. or the shareholders of the Corporation approve a plan of complete liquidation of the Corporation; or there is consummated the sale or other disposition of all or substantially all of the Corporation's assets; or
- v. a Change in Control shall not be deemed to occur if the Corporation undergoes a bankruptcy, liquidation, or reorganization under the United States Bankruptcy Code.

Notwithstanding the preceding provisions, to the extent an Award provides for the payment of deferred compensation within the meaning of Section 409A of the Code, the events constituting a Change in Control shall have the meaning and are intended to be events constituting a change in ownership or a change in effective control for purposes of Section 409A of the Code.

- c. "Committee" means the Committee designated by the Board with the authority to administer the Plan. To the extent the Committee has delegated authority to any person(s) or committee(s) pursuant to Section 6 (or other applicable section) of the Plan, a reference to the Committee herein may also include such person(s) or committee(s). However, in no event shall the Committee delegate its authority with respect to the compensation of any Participant deemed to be an "executive officer" as

defined in Rule 3b-7 promulgated under the Securities Exchange Act of 1934, as amended.

- d. “Company” means the Corporation and, where the context so requires, each Subsidiary that the Committee approves for participation in the Program. For clarity, Speedway LLC and its subsidiaries are excluded from “Company” and do not participate in the Program.
- e. “Eligible Employee” means a regular full-time or regular part-time Company employee who is assigned to a salary grade within the Company salary structure on the first day of the final pay period of the Performance Period. An employee who is eligible for any other annual incentive compensation program of the Corporation or any Subsidiary is not an Eligible Employee.
- f. “Eligible Wages” for a non-Executive employee means:
 - i. base wages and overtime wages paid during the Performance Period,
 - ii. geographic pay differentials,
 - iii. location premiums, and
 - iv. critical skills premiums.

Eligible Wages for a non-Executive employee excludes non-cash compensation, equity-based compensation, allowances, reimbursements, premiums relative to relocation and any bonus or recognition payments made. Eligible Wages for a non-Executive employee excludes wages paid or processed by a third party except from third parties specifically contracted to pay Eligible Employees employed outside of the United States. Eligible wages for a non-Executive employee are the included amounts specified above before (A) deductions for taxes or benefits, and (B) deferrals of compensation pursuant to any Company or Subsidiary-sponsored plan.

“Eligible Wages” for an employee designated as an Executive means and shall be equal to his or her annualized base salary in effect on the last day of the Performance Period; provided, however, that Eligible Wages for an employee designated as an Executive who retires, terminates employment, is hired, or who dies during the Performance Period means and shall be equal to his or her actual base wages paid plus any compensation deferred during the Performance Period.

Notwithstanding the preceding provisions of this “Eligible Wages” definition, upon the occurrence of a Change in Control, “Eligible Wages” for an employee (including an employee who is an Executive) means and shall be the actual wages paid to that employee during the Performance Period, to the date of the Change in Control.

- j. “Executive” means an employee in the position of the Corporation’s Chief Executive Officer or the category of Designated Positions or Executive Resources.

- k. “Executive Resources” means an employee in a specific position above Grade 19 as designated by the Compensation & Organization Development Committee (“C&ODC”).
- l. “Designated Positions” means an employee in a specific position above Grade 19 as designated by the C&ODC.
- m. “Performance Period” means the Corporation’s fiscal year or such other measurement period as may be determined by the Committee in its sole discretion.
- n. “Performance Criteria” means any one or more of the following performance criteria that are in the Plan and that were approved by shareholders (or other performance criteria approved by shareholders in the Plan), either individually, alternatively, or in any combination, applied to either the Company as a whole or to a business unit or Subsidiary, either individually, alternatively or in any combination, and measured either quarterly, annually, or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group, in each case as specified by the Committee: (i) revenue, (ii) income measures (which include revenue, gross margin, income from operations, net income, net sales, earnings per share, earnings before interest, depreciation, taxes, and amortization (“EBIDTA”), earnings before interest, taxes and amortization (“EBITA”) and earnings before interest and taxes (“EBIT”), and economic value added, (iii) expense measures (which include costs of goods sold, selling, finding and development costs, general and administrative expenses, and overhead costs), (iv) operating measures (which include refinery throughput, mechanical availability, productivity, operating income, funds from operations, product quality, cash from operations, after-tax operating income, market share, margin, and sales volumes), (v) margins (which include crack-spread measures), (vi) refined product measures, (vii) cash management and cash flow measures (which include net cash flow from operating activities, working capital, receivables management and related customer terms), (viii) liquidity measures (which include earnings before or after the effect of certain items such as interest, taxes, depreciation and amortization, improvement in or attainment of working capital levels, and free cash flow (viii) leverage measures (which include debt-to-equity ratio, debt reduction and net debt), (ix) market measures (which include market share, stock price, growth measure, total shareholders return, share price performance, return on equity, return on invested capital and return on assets, and market capitalization measures), (x) return measures (which include return on equity, return on assets, and return on invested capital), (xi) corporate value and sustainability measures (which include compliance, safety, environmental, and personnel matters), (xii) project completion measures (which may include measures regarding whether interim milestones regarding budgets and deadlines are met, as well as whether projects are completed on time and on or under budget), and (xiii) other measures such as those relating to acquisitions, dispositions, or customer satisfaction.

Participants and Targets

The “Target Award Percentages” for Eligible Employees are:

Employee Pay Grade	Target Award Percentage
CEO Designated Positions	Per the Committee
Executive Resources	Per Management
19	
18	
17	
16	
15	
14	
13	
12	
10 and 11	
7, 8 and 9	
N1 to N8	

Performance Metrics and Funding

The Committee shall establish performance metrics with threshold, target and maximum performance criteria.

Performance metrics for the applicable Performance Period are:

Performance Metric	Weight
Relative Operating Income per Barrel of Crude Oil Throughput	20%
EBITDA per Share	20%
Distributable Cash Flow (DCF) at MPLX per Unit	20%
Refining Operating Costs	20%
Environmental, Social, & Governance	20%
Greenhouse Gas (GHG Intensity)	5%
Process Safety Events (PSE) Rate	5%
Designated Environmental Incidents (DEI)	5%
Diversity & Inclusion	5%

Funding for individual performance metrics can range from 50% of the Participant's Target Award Percentage (at threshold performance) to 200% of the Participant's Target Award Percentage (at maximum performance). No metric will fund when its final result is below the threshold performance level. Funding percentages may be rounded.

When any final performance metric result falls between threshold and target or between target and maximum performance levels, linear interpolation will be used to determine funding based on actual performance achieved, except for the Greenhouse Gas (GHG Intensity) modifier which will be calculated at threshold, target, or maximum performance levels. For example, if the final result of a metric is halfway between threshold and target performance levels, the funding percentage for that metric would be halfway between the corresponding funding percentages.

Award Determination

Each Participant's final Award is determined based on an assessment of their performance for the Performance Period. No Participant who is a non-Executive employee can be awarded more than 200% of their Target Award Percentage without the Committee's approval. A Participant who is an Executive (excluding the CEO) may have their final Award adjusted no more or less than 15% for their individual adjustment.

Hires, Promotions and Transfers

In the case of a newly hired, promoted, or transferred Participant, the Committee may provide for a guaranteed Award, or an Award that would exceed what would otherwise be payable under the Program.

A Participant who changes from one eligible job to another during the Performance Period may experience a change to their Target Award Percentage (e.g., on account of a corresponding change in their pay grade), individual objectives or the formula for determining the funding of their Award. In this situation, funding shall be based on the associated Target Award Percentage for the Participant and the business unit of the Participant on the final pay period effective date of the Performance Period.

If a Participant transfers to a job that is not eligible (e.g., the Participant transfers to casual employment) during the Performance Period they will no longer be eligible for any Award under the Program for such Performance Period.

Temporary Assignments

Program eligibility and funding percentages for a Participant who is on a temporary assignment on the final pay period effective date of the Performance Period shall be determined based on their regular assignment.

Exclusions and Adjustments

The Committee shall adjust the actual performance or performance goals (either up or down) and the level of the Award that a Participant may earn under the Program if it determines that the occurrence of external changes or other unanticipated business conditions have materially affected the fairness of the goals and/or have unduly influenced the Company's ability to meet them, including, without limitation, events such as material acquisitions, asset write-downs, litigation, claims, judgments or settlements, force majeure events, unlawful acts committed against the Company or its property (including terrorism), labor disputes, legal mandates, accruals for reorganization and restructuring programs and changes in the capital structure of the Company, the effect of changes in tax law or other such laws or provisions affecting reported results, accruals of any amounts for payment under the Program or any other compensation arrangement maintained by the Company, or other events not contemplated at the time the goals are set. In addition, Performance Criteria and Awards shall be calculated without regard to any changes in accounting standards or codifications that may be required by the Financial Accounting Standards Board or other standards board or the effect of changes in tax law or other such laws or provisions affecting reported results after such Performance Criteria are established.

Committee's Certification of Performance Criteria Results

Unless otherwise determined by the Committee, no payments will be made under the Program in respect of any Performance Period unless the Committee shall certify in writing following the end of the Performance Period that performance criteria applicable and any of the material terms thereof were, in fact, satisfied.

Termination of Employment

Unless otherwise determined by the Committee and except as may otherwise be provided in a Participant's written agreement with the Company or Subsidiary, if a Participant's employment terminates for any reason prior to payment of any Award(s) for a completed or uncompleted Performance Period, such Participant will not be eligible for an Award or Awards under the Program, unless, and only to the extent provided below, the Participant's employment terminated on account of death or Retirement.

An employee who terminates employment for any reason during a Performance Period, other than on account of Retirement, and who is subsequently rehired after the Performance Period ends, will not be eligible for payment under the Program for that Performance Period.

Death

If a Participant dies during a Performance Period, the Participant's eligibility for the Program will end and a payment will be made to the Participant's estate in the calendar year of 2022. Such

payment shall be an amount equal to the product of: (a) the Participant's Target Award Percentage; and (b) the Participant's Eligible Wages paid up to their date of death.

If a Participant dies after a Performance Period, but before payment for that Performance Period has been made, the Award otherwise deemed payable under the Program for that Performance Period (i.e., as determined by the Committee, and not as determined under the preceding paragraph of this section) will be paid to the Participant's estate in the calendar year of 2022.

Retirement

If a Participant terminates employment on account of Retirement during a Performance Period, the Participant's eligibility for the Program will end and a payment will be made to the Participant in the calendar year of 2022. Such payment shall be an amount equal to the product of: (a) the Participant's Target Award Percentage; and (b) the Participant's Eligible Wages paid up to their date of Retirement.

If a Participant terminates employment on account of Retirement after a Performance Period, but before payment for that Performance Period has been made, the Award otherwise deemed payable under the Program for that Performance Period (i.e., as determined by the Committee, and not as determined under the preceding paragraph of this section) will be paid to the Participant in the calendar year of 2022.

A Participant will be considered to have terminated employment on account of "Retirement" only if the Participant voluntarily terminated employment, and at the time of the Participant's termination of employment:

- a. was at least age 50 with 10 or more years of accredited service;
- b. was deemed to be in good standing, as determined in the sole discretion of the Committee; and
- c. was not eligible for a termination allowance under the Marathon Petroleum Termination Allowance Program ("TAP") or other benefits in the nature of severance under any other plan, program or arrangement maintained by the Company or a Subsidiary from time to time in relation to the Participant's termination of employment.

Payment of Awards

Following the Performance Period, each Participant's Award for the Performance Period shall be determined in accordance with the terms of the Program and, subject to the Program's terms, the Participant will be eligible to receive payment of the Award. The payment of the Award shall occur during the first calendar year beginning immediately after the end of the Performance Period.

The Committee shall determine whether payment of the Award will be in Cash, Common Stock, the right to receive Common Stock, Stock Options or other Awards provided for under the Plan;

and whether any such payments will be subject to restrictions on transfer, vesting, forfeiture or deferral requirements; provided, however, that if an Award is subject to Section 409A of the Code, any such action shall only be taken if it complies with Section 409A of the Code. Any equity or equity-based Awards shall be granted under the terms and conditions of the Plan.

Change in Control

Unless otherwise determined by the Committee prior to a Change in Control, and except as otherwise may be provided in a Participant's written agreement with the Company or Subsidiary upon a Change in Control, the Program will automatically terminate and each Participant employed by the Company immediately prior to the Change in Control will be vested and entitled to a pro-rated lump sum payment equal to the product of 100% of the Participant's Target Bonus Percentage multiplied by the Participant's Eligible Wages. This payment shall be made as soon as administratively practicable following the Change in Control, but in no event later than 45 days from the date of the Change in Control. The timing of the payment within such 45-day period shall be determined solely by the Committee and without regard to any tax implications to a Participant.

No Right to Award

Except as may be provided for under the Change in Control section of the Program, no Participant or other person shall have any claim or right to be granted an Award under the Program. Nothing contained in the Program document shall limit the ability of the Company to make payments or Awards to Participants under any other program, agreement or arrangement; provided, however, that no payment under any other program, agreement, or arrangement will be made because of a failure of a Participant to earn an Award hereunder, and no such payment outside of the Program will be in the nature of or in any way related to make whole payments for what would have been earned or paid hereunder if the performance goals had been met.

No Right to Employment

Neither the establishment of the Program, nor any action taken hereunder, shall be construed as giving any Participant any right to be retained in the employ of the Company or any Subsidiary, or participate hereunder in the current or succeeding Performance Periods.

Non-Transferability

Any rights and benefits of a Participant under the Program are personal to the Participant and, except for any payments that may be made following a Participant's death, shall not be subject to

any voluntary or involuntary alienation, assignment, pledge, transfer, encumbrance, attachment, garnishment or other disposition.

No Impact on Benefits

Except as may be required by law or otherwise be specifically stated under any employee benefit plan, policy, or program, no amount payable in respect of any Award shall be treated as compensation for purposes of calculating a Participant's right under any such plan, policy, or program; nor shall any Award be treated as compensation for purposes of termination indemnities or other similar rights, except as may be required by law.

No Constraint on Corporate Actions

Nothing in the Program document shall be construed (a) to limit, impair, or otherwise affect the Company's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets, or (b) to limit the right or power of the Company or any of its Subsidiaries to take any action which such entity deems to be necessary or appropriate.

Program Administration

The Program shall be administered by the Committee. The Committee has the complete and sole authority and discretion to:

- a. interpret the Program,
- b. establish, interpret, amend or revoke rules and regulations relating to the operation of the Program,
- c. interpret the Program, to correct any defect, supply any omission or reconcile any inconsistency in the Program,
- d. adopt such rules for the administration, interpretation and application of the Program, and
- e. make all determination and take all other actions necessary or appropriate for the proper administration of the Program.

The Committee has complete and sole discretion with respect to all aspects of the operation, administration, design, features, benefits and Awards under the Program and can change, terminate, or modify Awards, or otherwise change any aspect of the Program in its discretion prospectively or retroactively, regardless of anything stated in this document.

The Committee may delegate any or all of its authorities hereunder, provided that the Committee shall, in no event, delegate its authority with respect to the compensation of any Participant

deemed to be an “executive officer” as defined in Rule 3b-7 under the Securities Exchange Act of 1934. No member of the Committee shall be eligible to participate in the Program.

Deductions and Taxes

There shall be deducted from all Awards, any taxes or other deductions required to be withheld or collected by national, Federal, state, provincial, or local governments and paid over to such government for the accounts of such Participants.

Subject to compliance with Section 409A of the Code and applicable state withholding laws, the Company may also deduct from any Award, at its sole discretion, any and all amounts determined by Company management to be owed to the Company or any Subsidiary by the Participant.

Subsidiary Requirements

Prior to the selection of employees of a Subsidiary to participate in the Program, the Committee may require the Subsidiary to consent to the participation of such employee or employees in the Program and to the charging of such Subsidiary with the amount of any Award which may be made to such employee or employees.

Recoupment / Clawback

Participants are subject to recoupment of amounts paid in error or in other circumstances required by law.

In addition, officers (as assigned through the Nominating and Governance Committee) are subject to recoupment provisions in the Program, in the case of certain forfeiture events. If the Company is required, pursuant to a determination made by the SEC or the Audit Committee of the Board, to prepare a material accounting restatement due to the noncompliance of the Company with any financial reporting requirement under applicable securities laws as a result of misconduct, the Audit Committee of the Board may determine that a forfeiture event has occurred based on an assessment of whether an officer knowingly engaged in misconduct, was grossly negligent with respect to misconduct, knowingly failed or was grossly negligent in failing to prevent misconduct or engaged in fraud, embezzlement, or other similar misconduct materially detrimental to the Company.

Upon the Audit Committee’s determination that forfeiture event has occurred, the Company has the right to request and receive reimbursement of any portion of an officer’s Award from the Program that would not have been earned or paid had the forfeiture event not have taken place.

These recoupment provisions are in addition to the requirements in Section 304 of the Sarbanes-Oxley Act of 2002 which provide that the CEO and CFO shall reimburse the Company for any

bonus or other incentive-based or equity-based compensation as well as any related profits received in the 12-month period prior to the filing of an accounting restatement due to non-compliance with financial reporting requirements as a result of Company misconduct.

Notwithstanding the foregoing or any other provision of this Program to the contrary, the Company may also require that the Participant repay to the Company any compensation paid to the Participant under this Program, as is required by the provisions of the Dodd-Frank Act and the regulations thereunder or any other “clawback” provisions as required by law or by the applicable listing standards of the exchange on which the Corporation’s common stock is listed for trading.

Other Provisions

In all events, whether any Award is paid to a Participant will depend on the decision of the Committee. All Awards are subject to the sole discretion of the Committee, and nothing in this document (except as may be provided for in the Change in Control provisions) or any other document describing or referring to the Program shall confer any right whatsoever on any person to be considered for any Award.

This Program document does not purport to be complete and is subject to and governed by actions, rules, and regulations of the Committee.

This Program document may be changed or discontinued at any time without notice or liability at the sole discretion of the Committee.

Awards shall be subject to and governed by the specific terms and conditions of the Plan, and any applicable Award.

Nothing contained herein shall require the Company to segregate any monies from its general fund or to create any trusts, or to make any special deposits for amounts payable to any Participant.

The Program is intended to provide compensation which is exempt from or which complies with Section 409A of the Code, and ambiguous provisions of the Program, if any, shall be construed in a manner that would cause Awards to be compliant with or exempt from the application of Section 409A of the Code, as appropriate. If any payment, or portion thereof, must be delayed to comply with Section 409A of the Code because a Participant is a “specified employee” as defined in Section 409A(a)(2)(B)(i) of the Code, the payment, or the portion so delayed, shall be made on the soonest date permissible without triggering the additional tax due under Section 409A of the Code. As used in the Program, “termination of Employment” and similar terms shall mean a “separation from service” within the meaning of Section 409A of the Code to the extent an Award provides for the payment of deferred compensation within the meaning of Section 409A of the Code.

No member of the Committee, or employee of the Company or the Corporation, shall be liable for any act done, or determination made in good faith, with respect to the administration of the Program. The Company indemnifies and holds harmless to the fullest extent allowed by law such persons individually and collectively, from and against any and all losses resulting from liability to which the Committee, or the members of the Committee, or employees of the Company or the Corporation may be subjected by reason of any act or conduct (except willful misconduct, fraud or gross negligence) in their official capacities in the administration of the Program, including all expenses reasonably incurred in their defense, in case the Company fails to provide such defense.

Any provision of the Program prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions.

The terms of the Program document supersede any written or verbal agreements, representations, proposals, or plans with respect to the subject matter hereof; provided, however, that the forgoing shall not act to supersede an existing written agreement between a Participant and the Company that has been approved by the Committee.

Marathon Petroleum Executive Deferred Compensation Plan

As Originally

Effective January 1, 2021

IMPORTANT NOTE

This document has not been approved by the Department of Labor, Internal Revenue Service or any other governmental entity. An adopting Employer must determine whether the Plan is subject to the Federal securities laws and the securities laws of the various states. An adopting Employer may not rely on this document to ensure any particular tax consequences or to ensure that the Plan is “unfunded and maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees” under Title I of the Employee Retirement Income Security Act of 1974, as amended, with respect to the Employer’s particular situation. Fidelity Employer Services Company, its affiliates and employees cannot provide you with legal advice in connection with the execution of this document. This document should be reviewed by the Employer’s attorney prior to execution.

Table of Contents

Preamble	1
Article 1 - General	1-1
1.1. Plan	1-1
1.2. Effective Dates	1-1
1.3. Amounts Not Subject to Code Section 409A	1-1
Article 2 - Definitions	2-1
2.1. Account	2-1
2.2. Administrator	2-1
2.3. Adoption Agreement	2-1
2.4. Beneficiary	2-1
2.5. Board or Board of Directors	2-1
2.6. Bonus	2-1
2.7. Change in Control	2-1
2.8. Code	2-1
2.9. Compensation	2-1
2.10. Director	2-2
2.11. Disability	2-2
2.12. Eligible Employee	2-2
2.13. Employer	2-2
2.14. ERISA	2-2
2.15. Identification Date	2-2
2.16. Key Employee	2-2
2.17. Participant	2-2
2.18. Plan	2-2

<u>2.19. Plan Sponsor</u>	<u>2-3</u>
<u>2.20. Plan Year</u>	<u>2-3</u>
<u>2.21. Related Employer</u>	<u>2-3</u>
<u>2.22. Retirement</u>	<u>2-3</u>
<u>2.23. Separation from Service</u>	<u>2-3</u>
<u>2.24. Unforeseeable Emergency</u>	<u>2-4</u>
<u>2.25. Valuation Date</u>	<u>2-4</u>
<u>2.26. Years of Service</u>	<u>2-4</u>
<u>Article 3 - Participation</u>	<u>3-1</u>
<u>3.1. Participation</u>	<u>3-1</u>
<u>3.2. Termination of Participation</u>	<u>3-1</u>
<u>Article 4 - Participant Elections</u>	<u>4-1</u>
<u>4.1. Deferral Agreement</u>	<u>4-1</u>
<u>4.2. Amount of Deferral</u>	<u>4-1</u>
<u>4.3. Timing of Election to Defer</u>	<u>4-1</u>
<u>4.4. Election of Payment Schedule and Form of Payment</u>	<u>4-2</u>
<u>Article 5 - Employer Contributions</u>	<u>5-1</u>
<u>5.1. Matching Contributions</u>	<u>5-1</u>
<u>5.2. Other Contributions</u>	<u>5-1</u>
<u>Article 6 - Accounts and Credits</u>	<u>6-1</u>
<u>6.1. Establishment of Account</u>	<u>6-1</u>
<u>6.2. Credits to Account</u>	<u>6-1</u>
<u>Article 7 - Investment of Contributions</u>	<u>7-1</u>
<u>7.1. Investment Options</u>	<u>7-1</u>
<u>7.2. Adjustment of Accounts</u>	<u>7-1</u>

<u>Article 8 - Right to Benefits</u>	<u>8-1</u>
<u>8.1. Vesting</u>	<u>8-1</u>
<u>8.2. Death</u>	<u>8-1</u>
<u>8.3. Disability</u>	<u>8-1</u>
<u>Article 9 - Distribution of Benefits</u>	<u>9-1</u>
<u>9.1. Amount of Benefits</u>	<u>9-1</u>
<u>9.2. Method and Timing of Distributions</u>	<u>9-1</u>
<u>9.3. Unforeseeable Emergency</u>	<u>9-1</u>
<u>9.4. Payment Election Overrides</u>	<u>9-2</u>
<u>9.5. Cashouts of Amounts Not Exceeding Stated Limit</u>	<u>9-2</u>
<u>9.6. Required Delay in Payment to Key Employees</u>	<u>9-2</u>
<u>9.7. Change in Control</u>	<u>9-3</u>
<u>9.8. Permissible Delays in Payment</u>	<u>9-6</u>
<u>9.9. Permitted Acceleration of Payment</u>	<u>9-7</u>
<u>Article 10 - Amendment and Termination</u>	<u>10-1</u>
<u>10.1. Amendment by Plan Sponsor</u>	<u>10-1</u>
<u>10.2. Plan Termination Following Change in Control or Corporate Dissolution</u>	<u>10-1</u>
<u>10.3. Other Plan Terminations</u>	<u>10-1</u>
<u>Article 11 - The Trust</u>	<u>11-1</u>
<u>11.1. Establishment of Trust</u>	<u>11-1</u>
<u>11.2. Rabbi Trust</u>	<u>11-1</u>
<u>11.3. Investment of Trust Funds</u>	<u>11-1</u>
<u>Article 12 - Plan Administration</u>	<u>12-1</u>
<u>12.1. Powers and Responsibilities of the Administrator</u>	<u>12-1</u>
<u>12.2. Claims and Review Procedures</u>	<u>12-2</u>

<u>12.3. Plan Administrative Costs</u>	<u>12-3</u>
<u>Article 13 - Miscellaneous</u>	<u>13-1</u>
<u>13.1. Unsecured General Creditor of the Employer</u>	<u>13-1</u>
<u>13.2. Employer's Liability</u>	<u>13-1</u>
<u>13.3. Limitation of Rights</u>	<u>13-1</u>
<u>13.4. Anti-Assignment</u>	<u>13-1</u>
<u>13.5. Facility of Payment</u>	<u>13-2</u>
<u>13.6. Notices</u>	<u>13-2</u>
<u>13.7. Tax Withholding</u>	<u>13-2</u>
<u>13.8. Indemnification</u>	<u>13-3</u>
<u>13.9. Successors</u>	<u>13-4</u>
<u>13.10. Disclaimer</u>	<u>13-4</u>
<u>13.11. Governing Law</u>	<u>13-4</u>

Preamble

The Plan is intended to be a “plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees” within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended, or an “excess benefit plan” within the meaning of Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended, or a combination of both. The Plan is further intended to conform with the requirements of Internal Revenue Code Section 409A and the final regulations issued thereunder and shall be interpreted, implemented and administered in a manner consistent therewith.

Article 1 - General

1.1. Plan

The Plan will be referred to by the name specified in the Adoption Agreement.

1.2. Effective Dates

- (a) Original Effective Date. The Original Effective Date is the date as of which the Plan was initially adopted.
- (b) Amendment Effective Date. The Amendment Effective Date is the date specified in the Adoption Agreement as of which the Plan is amended and restated. Except to the extent otherwise provided herein or in the Adoption Agreement, the Plan shall apply to amounts deferred and benefit payments made on or after the Amendment Effective Date.
- (c) Special Effective Date. A Special Effective Date may apply to any given provision if so specified in Appendix A of the Adoption Agreement. A Special Effective Date will control over the Original Effective Date or Amendment Effective Date, whichever is applicable, with respect to such provision of the Plan.

1.3. Amounts Not Subject to Code Section 409A

Except as otherwise indicated by the Plan Sponsor in Section 1.01 of the Adoption Agreement, amounts deferred before January 1, 2005 that are earned and vested on December 31, 2004 will be separately accounted for and administered in accordance with the terms of the Plan as in effect on December 31, 2004.

Article 2 - Definitions

Pronouns used in the Plan are in the masculine gender but include the feminine gender unless the context clearly indicates otherwise. Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

2.1. Account

“Account” means an account established for the purpose of recording amounts credited on behalf of a Participant and any income, expenses, gains, losses or distributions included thereon. The Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant or to the Participant’s Beneficiary pursuant to the Plan.

2.2. Administrator

“Administrator” means the person or persons designated by the Plan Sponsor in Section 1.05 of the Adoption Agreement to be responsible for the administration of the Plan. If no Administrator is designated in the Adoption Agreement, the Administrator is the Plan Sponsor.

2.3. Adoption Agreement

“Adoption Agreement” means the agreement adopted by the Plan Sponsor that establishes the Plan.

2.4. Beneficiary

“Beneficiary” means the persons, trusts, estates or other entities entitled under Section 8.2 to receive benefits under the Plan upon the death of a Participant.

2.5. Board or Board of Directors

“Board” or “Board of Directors” means the Board of Directors or similar governing body of the Plan Sponsor.

2.6. Bonus

“Bonus” means an amount of incentive remuneration payable by the Employer to a Participant.

2.7. Change in Control

“Change in Control” means the occurrence of an event involving the Plan Sponsor that is described in Section 9.7.

2.8. Code

“Code” means the Internal Revenue Code of 1986, as amended.

2.9. Compensation

“Compensation” has the meaning specified in Section 3.01 of the Adoption Agreement.

2.10. Director

“Director” means a non-employee member of the Board who has been designated by the Employer as eligible to participate in the Plan.

2.11. Disability

“Disability” means a determination by the Administrator that the Participant is either (a) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Employer in accordance with the definition in Section 6.01(i) of the Adoption Agreement. A Participant will be considered to have incurred a Disability if he is determined to be totally disabled by the Social Security Administration or the Railroad Retirement Board.

2.12. Eligible Employee

“Eligible Employee” means an employee of the Employer who satisfies the requirements in Section 2.01 of the Adoption Agreement.

2.13. Employer

“Employer” means the Plan Sponsor and any other entity which is authorized by the Plan Sponsor to participate in and, in fact, does adopt the Plan.

2.14. ERISA

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

2.15. Identification Date

“Identification Date” means the date as of which Key Employees are determined which is specified in Section 1.06 of the Adoption Agreement.

2.16. Key Employee

“Key Employee” means an employee who satisfies the conditions set forth in Section 9.6.

2.17. Participant

“Participant” means an Eligible Employee or Director who commences participation in the Plan in accordance with Article 3.

2.18. Plan

“Plan” means the unfunded plan of deferred compensation set forth herein, including the Adoption Agreement and any trust agreement, as adopted by the Plan Sponsor and as amended from time to time.

2.19. Plan Sponsor

“Plan Sponsor” means the entity identified in Section 1.03 of the Adoption Agreement or any successor by merger, consolidation or otherwise.

2.20. Plan Year

“Plan Year” means the period identified in Section 1.02 of the Adoption Agreement.

2.21. Related Employer

“Related Employer” means the Employer and (a) any corporation that is a member of a controlled group of corporations as defined in Code Section 414(b) that includes the Employer and (b) any trade or business that is under common control as defined in Code Section 414(c) that includes the Employer.

2.22. Retirement

“Retirement” has the meaning specified in 6.01(f) of the Adoption Agreement.

2.23. Separation from Service

“Separation from Service” means the date that the Participant dies, retires or otherwise has a termination of employment with respect to all entities comprising the Related Employer. A Separation from Service does not occur if the Participant is on military leave, sick leave or other bona fide leave of absence if the period of leave does not exceed six months or such longer period during which the Participant’s right to re-employment is provided by statute or contract. If the period of leave exceeds six months and the Participant’s right to re-employment is not provided either by statute or contract, a Separation from Service will be deemed to have occurred on the first day following the six-month period. If the period of leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where the impairment causes the Participant to be unable to perform the duties of his position of employment or any substantially similar position of employment, a 29 month period of absence may be substituted for the six month period.

Whether a termination of employment has occurred is based on whether the facts and circumstances indicate that the Related Employer and the Participant reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36 month period (or the full period of services to the Related Employer if the employee has been providing services to the Related Employer for less than 36 months).

An independent contractor is considered to have experienced a Separation from Service with the Related Employer upon the expiration of the contract (or, in the case of more than one contract, all contracts) under which services are performed for the Related Employer if the expiration constitutes a good-faith and complete termination of the contractual relationship.

If a Participant provides services as both an employee and an independent contractor of the Related Employer, the Participant must separate from service both as an employee and as an independent contractor to be treated as having incurred a Separation from Service. If a Participant ceases providing services as an independent contractor and begins providing services as an employee, or ceases providing services as an employee and begins providing services as an independent contractor, the Participant will not be considered to have experienced a Separation from Service until the Participant has ceased providing services in both capacities.

If a Participant provides services both as an employee and as a member of the Board of Directors of a corporate Related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as a Director are not taken into account in determining whether the Participant has incurred a Separation from Service as an employee for purposes of a nonqualified deferred compensation plan in which the Participant participates as an employee that is not aggregated under Code Section 409A with any plan in which the Participant participates as a Director.

If a Participant provides services both as an employee and as a member of the Board of Directors of a corporate related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as an employee are not taken into account in determining whether the Participant has experienced a Separation from Service as a Director for purposes of a nonqualified deferred compensation plan in which the Participant participates as a Director that is not aggregated under Code Section 409A with any plan in which the Participant participates as an employee.

All determinations of whether a Separation from Service has occurred will be made in a manner consistent with Code Section 409A and the final regulations thereunder.

2.24. Unforeseeable Emergency

“Unforeseeable Emergency” means a severe financial hardship of the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, the Participant’s Beneficiary, or the Participant’s dependent (as defined in Code Section 152, without regard to Code section 152(b)(1), (b)(2) and (d)(1)(B); loss of the Participant’s property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

2.25. Valuation Date

“Valuation Date” means each business day of the Plan Year that the New York Stock Exchange is open.

2.26. Years of Service

“Years of Service” means each one year period for which the Participant receives service credit in accordance with the provisions of Section 7.01(d) of the Adoption Agreement.

Article 3 - Participation

3.1. *Participation*

The Participants in the Plan shall be those Directors and employees of the Employer who satisfy the requirements of Section 2.01 of the Adoption Agreement.

3.2. *Termination of Participation*

The Administrator may terminate a Participant's participation in the Plan in a manner consistent with Code Section 409A. If the Employer terminates a Participant's participation before the Participant experiences a Separation from Service, the Participant's vested Accounts shall be paid in accordance with the provisions of Article 9.

Article 4 - Participants

4.1. *Deferral Agreement*

If permitted by the Plan Sponsor in accordance with Section 4.01 of the Adoption Agreement, each Eligible Employee and Director may elect to defer his Compensation within the meaning of Section 3.01 of the Adoption Agreement by executing in writing or electronically, a deferral agreement in accordance with rules and procedures established by the Administrator and the provisions of this Article 4.

A new deferral agreement must be timely executed for each Plan Year during which the Eligible Employee or Director desires to defer Compensation. An Eligible Employee or Director who does not timely execute a deferral agreement shall be deemed to have elected zero deferrals of Compensation for such Plan Year.

A deferral agreement may be changed or revoked during the period specified by the Administrator. Except as provided in Section 9.3, a deferral agreement becomes irrevocable at the close of the specified period.

4.2. *Amount of Deferral*

An Eligible Employee or Director may elect to defer Compensation in any amount permitted by Section 4.01(a) of the Adoption Agreement.

4.3. *Timing of Election to Defer*

Each Eligible Employee or Director who desires to defer Compensation otherwise payable during a Plan Year must execute a deferral agreement within the period preceding the Plan Year specified by the Administrator. Each Eligible Employee who desires to defer Compensation that is a Bonus must execute a deferral agreement within the period preceding the Plan Year during which the Bonus is earned that is specified by the Administrator, except that if the Bonus can be treated as performance based compensation as described in Code Section 409A(a)(4)(B)(iii), the deferral agreement may be executed within the period specified by the Administrator, which period, in no event, shall end after the date which is six months prior to the end of the period during which the Bonus is earned, provided the Participant has performed services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date the Participant executed the deferral agreement and provided further that the compensation has not yet become 'readily ascertainable' within the meaning of Treas. Reg. § 1.409A-2(a)(8). In addition, if the Compensation qualifies as 'fiscal year compensation' within the meaning of Treas. Reg. § 1.409A-2(a)(6), the deferral agreement may be made not later than the end of the Employer's taxable year immediately preceding the first taxable year of the Employer in which any services are performed for which such Compensation is payable.

Except as otherwise provided below, an employee who is classified or designated as an Eligible Employee during a Plan Year or a Director who is designated as eligible to participate during a Plan Year may elect to defer Compensation otherwise payable during the remainder of such Plan Year in accordance with the rules of this Section 4.3 by executing a deferral agreement within the thirty (30) day period beginning on the date the employee is classified or designated as an Eligible Employee or the date the Director is designated as eligible, whichever is applicable, if permitted by Section 4.01(b)(ii) of the Adoption Agreement. If Compensation is based on a specified performance period that begins before the Eligible Employee or Director executes his deferral agreement, the election will be deemed to apply to the portion of such Compensation equal to the total amount of Compensation for the performance period multiplied by the ratio of the number of days remaining in the performance period after the election becomes irrevocable and effective over the total number of days in the performance period. The rules of this paragraph shall not apply unless the Eligible Employee or Director can be treated as initially eligible in accordance with Treas. Reg. § 1.409A-2(a)(7).

4.4. Election of Payment Schedule and Form of Payment

All elections of a payment schedule and a form of payment will be made in accordance with rules and procedures established by the Administrator and the provisions of this Section 4.4.

- (a) If the Plan Sponsor has elected to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director completes a deferral agreement, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for the Compensation subject to the deferral agreement from among the options the Plan Sponsor has made available for this purpose and which are specified in 6.01(b) of the Adoption Agreement. Prior to the time required by Treas. Reg. § 1.409A-2, the Eligible Employee or Director shall elect a distribution event (which includes a specified time) and a form of payment for any Employer contributions that may be credited to the Participant's Account during the Plan Year. If an Eligible Employee or Director fails to elect a distribution event, he shall be deemed to have elected Separation from Service as the distribution event. If he fails to elect a form of payment, he shall be deemed to have elected a lump sum form of payment.
- (b) If the Plan Sponsor has elected not to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director first completes a deferral agreement but in no event later than the time required by Treas. Reg. § 1.409A-2, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for amounts credited to his Account from among the options the Plan Sponsor has made available for this purpose and which are specified in Section 6.01(b) of the Adoption Agreement. If an Eligible Employee or Director fails to elect a distribution event, he shall be deemed to have elected Separation from Service in the distribution event. If he fails to elect a form of payment, he shall be deemed to have elected a lump sum form of payment.

Article 5 - Employer Contributions

5.1. *Matching Contributions*

If elected by the Plan Sponsor in Section 5.01(a) of the Adoption Agreement, the Employer will credit the Participant's Account with a matching contribution determined in accordance with the formula specified in Section 5.01(a) of the Adoption Agreement. The matching contribution will be treated as allocated to the Participant's Account at the time specified in Section 5.01(a)(iii) of the Adoption Agreement.

5.2. *Other Contributions*

If elected by the Plan Sponsor in Section 5.01(b) of the Adoption Agreement, the Employer will credit the Participant's Account with a contribution determined in accordance with the formula or method specified in Section 5.01(b) of the Adoption Agreement. The contribution will be treated as allocated to the Participant's Account at the time specified in Section 5.01(b)(iii) of the Adoption Agreement.

Article 6 - Accounts and Credits

6.1. *Establishment of Account*

For accounting and computational purposes only, the Administrator will establish and maintain an Account on behalf of each Participant which will reflect the credits made pursuant to Section 6.2, distributions or withdrawals, along with the earnings, expenses, gains and losses allocated thereto, attributable to the hypothetical investments made with the amounts in the Account as provided in Article 7. The Administrator may establish and maintain such other records and accounts, as it decides in its discretion to be reasonably required or appropriate to discharge its duties under the Plan.

6.2. *Credits to Account*

A Participant's Account will be credited for each Plan Year with the amount of his elective deferrals under Section 4.1 at the time the amount subject to the deferral election would otherwise have been payable to the Participant and the amount of Employer contributions, if any, treated as allocated on his behalf under Article 5.

Article 7 - Investment of Contributions

7.1. *Investment Options*

The amount credited to each Account shall be treated as invested in the investment options designated for this purpose by the Administrator.

7.2. *Adjustment of Accounts*

The amount credited to each Account shall be adjusted for hypothetical investment earnings, expenses, gains or losses in an amount equal to the earnings, expenses, gains or losses attributable to the investment options selected by the party designated in Section 9.01 of the Adoption Agreement from among the investment options provided in Section 7.1. If permitted by Section 9.01 of the Adoption Agreement, a Participant (or the Participant's Beneficiary after the death of the Participant) may, in accordance with rules and procedures established by the Administrator, select the investments from among the options provided in Section 7.1 to be used for the purpose of calculating future hypothetical investment adjustments to the Account or to future credits to the Account under Section 6.2 effective as of the Valuation Date coincident with or next following notice to the Administrator. Each Account shall be adjusted as of each Valuation Date to reflect: (a) the hypothetical earnings, expenses, gains and losses described above; (b) amounts credited pursuant to Section 6.2; and (c) distributions or withdrawals. In addition, each Account may be adjusted for its allocable share of the hypothetical costs and expenses associated with the maintenance of the hypothetical investments provided in Section 7.1.

Article 8 - Right to Benefits

8.1. Vesting

A Participant, at all times, has a 100% nonforfeitable interest in the amounts credited to his Account attributable to his elective deferrals made in accordance with Section 4.1.

A Participant's right to the amounts credited to his Account attributable to Employer contributions made in accordance with Article 5 shall be determined in accordance with the relevant schedule and provisions in Section 7.01 of the Adoption Agreement. Upon a Separation from Service and after application of the provisions of Section 7.01 of the Adoption Agreement, the Participant shall forfeit the nonvested portion of his Account.

8.2. Death

The Plan Sponsor may elect to accelerate vesting upon the death of the Participant in accordance with Section 7.01(c) of the Adoption Agreement and/or to accelerate distributions upon death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement. If the Plan Sponsor does not elect to accelerate distributions upon death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the vested amount credited to the Participant's Account will be paid in accordance with the provisions of Article 9.

A Participant may designate a Beneficiary or Beneficiaries, or change any prior designation of Beneficiary or Beneficiaries in accordance with rules and procedures established by the Administrator. Whenever a Participant designates a new Beneficiary, all former Beneficiary designations by such Participant shall be revoked automatically. If a Participant and the Participant's spouse divorce, any designations of the spouse as Beneficiary shall become null and void. The former spouse shall be treated as the Beneficiary under the Plan only if after the divorce is final, the Participant expressly re-designates the former spouse as the Participant's Beneficiary.

A copy of the death notice or other sufficient documentation must be filed with and approved by the Administrator. If upon the death of the Participant there is, in the opinion of the Administrator, no designated Beneficiary for part or all of the Participant's vested Account, such amount will be paid to his estate (such estate shall be deemed to be the Beneficiary for purposes of the Plan) in accordance with the provisions of Article 9.

8.3. Disability

If the Plan Sponsor has elected to accelerate vesting upon the occurrence of a Disability in accordance with Section 7.01(c) of the Adoption Agreement and/or to permit distributions upon Disability in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the determination of whether a Participant has incurred a Disability shall be made by the Administrator in its sole discretion in a manner consistent with the requirements of Code Section 409A.

Article 9 - Distribution of Benefits

9.1. Amount of Benefits

The vested amount credited to a Participant's Account as determined under Articles 6, 7 and 8 shall determine and constitute the basis for the value of benefits payable to the Participant under the Plan.

9.2. Method and Timing of Distributions

Except as otherwise provided in this Article 9, distributions under the Plan shall be made in accordance with the elections made or deemed made by the Participant under Article 4. Subject to the provisions of Section 9.6 requiring a six month delay for certain distributions to Key Employees, distributions following a payment event shall commence at the time specified in Section 6.01(a) of the Adoption Agreement. If permitted by Section 6.01(g) of the Adoption Agreement, a Participant may elect, at least twelve months before a scheduled distribution event, to delay the payment date for a minimum period of sixty months from the originally scheduled date of payment, provided the election does not take effect for at least twelve months from the date on which the election is made. The distribution election change must be made in accordance with procedures and rules established by the Administrator. The Participant may, at the same time the date of payment is deferred, change the form of payment but such change in the form of payment may not effect an acceleration of payment in violation of Code Section 409A or the provisions of Treas. Reg. § 1.409A-2(b). For purposes of this Section 9.2, a series of installment payments is always treated as a single payment and not as a series of separate payments.

9.3. Unforeseeable Emergency

A Participant may request a distribution due to an Unforeseeable Emergency if the Plan Sponsor has elected to permit Unforeseeable Emergency withdrawals under Section 8.01(a) of the Adoption Agreement. The request must be in writing and must be submitted to the Administrator along with evidence that the circumstances constitute an Unforeseeable Emergency. The Administrator has the discretion to require whatever evidence it deems necessary to determine whether a distribution is warranted, and may require the Participant to certify that the need cannot be met from other sources reasonably available to the Participant. Whether a Participant has incurred an Unforeseeable Emergency will be determined by the Administrator on the basis of the relevant facts and circumstances in its sole discretion, but, in no event, will an Unforeseeable Emergency be deemed to exist if the hardship can be relieved: (a) through reimbursement or compensation by insurance or otherwise, (b) by liquidation of the Participant's assets to the extent such liquidation would not itself cause severe financial hardship, or (c) by cessation of deferrals under the Plan. A distribution due to an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need and may include any amounts necessary to pay any federal, state, foreign or local income taxes and penalties reasonably anticipated to result from the distribution. The distribution will be made in the form of a single lump sum cash payment. If permitted by Section 8.01(b) of the Adoption Agreement, a Participant's deferral elections for the remainder of the Plan Year will be cancelled upon a withdrawal due to an Unforeseeable Emergency. If the payment of all or any portion of the Participant's vested Account is being delayed in accordance with Section 9.6 at the time he experiences an Unforeseeable Emergency, the amount being delayed shall not be subject to the provisions of this Section 9.3 until the expiration of the six month period of delay required by section 9.6.

9.4. *Payment Election Overrides*

If the Plan Sponsor has elected one or more payment election overrides in accordance with Section 6.01(d) of the Adoption Agreement, the following provisions apply. Upon the occurrence of the first event selected by the Plan Sponsor, the remaining vested amount credited to the Participant's Account shall be paid in the form designated to the Participant or his Beneficiary regardless of whether the Participant had made different elections of time and/or form of payment or whether the Participant was receiving installment payments at the time of the event.

9.5. *Cashouts of Amounts Not Exceeding Stated Limit*

If the vested amount credited to the Participant's Account does not exceed the limit established for this purpose by the Plan Sponsor in Section 6.01(e) of the Adoption Agreement at the time he incurs a Separation from Service for any reason, the Employer shall distribute such amount to the Participant at the time specified in Section 6.01(a) of the Adoption Agreement in a single lump sum cash payment following such Separation from Service regardless of whether the Participant had made different elections of time or form of payment as to the vested amount credited to his Account or whether the Participant was receiving installments at the time of such termination. A Participant's Account, for purposes of this Section 9.5, shall include any amounts described in Section 1.3.

9.6. *Required Delay in Payment to Key Employees*

Except as otherwise provided in this Section 9.6, a distribution made on account of Separation from Service (or Retirement, if applicable) to a Participant who is a Key Employee as of the date of his Separation from Service (or Retirement, if applicable) shall not be made before the date which is six months after the Separation from Service (or Retirement, if applicable).

- (a) A Participant is treated as a Key Employee if: (i) he is employed by a Related Employer any of whose stock is publicly traded on an established securities market, and (ii) he satisfies the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii), determined without regard to Code Section 416(i)(5), at any time during the twelve month period ending on the Identification Date.
- (b) A Participant who is a Key Employee on an Identification Date shall be treated as a Key Employee for purposes of the six month delay in distributions for the twelve month period beginning on the first day of a month no later than the fourth month following the Identification Date. The Identification Date and the effective date of the delay in distributions shall be determined in accordance with Section 1.06 of the Adoption Agreement.

- (c) The Plan Sponsor may elect to apply an alternative method to identify Participants who will be treated as Key Employees for purposes of the six month delay in distributions if the method satisfies each of the following requirements: (i) is reasonably designed to include all Key Employees, (ii) is an objectively determinable standard providing no direct or indirect election to any Participant regarding its application, and (iii) results in either all Key Employees or no more than 200 Key Employees being identified in the class as of any date. Use of an alternative method that satisfies the requirements of this Section 9.6(c) will not be treated as a change in the time and form of payment for purposes of Treas. Reg. § 1.409A-2(b).
- (d) The six month delay does not apply to payments described in Section 9.9(a), (b) or (d) or to payments that occur after the death of the Participant. If the payment of all or any portion of the Participant's vested Account is being delayed in accordance with this Section 9.6 at the time he incurs a Disability which would otherwise require a distribution under the terms of the Plan, no amount shall be paid until the expiration of the six month period of delay required by this Section 9.6.

9.7. *Change in Control*

If the Plan Sponsor has elected to permit distributions upon a Change in Control, the following provisions shall apply. A distribution made upon a Change in Control will be made at the time specified in Section 6.01(a) of the Adoption Agreement in the form elected by the Participant in accordance with the procedures described in Article 4. Alternatively, if the Plan Sponsor has elected in accordance with Section 11.02 of the Adoption Agreement to require distributions upon a Change in Control, the Participant's remaining vested Account shall be paid to the Participant or the Participant's Beneficiary at the time specified in Section 6.01(a) of the Adoption Agreement as a single lump sum payment. A Change in Control, for purposes of the Plan, will occur upon a change in the ownership of the Plan Sponsor, a change in the effective control of the Plan Sponsor or a change in the ownership of a substantial portion of the assets of the Plan Sponsor, but only if elected by the Plan Sponsor in Section 11.03 of the Adoption Agreement. The Plan Sponsor, for this purpose, includes any corporation identified in this Section 9.7. All distributions made in accordance with this Section 9.7 are subject to the provisions of Section 9.6.

If a Participant continues to make deferrals in accordance with Article 4 after he has received a distribution due to a Change in Control, the residual amount payable to the Participant shall be paid at the time and in the form specified in the elections he makes in accordance with Article 4 or upon his death or Disability as provided in Article 8.

Whether a Change in Control has occurred will be determined by the Administrator in accordance with the rules and definitions set forth in this Section 9.7. A distribution to the Participant will be treated as occurring upon a Change in Control if the Plan Sponsor terminates the Plan in accordance with Section 10.2 and distributes the Participant's benefits within twelve months of a Change in Control as provided in Section 10.3.

- (a) Relevant Corporations. To constitute a Change in Control for purposes of the Plan, the event must relate to: (i) the corporation for whom the Participant is performing services at the time of the Change in Control, (ii) the corporation that is liable for the payment of the Participant's benefits under the Plan (or all corporations liable if more than one corporation is liable) but only if either the deferred compensation is attributable to the performance of services by the Participant for such corporation (or corporations) or there is a bona fide business purpose for such corporation (or corporations) to be liable for such payment and, in either case, no significant purpose of making such corporation (or corporations) liable for such payment is the avoidance of federal income tax, or (iii) a corporation that is a majority shareholder of a corporation identified in (i) or (ii), or any corporation in a chain of corporations in which each corporation is a majority shareholder of another corporation in the chain, ending in a corporation identified in (i) or (ii). A majority shareholder is defined as a shareholder owning more than fifty percent (50%) of the total fair market value and voting power of such corporation.
- (b) Stock Ownership. Code Section 318(a) applies for purposes of determining stock ownership. Stock underlying a vested option is considered owned by the individual who owns the vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). If, however, a vested option is exercisable for stock that is not substantially vested (as defined by Treas. Reg. § 1.83-3(b) and (j)) the stock underlying the option is not treated as owned by the individual who holds the option.
- (c) Change in the Ownership of a Corporation. A change in the ownership of a corporation occurs on the date that any one person or more than one person acting as a group, acquires ownership of stock of the corporation that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of such corporation. If any one person or more than one person acting as a group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of a corporation, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the corporation (or to cause a change in the effective control of the corporation as discussed below in Section 9.7(d)). An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the corporation acquires its stock in exchange for property will be treated as an acquisition of stock. Section 9.7(c) applies only when there is a transfer of stock of a corporation (or issuance of stock of a corporation) and stock in such corporation remains outstanding after the transaction. For purposes of this Section 9.7(c), persons will not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time or as a result of a public offering. Persons will, however, be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the corporation. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

- (d) Change in the Effective Control of a Corporation. A change in the effective control of a corporation occurs on the date that either (i) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the corporation possessing thirty percent (30%) or more of the total voting power of the stock of such corporation, or (ii) a majority of members of the corporation's Board of Directors is replaced during any twelve month period by Directors whose appointment or election is not endorsed by a majority of the members of the corporation's Board of Directors prior to the date of the appointment or election, provided that for purposes of this paragraph (ii), the term corporation refers solely to the relevant corporation identified in Section 9.7(a) for which no other corporation is a majority shareholder for purposes of Section 9.7(a). In the absence of an event described in Section 9.7(d)(i) or (ii), a change in the effective control of a corporation will not have occurred. A change in effective control may also occur in any transaction in which either of the two corporations involved in the transaction has a change in the ownership of such corporation as described in Section 9.7(c) or a change in the ownership of a substantial portion of the assets of such corporation as described in Section 9.7(e). If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of this Section 9.7(d), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation or to cause a change in the ownership of the corporation within the meaning of Section 9.7(c). For purposes of this Section 9.7(d), persons will or will not be considered to be acting as a group in accordance with rules similar to those set forth in Section 9.7(c) with the following exception. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to the ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

- (e) Change in the Ownership of a Substantial Portion of a Corporation's Assets. A change in the ownership of a substantial portion of a corporation's assets occurs on the date that any one person, or more than one person acting as a group (as determined in accordance with rules similar to those set forth in Section 9.7(d)), acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets from the corporation that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the corporation immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the corporation or the value of the assets being disposed of determined without regard to any liabilities associated with such assets. There is no Change in Control event under this Section 9.7(e) when there is a transfer to an entity that is controlled by the shareholders of the transferring corporation immediately after the transfer. A transfer of assets by a corporation is not treated as a change in ownership of such assets if the assets are transferred to (i) a shareholder of the corporation (immediately before the asset transfer) in exchange for or with respect to its stock, (ii) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the corporation, (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the corporation, or (iv) an entity, at least fifty (50%) of the total value or voting power of which is owned, directly or indirectly, by a person described in Section 9.7(e)(iii). For purposes of the foregoing, and except as otherwise provided, a person's status is determined immediately after the transfer of assets.

9.8. Permissible Delays in Payment

Distributions may be delayed beyond the date payment would otherwise occur in accordance with the provisions of Articles 8 and 9 in any of the following circumstances (as long as the Employer treats all payments to similarly situated Participants on a reasonably consistent basis):

- (a) The Employer may delay payment if it reasonably anticipates that its deduction with respect to such payment would be limited or eliminated by the application of Code Section 162(m). Payment must be made during the Participant's first taxable year in which the Employer reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year the deduction of such payment will not be barred by the application of Code Section 162(m) or during the period beginning with the Participant's Separation from Service and ending on the later of the last day of the Employer's taxable year in which the Participant separates from service or the 15th day of the third month following the Participant's Separation from Service. If a scheduled payment to a Participant is delayed in accordance with this Section 9.8(a), all scheduled payments to the Participant that could be delayed in accordance with this Section 9.8(a) will also be delayed.
- (b) The Employer may also delay payment if it reasonably anticipates that the making of the payment will violate federal securities laws or other applicable laws provided payment is made at the earliest date on which the Employer reasonably anticipates that the making of the payment will not cause such violation.

- (c) The Employer reserves the right to amend the Plan to provide for a delay in payment upon such other events and conditions as the Secretary of the Treasury may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

9.9. Permitted Acceleration of Payment

The Employer may permit acceleration of the time or schedule of any payment or amount scheduled to be paid pursuant to a payment under the Plan provided such acceleration would be permitted by the provisions of Treas. Reg. § 1.409A-3(j)(4), including the following events:

- (a) Domestic Relations Order. A payment may be accelerated if such payment is made to an alternate payee pursuant to and following the receipt and qualification of a domestic relations order as defined in Code Section 414(p).
- (b) Compliance with Ethics Agreement and Legal Requirements. A payment may be accelerated as may be necessary to comply with ethics agreements with the Federal government or as may be reasonably necessary to avoid the violation of Federal, state, local or foreign ethics law or conflicts of laws, in accordance with the requirements of Code Section 409A.
- (c) De Minimis Amounts. A payment will be accelerated if (i) the amount of the payment is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), (ii) at the time the payment is made the amount constitutes the Participant's entire interest under the Plan and all other plans that are aggregated with the Plan under Treas. Reg. § 1.409A-1(c)(2).
- (d) FICA Tax. A payment may be accelerated to the extent required to pay the Federal Insurance Contributions Act tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2) of the Code with respect to compensation deferred under the Plan (the "FICA Amount"). Additionally, a payment may be accelerated to pay the income tax on wages imposed under Code Section 3401 of the Code on the FICA Amount and to pay the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes. The total payment under this subsection (d) may not exceed the aggregate of the FICA Amount and the income tax withholding related to the FICA Amount.
- (e) Section 409A Additional Tax. A payment may be accelerated if the Plan fails to meet the requirements of Code Section 409A; provided that such payment may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Code Section 409A.
- (f) Offset. A payment may be accelerated in the Employer's discretion as satisfaction of a debt of the Participant to the Employer, where such debt is incurred in the ordinary course of the service relationship between the Participant and the Employer, the entire amount of the reduction in any of the Employer's taxable years does not exceed \$5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.
- (g) Other Events. A payment may be accelerated in the Administrator's discretion in connection with such other events and conditions as permitted by Code Section 409A.

Article 10 - Amendment and Termination

10.1. Amendment

The Plan Sponsor reserves the right to amend the Plan (for itself and each Employer) through action of its Board or an authorized delegate of the Board of Directors (or committee thereof) of Marathon Petroleum Corporation (the parent of the Plan Sponsor). No amendment can directly or indirectly deprive any current or former Participant or Beneficiary of all or any portion of his Account which had accrued and vested prior to the amendment.

10.2. Plan Termination Following Change in Control or Corporate Dissolution

If so elected by the Plan Sponsor in 11.01 of the Adoption Agreement, the Plan Sponsor reserves the right to terminate the Plan and distribute all amounts credited to all Participant Accounts within the 30 days preceding or the twelve months following a Change in Control as determined in accordance with the rules set forth in Section 9.7. For this purpose, the Plan will be treated as terminated only if all agreements, methods, programs and other arrangements sponsored by the Related Employer immediately after the Change in Control which are treated as a single plan under Treas. Reg. § 1.409A-1(c)(2) are also terminated so that all Participants under the Plan and all similar arrangements are required to receive all amounts deferred under the terminated arrangements within twelve months of the date the Plan Sponsor irrevocably takes all necessary action to terminate the arrangements. In addition, the Plan Sponsor reserves the right to terminate the Plan within twelve months of a corporate dissolution taxed under Code Section 331 or with the approval of a bankruptcy court pursuant to 11 U. S. C. Section 503(b)(1)(A) provided that amounts deferred under the Plan are included in the gross incomes of Participants in the latest of (a) the calendar year in which the termination and liquidation occurs, (b) the first calendar year in which the amount is no longer subject to a substantial risk of forfeiture, or (c) the first calendar year in which payment is administratively practicable.

10.3. Other Plan Terminations

The Plan Sponsor retains the discretion to terminate the Plan if (a) all arrangements sponsored by the Plan Sponsor that would be aggregated with any terminated arrangement under Code Section 409A and Treas. Reg. § 1.409A-1(c)(2) are terminated, (b) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve months of the termination of the arrangements, (c) all payments are made within twenty-four months of the date the Plan Sponsor takes all necessary action to irrevocably terminate and liquidate the arrangements, (d) the Plan Sponsor does not adopt a new arrangement that would be aggregated with any terminated arrangement under Code Section 409A and the regulations thereunder at any time within the three year period following the date of termination of the arrangement, and (e) the termination does not occur proximate to a downturn in the financial health of the Plan Sponsor. The Plan Sponsor also reserves the right to amend the Plan to provide that termination of the Plan will occur under such conditions and events as may be prescribed by the Secretary of the Treasury in generally applicable guidance published in the Internal Revenue Bulletin.

Article 11 - The Trust

11.1. Establishment of Trust

The Plan Sponsor may but is not required to establish a trust to hold amounts which the Plan Sponsor may contribute from time to time to correspond to some or all amounts credited to Participants under Section 6.2. In the event that the Plan Sponsor wishes to establish a trust to provide a source of funds for the payment of Plan benefits, any such trust shall be constructed to constitute an unfunded arrangement that does not affect the status of the Plan as an unfunded plan for purposes of Title I of ERISA and the Code. If the Plan Sponsor elects to establish a trust in accordance with Section 10.01 of the Adoption Agreement, the provisions of Sections 11.2 and 11.3 shall become operative.

11.2. Rabbi Trust

Any trust established by the Plan Sponsor shall be between the Plan Sponsor and a trustee pursuant to a separate written agreement under which assets are held, administered and managed, subject to the claims of the Plan Sponsor's creditors in the event of the Plan Sponsor's insolvency. The trust is intended to be treated as a rabbi trust in accordance with existing guidance of the Internal Revenue Service, and the establishment of the trust shall not cause the Participant to realize current income on amounts contributed thereto. The Plan Sponsor must notify the trustee in the event of a bankruptcy or insolvency.

11.3. Investment of Trust Funds

Any amounts contributed to the trust by the Plan Sponsor shall be invested by the trustee in accordance with the provisions of the trust and the instructions of the Administrator. Trust investments need not reflect the hypothetical investments selected by Participants under Section 7.1 for the purpose of adjusting Accounts and the earnings or investment results of the trust need not affect the hypothetical investment adjustments to Participant Accounts under the Plan.

Article 12 - Plan Administration

12.1. Powers and Responsibilities of the Administrator

The Administrator has the full power and the full responsibility to administer the Plan in all of its details; subject, however, to the applicable requirements of ERISA. The Administrator's powers and responsibilities include, but are not limited to, the following:

- (a) To make and enforce such rules and procedures as it deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the Plan, its interpretation thereof to be final, except as provided in Section 12.2, on all persons claiming benefits under the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;
- (d) To administer the claims and review procedures specified in Section 12.2;
- (e) To compute the amount of benefits which will be payable to any Participant, former Participant or Beneficiary in accordance with the provisions of the Plan;
- (f) To determine the person or persons to whom such benefits will be paid;
- (g) To authorize the payment of benefits;
- (h) To make corrections and recover the overpayment of any benefits;
- (i) To comply with the reporting and disclosure requirements of Part 1 of Subtitle B of Title I of ERISA;
- (j) To appoint such agents, counsel, accountants, and consultants as may be required to assist in administering the Plan;
- (k) By written instrument, to allocate and delegate its responsibilities, including the formation of an Administrative Committee to administer the Plan.

12.2. Claims and Review Procedures

- (a) Claims Procedure. If any person believes he is being denied any rights or benefits under the Plan, such person may file a claim in writing with the Administrator. If any such claim is wholly or partially denied, the Administrator will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the person's right to bring a civil action following an adverse decision on review. If the claim involves a Disability, the denial must also include the standards that governed the decision, including the basis for disagreeing with any health care professionals, vocational professionals or the Social Security Administration as well as an explanation of the scientific or clinical judgement underlying the denial. Such notification will be given within 90 days (45 days in the case of a claim regarding Disability) after the claim is received by the Administrator. The Administrator may extend the period for providing the notification by 90 days (30 days in the case of a claim regarding Disability, which may be extended an additional 30 days) if special circumstances require an extension of time for processing the claim and if written notice of such extension and circumstance is given to such person within the initial 90 day period (45 day period in the case of a claim regarding Disability). If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his claim.
- (b) Review Procedure. Within 60 days (180 days in the case of a claim regarding Disability) after the date on which a person receives a written notification of denial of claim (or, if written notification is not provided, within 60 days (180 days in the case of a claim regarding Disability) of the date denial is considered to have occurred), such person (or his duly authorized representative) may (i) file a written request with the Administrator for a review of his denied claim and of pertinent documents and (ii) submit written issues and comments to the Administrator. The Administrator will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The notification will explain that the person is entitled to receive, upon request and free of charge, reasonable access to and copies of all pertinent documents and has the right to bring a civil action following an adverse decision on review. The decision on review will be made within 60 days (45 days in the case of a claim regarding Disability). The Administrator may extend the period for making the decision on review by 60 days (45 days in the case of a claim regarding Disability) if special circumstances require an extension of time for processing the request such as an election by the Administrator to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period (45 days in the case of a claim regarding Disability). If the decision on review is not made within such period, the claim will be considered denied.

If the claim is regarding Disability, and the determination of Disability has not been made by the Social Security Administration, the Railroad Retirement Board, or under the Plan Sponsor's long-term disability plan, the person may, upon written request and free of charge, also receive the identification of medical or vocational experts whose advice was obtained in connection with the denial of a claim regarding Disability, even if the advice was not relied upon.

Before issuing any decision with respect to a claim involving Disability, the Administrator will provide to the person, free of charge, the following information as soon as possible and sufficiently in advance of the date on which the response is required to be provided to the person to allow the person a reasonable opportunity to respond prior to the due date of the response:

- (i) Any new or additional evidence considered, relied upon, or generated by the Administrator or other person making the decision; and
 - (ii) A new or addition rationale if the decision will be based on that rationale.
- (c) Exhaustion of Claims Procedures and Right to Bring Legal Claim. No action at law or equity shall be brought more than one year after the Administrator's affirmation of a denial of a claim, or, if earlier, more than four years after the facts or events giving rising to the claimant's allegation(s) or claim(s) first occurred.

12.3. Plan Administrative Costs

All reasonable costs and expenses (including legal, accounting, and employee communication fees) incurred by the Administrator in administering the Plan shall be paid by the Plan to the extent not paid by the Employer.

Article 13 - Miscellaneous

13.1. Unsecured General Creditor of the Employer

Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Employer. For purposes of the payment of benefits under the Plan, any and all of the Employer's assets shall be, and shall remain, the general, unpledged, unrestricted assets of the Employer. Each Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

13.2. Employer's Liability

Each Employer's liability for the payment of benefits under the Plan shall be defined only by the Plan and by the deferral agreements entered into between a Participant and the Employer. An Employer shall have no obligation or liability to a Participant under the Plan except as provided by the Plan and a deferral agreement or agreements. An Employer shall have no liability to Participants employed by other Employers.

13.3. Limitation of Rights

Neither the establishment of the Plan, nor any amendment thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving to the Participant or any other person any legal or equitable right against the Employer, the Plan or the Administrator, except as provided herein; and in no event will the terms of employment or service of the Participant be modified or in any way affected hereby.

13.4. Anti-Assignment

Except as may be necessary to fulfill a domestic relations order within the meaning of Code Section 414(p), none of the benefits or rights of a Participant or any Beneficiary of a Participant shall be subject to the claim of any creditor. In particular, to the fullest extent permitted by law, all such benefits and rights shall be free from attachment, garnishment, or any other legal or equitable process available to any creditor of the Participant and his Beneficiary. Neither the Participant nor his Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber, or assign any of the payments which he may expect to receive, contingently or otherwise, under the Plan, except the right to designate a Beneficiary to receive death benefits provided hereunder. Notwithstanding the preceding, the benefit payable from a Participant's Account may be reduced, at the discretion of the Administrator, to satisfy any debt or liability to the Employer.

13.5. Facility of Payment

If the Administrator determines, on the basis of medical reports or other evidence satisfactory to the Administrator, that the recipient of any benefit payments under the Plan is incapable of handling his affairs by reason of minority, illness, infirmity or other incapacity, the Administrator may direct the Employer to disburse such payments to a person or institution designated by a court which has jurisdiction over such recipient or a person or institution otherwise having the legal authority under State law for the care and control of such recipient. The receipt by such person or institution of any such payments therefore, and any such payment to the extent thereof, shall discharge the liability of the Employer, the Plan and the Administrator for the payment of benefits hereunder to such recipient.

13.6. Notices

Any notice or other communication to the Employer or Administrator in connection with the Plan shall be deemed delivered in writing if addressed to the Plan Sponsor at the address specified in Section 1.03 of the Adoption Agreement and if either actually delivered at said address or, in the case of a letter, five business days shall have elapsed after the same shall have been deposited in the United States mails, first-class postage prepaid and registered or certified.

13.7. Tax Withholding

If the Employer concludes that tax is owing with respect to any deferral or payment hereunder, the Employer shall withhold such amounts from any payments due the Participant or from amounts deferred, as permitted by law, or otherwise make appropriate arrangements with the Participant or his Beneficiary for satisfaction of such obligation. Tax, for purposes of this Section 13.7 means any federal, state, local or any other governmental income tax, employment or payroll tax, excise tax, or any other tax or assessment owing with respect to amounts deferred, any earnings thereon, and any payments made to Participants under the Plan.

13.8. Indemnification

- (a) Each Indemnitee (as defined in Section 13.8(e)) shall be indemnified and held harmless by the Employer for all actions taken by him and for all failures to take action (regardless of the date of any such action or failure to take action), to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined in subsection (e)). No indemnification pursuant to this Section shall be made, however, in any case where (1) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (2) there is a settlement to which the Employer does not consent.
- (b) The right to indemnification provided in this Section shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Employer in advance of the final disposition of the Proceeding, to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated; provided that, if such law requires, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only on delivery to the Employer of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.
- (c) Indemnification pursuant to this Section shall continue as to an Indemnitee who has ceased to be such and shall inure to the benefit of his heirs, executors, and administrators. The Employer agrees that the undertakings made in this Section shall be binding on its successors or assigns and shall survive the termination, amendment or restatement of the Plan.
- (d) The foregoing right to indemnification shall be in addition to such other rights as the Indemnitee may enjoy as a matter of law or by reason of insurance coverage of any kind and is in addition to and not in lieu of any rights to indemnification to which the Indemnitee may be entitled pursuant to the by-laws of the Employer.
- (e) For the purposes of this Section, the following definitions shall apply:
 - (i) "Indemnitee" shall mean each person serving as an Administrator (or any other person who is an employee, Director, or officer of the Employer) who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that he is or was performing administrative functions under the Plan.
 - (ii) "Proceeding" shall mean any threatened, pending, or completed action, suit, or proceeding (including, without limitation, an action, suit, or proceeding by or in the right of the Employer), whether civil, criminal, administrative, investigative, or through arbitration.

13.9. Successors

The provisions of the Plan shall bind and inure to the benefit of the Plan Sponsor, the Employer and their successors and assigns and the Participant and the Participant's designated Beneficiaries.

13.10. Disclaimer

It is the Plan Sponsor's intention that the Plan comply with the requirements of Code Section 409A. Neither the Plan Sponsor nor the Employer shall have any liability to any Participant should any provision of the Plan fail to satisfy the requirements of Code Section 409A.

13.11. Governing Law

The Plan will be construed, administered and enforced according to the laws of the State specified by the Plan Sponsor in Section 12.01 of the Adoption Agreement.

Marathon Petroleum
Executive Deferred Compensation Plan
Adoption Agreement
(As Originally Effective January 1, 2021)

Table of Contents

1.01	Preamble	2
1.02	Plan	2
1.03	Plan Sponsor	2
1.04	Employer	3
1.05	Administrator	3
1.06	Key Employee Determination Dates	3
2.01	Participation	4
3.01	Compensation	5
3.02	Bonuses	6
4.01	Participant Contributions	7
5.01	Employer Contributions	9
6.01	Distributions	13
7.01	Vesting	19
8.01	Unforeseeable Emergency	23
9.01	Investment Decisions	24
10.01	Trust	25
11.01	Termination Upon Change In Control	26
11.02	Automatic Distribution Upon Change In Control	26
11.03	Change In Control	26
12.01	Governing State Law	27
	Appendix A	29

1.01 Preamble

By the execution of this Adoption Agreement the Plan Sponsor hereby [complete (a) or (b)]

- (a) adopts a new plan as of January 1, 2021
- (b) amends and restates its existing plan as of _____ which is the Amendment Effective Date. Except as otherwise provided in Appendix A, all amounts deferred under the Plan prior to the Amendment Effective Date shall be governed by the terms of the Plan as in effect on the day before the Amendment Effective Date.

Original Effective Date: [month, day, year]

Pre-409A Grandfathering: Yes No

1.02 Plan

Plan Name: Marathon Petroleum Executive Deferred Compensation Plan

Plan Year: January 1 – December 31

1.03 Plan Sponsor

Name: Marathon Petroleum Company LP

Address: 539 South Main Street, Findlay, OH 45840

Phone #: 419-422-2121

EIN #: 31-1537655

Fiscal Year: _____

Is stock of the Plan Sponsor, any Employer or any Related Employer publicly traded on an established securities market?
Yes No

1.04 Employer

The following entities have been authorized by the Plan Sponsor to participate in and have adopted the Plan [insert "Not Applicable" if none have been authorized]:

<u>Entity</u>	<u>Publicly Traded on Est. Securities Market</u>	
	Yes	No
Marathon Petroleum Company LP and such other affiliates as may be designated from time to time by the Sponsor	<input checked="" type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>

1.05 Administrator

The Plan Sponsor has designated the following party or parties to be responsible for the administration of the Plan:

Name: The individual designated by the Board of Directors of Marathon Petroleum Corporation or a committee thereof, or, in each case, its authorized delegate; provided, that in the absence of any such designation, the Plan Sponsor

Address: 539 South Main Street, Findlay, OH 45840

Note: The Administrator is the person or persons designated by the Plan Sponsor to be responsible for the administration of the Plan. Neither Fidelity Employer Services Company nor any other Fidelity affiliate can be the Administrator.

1.06 Key Employee Determination Dates

The Employer has designated December 31 as the Identification Date for purposes of determining Key Employees.

In the absence of a designation, the Identification Date is December 31.

The Employer has designated April 1 as the effective date for purposes of applying the six month delay in distributions to Key Employees.

In the absence of a designation, the effective date is the first day of the fourth month following the Identification Date.

2.01 Participation

- (a) Employees [complete (i), (ii) or (iii)]
- (i) Eligible Employees are selected by the Employer.
- (ii) Eligible Employees are those employees of the Employer who satisfy the following criteria:

In compensation grade 16 or above as designated by the Administrator

- (iii) Employees are not eligible to participate.
- (b) Directors [complete (i), (ii) or (iii)]
- (i) All Directors are eligible to participate.
- (ii) Only Directors selected by the Employer are eligible to participate.
- (iii) Directors are not eligible to participate.

3.01 Compensation

For purposes of determining Participant contributions under Article 4 and Employer contributions under Article 5, Compensation shall be defined in the following manner [complete (a) or (b) and select (c) and/or (d), if applicable]:

- (a) Compensation is defined as:

Gross Pay as defined in the Marathon Petroleum Thrift Plan without regard to _____

any Code limitations _____

- (b) Compensation as defined in [insert name of qualified plan] without regard to the limitation in Section 401(a)(17) of the Code for such Plan Year.

- (c) Director Compensation is defined as:

- (d) Compensation shall, for all Plan purposes, be limited to \$.

- (e) Not Applicable.

3.02 Bonuses

Compensation, as defined in Section 3.01 of the Adoption Agreement, includes the following type of bonuses that will be the subject of a separate deferral election:

<u>Type</u>	[Will be treated as]	
	<u>Performance Based Compensation</u>	
	Yes	No
Annual Cash Bonus	<input type="checkbox"/>	<input checked="" type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>

Not Applicable.

4.01 Participant Contributions

If Participant contributions are permitted, complete (a), (b), and (c). Otherwise complete (d).

(a) Amount of Deferrals

A Participant may elect within the period specified in Section 4.01(b) of the Adoption Agreement to defer the following amounts of remuneration. For each type of remuneration listed, complete “dollar amount” and/or “percentage amount”.

(i) Compensation other than Bonuses [do not complete if you complete (iii)]

Type of Remuneration	Dollar Amount		% Amount		Increment
	Min	Max	Min	Max	
Base Salary			5%	20%	1%
			%	%	%
			%	%	%

Note: The increment is required to determine the permissible deferral amounts. For example, a minimum of 0% and maximum of 20% with a 5% increment would allow an individual to defer 0%, 5%, 10%, 15% or 20%.

(ii) Bonuses [do not complete if you complete (iii)]

Type of Bonus	Dollar Amount		% Amount		Increment
	Min	Max	Min	Max	
Annual Cash Bonus			5%	20%	1%
			%	%	%

(iii) Compensation [do not complete if you completed (i) and (ii)]

Dollar Amount		% Amount		Increment
Min	Max	Min	Max	
		%	%	%

(iv) Director Compensation

Type of Compensation	Dollar Amount		% Amount		Increment
	Min	Max	Min	Max	
Annual Retainer			%	%	%
Meeting Fees Other:			%	%	%
Other:			%	%	%
Other:			%	%	%

(b) **Election Period**

(i) Performance Based Compensation

A special election period

- Does
- Does Not

apply to each eligible type of performance based compensation referenced in Section 3.02 of the Adoption Agreement.

The special election period, if applicable, will be determined by the Employer.

(ii) Newly Eligible Participants

An employee who is classified or designated as an Eligible Employee during a Plan Year

- May
- May Not

elect to defer Compensation earned during the remainder of the Plan Year by completing a deferral agreement within the 30 day period beginning on the date he is eligible to participate in the Plan.

The special election period, if applicable, will be determined by the Employer.

(c) **No Participant Contributions**

- Participant contributions are not permitted under the Plan.

5.01 Employer Contributions

If Employer contributions are permitted, complete (a) and/or (b). Otherwise complete (c).

(a) Matching Contributions

(i) Amount

For each Plan Year, the Employer shall make a matching contribution on behalf of each Participant who defers Compensation for the Plan Year and satisfies the requirements of Section 5.01(a)(ii) of the Adoption Agreement equal to [complete the ones that are applicable]:

- (A) [insert percentage]% of the Compensation the Participant has elected to defer for the Plan Year
- (B) An amount determined by the Employer in its sole discretion
- (C) Matching contributions for each Participant shall be limited to \$ and/or [insert percentage]% of Compensation
- (D) Other:

- (1) Any matching contribution that would have been made under the Marathon Petroleum Thrift Plan or the Marathon Petroleum Excess Benefit Plan but that is not made solely because of limitations under the Code or any compensation limit imposed on deferrals in the Marathon Petroleum Thrift Plan. The match determined under this paragraph shall be determined at the rate of the maximum match rate as in effect under the Marathon Petroleum Thrift Plan. Notwithstanding any other provision of the Plan to the contrary, the matching contribution provided under this subparagraph 5.01(a)(i)(D)(1) shall be made to any Participant regardless of whether the Participant elects to make a deferral to this Plan under Section 4.01(a).
-

- (2) Any deferral made under Section 4.01(a) of this Plan at the maximum match rate as in effect under the Marathon Petroleum Thrift Plan.
-

- (E) Not Applicable [Proceed to Section 5.01(b)]

(ii) Eligibility for matching contribution

A Participant who defers Compensation for the Plan Year shall receive an allocation of matching contributions determined in accordance with Section 5.01(a)(i) provided he satisfies the following requirements [complete the ones that are applicable]:

(A) Describe requirements:

(B) Is selected by the Employer in its sole discretion to receive an allocation of matching contributions

(C) No requirements

(iii) Time of Allocation

Matching contributions, if made, shall be treated as allocated [select one]:

(A) As of the last day of the Plan Year

(B) At such times as the Employer shall determine in its sole discretion

(C) At the time the Compensation on account of which the matching contribution is being made would otherwise have been paid to the Participant

(D) Other:

In the manner as determined by the Administrator in its sole

discretion

(b) **Other Contributions**

(i) Amount

The Employer shall make a contribution on behalf of each Participant who satisfies the requirements of Section 5.01(b)(ii) equal to [complete the ones that are applicable]:

- (A) An amount equal to [insert percentage]% of the Participant's Compensation
- (B) An amount determined by the Employer in its sole discretion
- (C) Contributions for each Participant shall be limited to \$
- (D) Other:

(E) Not Applicable [Proceed to Section 6.01]

(ii) Eligibility for Other Contribution

A Participant shall receive an allocation of other Employer contributions determined in accordance with Section 5.01(b)(i) for the Plan Year if he satisfies the following requirements [complete the one that is applicable]:

(A) Describe requirements:

(B) Is selected by the Employer in its sole discretion to receive an allocation of other Employer contributions

(C) No requirements

(iii) Time of Allocation

Employer contributions, if made, shall be treated as allocated [select one]:

(A) As of the last day of the Plan Year

(B) At such times or times as the Employer shall determine in its sole discretion

(C) Other:

(c) **No Employer Contributions**

Employer contributions are not permitted under the Plan.

6.01 Distributions

The timing and form of payment of distributions made from the Participant's vested Account shall be made in accordance with the elections made in this Section 6.01 of the Adoption Agreement except when Section 9.6 of the Plan requires a six month delay for certain distributions to Key Employees of publicly traded companies.

(a) Timing of Distributions

(i) All distributions shall commence in accordance with the following [choose one]:

- (A) As soon as administratively feasible following the distribution event but in no event later than the time prescribed by Treas. Reg. Sec. 1.409A-3(d).
- (B) Monthly on specified day first day of month
- (C) Annually on specified month and day [insert month and day]
- (D) Calendar quarter on specified month and day [insert month and day] Q[insert numerical quarter 1, 2, 3, or 4]

(ii) The timing of distributions as determined in Section 6.01(a)(i) shall be modified by the adoption of:

- (A) Event Delay – Distribution events other than those based on Specified Date or Specified Age will be treated as not having occurred for [insert number of months] months
- (B) Hold Until Next Year – Distribution events other than those based on Specified Date or Specified Age will be treated as not having occurred for twelve months from the date of the event if payment pursuant to Section 6.01(a)(i) will thereby occur in the next calendar year or on the first payment date in the next calendar year in all other cases
- (C) Immediate Processing – The timing method selected by the Plan Sponsor under Section 6.01(a)(i) shall be overridden for the following distribution events [insert events]:

- (D) Not applicable

(b) **Distribution Events**

(i) Participant Contributions under Section 4.01(a)

Participants may elect the following payment events and the associated form or forms of payment. If multiple events for each year are selected, the earliest to occur will trigger payment. For installments, insert the range of available periods (e.g., 5-15) or insert the periods available (e.g., 5, 7, 9).

		<u>Lump Sum</u>	<u>Installments</u>
(A)	<input checked="" type="checkbox"/> Specified Date	<input checked="" type="checkbox"/>	<u>2 - 5</u> years
(B)	<input type="checkbox"/> Specified Age	<input type="checkbox"/>	years
(C)	<input type="checkbox"/> Separation from Service	<input type="checkbox"/>	years
(D)	<input checked="" type="checkbox"/> Separation from Service plus 2 months	<input checked="" type="checkbox"/>	<u>2 - 5</u> years
(E)	<input type="checkbox"/> Separation from Service plus ___ months [not to exceed ___ months]	<input type="checkbox"/>	years
(F)	<input type="checkbox"/> Retirement	<input type="checkbox"/>	years
(G)	<input type="checkbox"/> Retirement plus 6 months	<input type="checkbox"/>	years
(H)	<input type="checkbox"/> Retirement plus ___ months	<input type="checkbox"/>	years
(I)	<input type="checkbox"/> Disability	<input type="checkbox"/>	years
(J)	<input type="checkbox"/> Death	<input type="checkbox"/>	years
(K)	<input type="checkbox"/> Change in Control	<input type="checkbox"/>	years

The minimum deferral period for Specified Date or Specified Age event shall be three years.

Installments may be paid [select each that applies]

- Monthly
- Quarterly
- Annually

(ii) Employer Contributions under Section 5.01(a) and (b)

Participants may elect the following payment events and the associated form or forms of payment. If multiple events for each year are selected, the earliest to occur will trigger payment. For installments, insert the range of available periods (e.g., 5-15) or insert the periods available (e.g., 5, 7, 9).

		<u>Lump Sum</u>	<u>Installments</u>
(A)	<input checked="" type="checkbox"/> Specified Date	<input checked="" type="checkbox"/>	<u>2 - 5</u> years
(B)	<input type="checkbox"/> Specified Age	<input type="checkbox"/>	years
(C)	<input type="checkbox"/> Separation from Service	<input type="checkbox"/>	years
(D)	<input checked="" type="checkbox"/> Separation from Service plus 2 months	<input checked="" type="checkbox"/>	<u>2 - 5</u> years
(E)	<input type="checkbox"/> Separation from Service plus ___ months [not to exceed ___ months]	<input type="checkbox"/>	years
(F)	<input type="checkbox"/> Retirement	<input type="checkbox"/>	years
(G)	<input type="checkbox"/> Retirement plus 6 months	<input type="checkbox"/>	years
(H)	<input type="checkbox"/> Retirement plus ___ months	<input type="checkbox"/>	years
(I)	<input type="checkbox"/> Disability	<input type="checkbox"/>	years
(J)	<input type="checkbox"/> Death	<input type="checkbox"/>	years
(K)	<input type="checkbox"/> Change in Control	<input type="checkbox"/>	years

The minimum deferral period for Specified Date or Specified Age event shall be three (3) years.

Installments may be paid [select each that applies]

- Monthly
- Quarterly
- Annually

(c) Specified Date and Specified Age elections may not extend beyond age Not Applicable.

(d) **Payment Election Override**

Payment of the remaining vested balance of the Participant's Account will automatically occur at the time specified in Section 6.01(a) of the Adoption Agreement in the form indicated upon the earliest to occur of the following events [check each event that applies and for each event include only a single form of payment]:

<u>Events</u>	<u>Form of Payment</u>	
	<u>Lump Sum</u>	<u>Installments</u>
<input type="checkbox"/> Separation from Service	<input type="checkbox"/>	
<input type="checkbox"/> Separation from Service before Retirement	<input type="checkbox"/>	
<input checked="" type="checkbox"/> Death	<input checked="" type="checkbox"/>	
<input type="checkbox"/> Disability	<input type="checkbox"/>	
<input type="checkbox"/> Not Applicable	<input type="checkbox"/>	

(e) **Involuntary Cashouts**

If the Participant's vested Account at the time of his Separation from Service does not exceed \$, distribution of the vested Account shall automatically be made in the form of a single lump sum in accordance with Section 9.5 of the Plan.

There are no involuntary cashouts.

(f) **Retirement**

Retirement shall be defined as a Separation from Service that occurs on or after the Participant [insert description of requirements]:

No special definition of Retirement applies.

(g) **Distribution Election Change**

A Participant

Shall

Shall Not

be permitted to modify a scheduled distribution date and/or payment option in accordance with Section 9.2 of the Plan.

A Participant shall generally be permitted to elect such modification one number of times.

Administratively, allowable distribution events will be modified to reflect all options necessary to fulfill the distribution change election provision.

(h) **Frequency of Elections**

The Plan Sponsor

Has

Has Not

elected to permit annual elections of a time and form of payment for amounts deferred under the Plan. If a single election of a time and/or form of payment is required, the Participant will make such election at the time he first completes a deferral agreement which, in all cases, will be no later than the time required by Reg. Sec. 1.409A-2.

(i) **Disability**

For Purposes of Section 2.11 of the Plan, Disability shall be defined as

- Total disability as determined by the Social Security Administration or the Railroad Retirement Board.
- As determined by the Employer's long term disability insurance policy.
- As follows [insert description of requirements]:

- Not applicable.

7.01 Vesting

(a) Matching Contributions

The Participant's vested interest in the amount credited to his Account attributable to matching contributions shall be based on the following schedule:

<input checked="" type="checkbox"/>	<u>Years of Service</u>	<u>Vesting %</u>	
	0	<u>100%</u>	[insert "100" if there is immediate vesting]
	1	<u>%</u>	
	2	<u>%</u>	
	3	<u>%</u>	
	4	<u>%</u>	
	5	<u>%</u>	
	6	<u>%</u>	
	7	<u>%</u>	
	8	<u>%</u>	
	9	<u>%</u>	

Other:

Class year vesting applies:

Not applicable.

(b) **Other Employer Contributions**

The Participant's vested interest in the amount credited to his Account attributable to Employer contributions other than matching contributions shall be based on the following schedule:

<input type="checkbox"/>	<u>Years of Service</u>	<u>Vesting %</u>	
	0	%	[insert "100" if there is immediate vesting]
	1	%	
	2	%	
	3	%	
	4	%	
	5	%	
	6	%	
	7	%	
	8	%	
	9	%	

Other:

Class year vesting applies:

Not applicable.

(c) **Acceleration of Vesting**

The Participant's vested interest in his Account will automatically be 100% upon the occurrence of the following events [select the ones that are applicable]:

- (i) Death.
- (ii) Disability.
- (iii) Change in Control.
- (iv) Eligibility for Retirement.
- (v) Other:

- (vi) Not applicable.

(d) **Years of Service**

- (i) A Participant's Years of Service shall include all service performed for the Employer and

- Shall
- Shall Not

include service performed for the Related Employer.

(ii) Years of Service shall also include service performed for the following entities:

(iii) Years of Service shall be determined in accordance with [select one]:

- (A) The elapsed time method in Treas. Reg. Sec. 1.410(a)-7
- (B) The general method in DOL Reg. Sec. 2530.200b-1 through b-4
- (C) Participant's Years of Service credited under:

- (D) Other:

(iv) Not applicable.

8.01 Unforeseeable Emergency

(a) A withdrawal due to an Unforeseeable Emergency as defined in Section 2.24:

- Will
- Will Not [if Unforeseeable Emergency withdrawals are not permitted, proceed to Section 9.01]

be allowed.

(b) Upon a withdrawal due to an Unforeseeable Emergency, a Participant's deferral election for the remainder of the Plan Year:

- Will
- Will Not

be cancelled. If cancellation occurs, the Participant may resume participation in accordance with Article 4 of the Plan.

9.01 Investment Decisions

Investment decisions regarding the hypothetical amounts credited to a Participant's Account shall be made by [select one]:

- (a) The Participant or his Beneficiary
- (b) The Employer

10.01 Trust

The Employer [select one]:

Does

Does Not

intend to establish a rabbi trust as provided in Article 11 of the Plan.

11.01 Termination Upon Change In Control

The Plan Sponsor

- Reserves
- Does Not Reserve

the right to terminate the Plan and distribute all vested amounts credited to Participant Accounts upon a Change in Control as described in Section 9.7.

11.02 Automatic Distribution Upon Change In Control

Distribution of the remaining vested balance of each Participant's Account

- Shall
- Shall Not

automatically be paid as a lump sum payment upon the occurrence of a Change in Control as provided in Section 9.7.

11.03 Change In Control

A Change in Control for Plan purposes includes the following [select each definition that applies]:

- (a) A change in the ownership of the Employer as described in Section 9.7(c) of the Plan.
- (b) A change in the effective control of the Employer as described in Section 9.7(d) of the Plan.
- (c) A change in the ownership of a substantial portion of the assets of the Employer as described in Section 9.7(e) of the Plan.
- (d) Not Applicable.

12.01 Governing State Law

The laws of Ohio shall apply in the administration of the Plan to the extent not preempted by ERISA.

Execution Page

The Plan Sponsor has caused this Adoption Agreement to be executed this day 9th of December, 2020.

Plan Sponsor: Marathon Petroleum Company LP

By: /s/ Fiona Laird

Title: Chief Human Resources Officer, Marathon Petroleum Corporation

Appendix A

Special Effective Dates

Not Applicable

**MARATHON PETROLEUM CORPORATION
RESTRICTED STOCK UNIT AWARD AGREEMENT**

BROAD-BASED EMPLOYEES (Grades 19 and below)

As evidenced by this Award Agreement and under the Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan (the "Plan"), Marathon Petroleum Corporation (the "Corporation") has granted to [NAME] (the "Participant"), an employee of the Corporation or a Subsidiary, on [DATE] (the "Grant Date"), [NUMBER] Restricted Stock Units. The number of Restricted Stock Units awarded is subject to adjustment as provided in the Plan, and the Restricted Stock Units are subject to the following terms and conditions:

1. Relationship to the Plan. This grant of Restricted Stock Units is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, that have been adopted by the Committee. Except as otherwise defined in this Award Agreement, capitalized terms shall have the same meanings given to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan.

2. Vesting and Forfeiture of Restricted Stock Units.

(a) Subject to Paragraphs 3 and 4, the Restricted Stock Units shall vest incrementally in three cumulative annual installments, as follows:

- (i) one-third of the Restricted Stock Units shall vest upon the completion of the service period which commences on the Grant Date and ends on the first anniversary of the Grant Date;
- (ii) an additional one-third of the Restricted Stock Units shall vest upon the completion of the service period which commences on the first anniversary of the Grant Date and ends on the second anniversary of the Grant Date; and
- (iii) all remaining Restricted Stock Units shall vest upon the completion of the service period which commences on the second anniversary of the Grant Date and ends on the third anniversary of the Grant Date;

provided, however, that the Participant must be in continuous Employment from the Grant Date through the completion of the service period as listed above for each annual installment in order for the Restricted Stock Units for each annual installment to vest. If the Employment of the Participant is terminated for any reason other than death or a Qualified Termination, any Restricted Stock Units that have not vested as of the date of such termination of Employment shall be forfeited to the Corporation.

(b) Subject to Paragraph 3, the Restricted Stock Units shall immediately vest in full, irrespective of the limitations set forth in subparagraph (a) of this Paragraph 2, upon the occurrence of any of the following events:

- (i) the Participant's death;
- (ii) the Participant's Qualified Termination, provided, that the Participant has been in continuous Employment from the Grant Date to the Qualified Termination.

3. Forfeiture of Restricted Stock Units if Award Not Timely Accepted. This Award is conditioned upon and subject to the Participant accepting the Award by signing and delivering to the Corporation this Award Agreement, or otherwise electronically accepting the Award in such manner as the Committee may in its discretion determine, no later than 11 months after the Grant Date. If the Participant does not timely accept this Award, all Restricted Stock Units subject to this Award shall be forfeited to the Corporation. In the event of the Participant's death or incapacitation prior to accepting the Award, the Corporation shall deem the Award as having been accepted by the Participant.

4. Conditions Precedent. This Paragraph 4 shall apply to this Award notwithstanding any other provision of this Award Agreement to the contrary. The Participant's services to the Corporation and its Subsidiaries are unique, extraordinary and essential to the business of the Corporation and its Subsidiaries, particularly in view of the Participant's access to the Corporation's or its Subsidiaries' confidential information and trade secrets. Accordingly, in consideration of this Award Agreement and by accepting this Award, the Participant agrees that in order to otherwise vest in any right to payment of Restricted Stock Units under this Award, the Participant must satisfy the following conditions to and including the vesting date and the payment date for each applicable annual installment or other applicable portion of this Award:

(a) The Participant agrees that the Participant will not, without the prior written approval of the Board, at any time during the term of the Participant's Employment and for a period of one year following the date on which the Participant's Employment terminates (the "Restricted Period"), directly or indirectly, serve as an officer, director, owner, contractor, consultant, or employee of any the following organizations (or any of their respective subsidiaries or divisions): BP plc; Chevron Corporation; ExxonMobil Corporation; HollyFrontier Corporation; PBF Energy Inc.; Phillips 66; Valero Energy Corporation; Buckeye Partners, L.P.; DCP Midstream Partners, L.P.; Enterprise Product Partners; Genesis Energy, L.P.; Holly Energy Partners L.P.; Magellan Midstream Partners, L.P.; Phillips 66 Partners, L.P.; Plains All American Pipeline L.P.; Western Midstream Partners, or otherwise engage in any business activity directly or indirectly competitive with the business of the Corporation or any of its Subsidiaries as in effect from time to time.

(b) The Participant agrees that during the term of the Participant's Employment and for a period of one year following the date on which the Participant's Employment terminates, the Participant will not, alone or in conjunction with another party, hire, solicit for hire, aid in or facilitate the hire, or cause to be hired, either as an employee, contractor or consultant, any individual who is currently engaged, or was engaged at any time during the six month period prior such event, as an employee, contractor or consultant of the Corporation or any of its Subsidiaries.

(c) The Participant agrees that the Participant may not, either during the Participant's Employment or thereafter, make or encourage others to make any public statement or release any information or otherwise engage in any conduct that is intended to, or reasonably could be foreseen to, embarrass, criticize or harm the reputation or goodwill of the Corporation or any of its Subsidiaries, or any of their employees, directors or shareholders; provided that this shall not preclude the Participant from reporting to the Corporation's management or directors or to the government or a regulator conduct the Participant believes to be in violation of the law or the Corporation's Code of Business Conduct or responding truthfully to questions or requests for information to the government, a regulator or in a court of law in connection with a legal or regulatory investigation or proceeding.

(d) The Participant agrees and understands that the Corporation and its Subsidiaries own and/or control information and material which is not generally available to third parties and which the Corporation or its Subsidiaries consider confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to its business and that it may from time to time acquire, improve or produce additional methods, products, processes, customers lists, trade secrets and other information (collectively, the “Confidential Information”). The Participant acknowledges that each element of the Confidential Information constitutes a unique and valuable asset of the Corporation and its Subsidiaries, and that certain items of the Confidential Information have been acquired from third parties upon the express condition that such items would not be disclosed to the Corporation or a Subsidiary and the officers and agents thereof other than in the ordinary course of business. The Participant acknowledges that disclosure of the Confidential Information to and/or use by anyone other than in the Corporation’s or its Subsidiaries’ ordinary course of business would result in irreparable and continuing damage to the Corporation and its Subsidiaries. Accordingly, the Participant agrees to hold the Confidential Information in the strictest secrecy, and covenants that, during the term of the Participant’s Employment or at any time thereafter, the Participant will not, without the prior written consent of the Board, directly or indirectly, allow any element of the Confidential Information to be disclosed, published or used, nor permit the Confidential Information to be discussed, published or used, either by the Participant or by any third parties, except in effecting the Participant’s duties for the Corporation and its Subsidiaries in the ordinary course of business.

(e) The Participant agrees that in addition to the forfeiture provisions otherwise provided for in this Award Agreement, upon the Participant’s failure to satisfy in any respect of any of the conditions described in Paragraphs 4(a), (b), (c) or (d), any unvested or unpaid portion of this Award (including any otherwise vested, but unpaid portion of this Award) at the time of such failure shall be forfeited, and the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be satisfied in full, in each case to the extent permitted by applicable law.

5. Dividend Equivalent and Voting Rights.

(a) *Limitations on Rights Associated with Restricted Stock Units.* The Participant shall have no rights as a shareholder of the Corporation, no dividend rights (except as expressly provided in Paragraph 6(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Restricted Stock Units or any Shares underlying or issuable in respect of such Restricted Stock Units until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate or book entry or like action evidencing such Shares.

(b) *Dividend Equivalent Rights Distributions.* As of any date that the Corporation pays an ordinary cash dividend on its Common Stock, the Corporation shall credit the Participant with a dollar amount equal to (i) the per share cash dividend paid by the Corporation on its Common Stock on such date, multiplied by (ii) the total number of Restricted Stock Units (with such total number adjusted pursuant to Section 14 of the Plan) subject to the Award that are outstanding immediately prior to the record date for that dividend (a “Dividend Equivalent Right”). Any Dividend Equivalent Rights credited pursuant to the foregoing provisions of this Paragraph 6(b) shall be subject to the same vesting, payment, tax withholding, forfeiture, repayment and other terms, conditions and restrictions applicable to the Restricted Stock Units to which they relate; provided, however, that the amount of any vested Dividend Equivalent Rights shall be paid in cash. No crediting of Dividend Equivalent Rights shall be made

pursuant to this Paragraph 6(b) with respect to any Restricted Stock Units which, immediately prior to the record date for that dividend, have either been paid pursuant to Paragraph 7 or forfeited pursuant to the terms of this Award.

6. Nonassignability. Upon the Participant's death, the Restricted Stock Units (or Shares payable in respect thereof) and the Dividend Equivalent Rights shall be transferred to the Participant's estate. Otherwise, the Participant may not sell, transfer, assign, pledge or otherwise encumber any portion of the Restricted Stock Units (or Shares payable in respect thereof) or the Dividend Equivalent Rights, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Restricted Stock Units (or Shares payable in respect thereof) or the Dividend Equivalent Rights shall have no effect.

7. Timing and Manner of Payment of Restricted Stock Units. Subject to the terms of the Plan and this Award, any Restricted Stock Units that vest pursuant to Paragraph 2 shall be released and settled in whole Shares within 30 days of the applicable vesting date by the Corporation delivering to the Participant a number of Shares (in such manner as the Committee in its discretion may determine, e.g., by entering such Shares in book entry form, and/or causing the vested Shares to be deposited in an account maintained by a broker designated by the Corporation) equal to the number of Restricted Stock Units subject to the Award that vest on the vesting date, less tax withholdings as provided under Paragraph 8.

8. Taxes. Pursuant to the applicable provisions of the Plan, the Corporation or its designated representative shall have the right to withhold applicable taxes from the Shares otherwise deliverable to the Participant due to the vesting of Restricted Stock Units pursuant to this Award Agreement (to the extent such withholding does not violate Section 409A of the Code), or from other compensation payable to the Participant, at the time of the vesting and delivery of such Shares.

9. No Employment Guaranteed. Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Corporation or any Subsidiary or successor, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

10. Modification of Agreement. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Corporation, provided that no modification may, without the consent of the Participant, adversely affect the rights of the Participant hereunder.

11. Specified Employee; Section 409A of the Code. Notwithstanding any other provision of this Award Agreement to the contrary, if the Participant is a "specified employee" within the meaning of Section 409A of the Code as determined by the Corporation in accordance with its established policy, any settlement of any amount described in this Award Agreement which would be a payment of deferred compensation within the meaning of Section 409A of the Code with respect to the Participant as a result of the Participant's "separation from service" as defined under Section 409A of the Code (other than as a result of death) and which would otherwise be paid within six months of the Participant's separation from service shall be paid on the date that is one day after the earlier of (i) the date that is six months after the Participant's separation from service or (ii) the date that otherwise complies with the requirements of Section 409A of the Code. The payment of each amount under this Award Agreement is deemed as a "separate payment" for purposes of Section 409A of the Code. For all purposes under this Award, "termination of Employment" and similar terms shall mean "separation from service" as defined and determined under Section 409A of the Code.

12. Definitions. For purposes of this Award Agreement:

“**Eligible Employee**” for purposes of this Award Agreement shall have the same definition as under the Marathon Petroleum Change in Control Severance Benefits Plan, as in effect on the Grant Date, and such definition and associated terms are hereby incorporated into this Award Agreement by reference.

“**Employment**” means employment with the Corporation or any of its Subsidiaries. For purposes of this Award Agreement, Employment shall also include any period of time during which the Participant is on Disability status. The length of any period of Employment shall be determined by the Corporation or the Subsidiary that either (a) employs the Participant or (b) employed the Participant immediately prior to the Participant’s termination of Employment.

“**Qualified Termination**” for purposes of this Award Agreement shall mean a Separation from Service for which the Participant meets the requirements to be considered an “Eligible Employee,” under the Marathon Petroleum Change in Control Severance Benefits Plan as in effect on the Grant Date regardless of actual eligibility for participation or benefits under that plan. Notwithstanding anything in this Award Agreement to the contrary, nothing in this Award Agreement shall entitle the Participant to participation or benefits under the Marathon Petroleum Change in Control Severance Benefits Plan unless they are otherwise eligible under that plan.

“**Separation from Service**” for purposes of this Award Agreement shall have the same definition as under the Marathon Petroleum Change in Control Severance Benefits Plan, as in effect on the Grant Date, and such definition and associated terms are hereby incorporated into this Award Agreement by reference.

“**Share**” means one share of Common Stock.

Marathon Petroleum Corporation

By:

Authorized Officer

**MARATHON PETROLEUM CORPORATION
PERFORMANCE SHARE UNIT AWARD AGREEMENT
2021 – 2023 PERFORMANCE CYCLE**

BROAD-BASED EMPLOYEES (Grades 19 and below)

As evidenced by this Award Agreement and under the Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan (the “Plan”), Marathon Petroleum Corporation (the “Corporation”) has granted to [NAME] (the “Participant”), an employee of the Corporation or a Subsidiary, on [DATE] (the “Grant Date”), [NUMBER] performance share units (“Performance Share Units”), conditioned upon the Corporation’s TSR ranking relative to the Peer Group for the Performance Cycle as established by the Compensation and Organization Development Committee of the Board of Directors of the Corporation (which is the “Committee” as defined in the Plan), and as set forth herein. The Performance Share Units are subject to the following terms and conditions:

1. Relationship to the Plan. This grant of Performance Share Units is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, that have been adopted by the Committee. Except as otherwise defined in this Award Agreement, capitalized terms shall have the same meanings given to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan. References to the Participant also include the heirs or other legal representatives of the Participant.

2. Vesting and Forfeiture of Performance Share Units.

(a) The Performance Share Units shall vest incrementally in three cumulative annual installments, as follows:

- (i) one-third of the Performance Share Units shall vest upon the completion of the first service period beginning on January 1, 2021 and ending on December 31, 2021;
- (ii) an additional one-third of the Performance Share Units shall vest upon the completion of the second service period beginning on January 1, 2022 and ending on December 31, 2022; and
- (iii) all remaining Performance Share Units shall vest upon the completion of the third service period beginning on January 1, 2023 and ending on December 31, 2023;

provided however, that the Participant must be in continuous Employment from the Grant Date through the completion of the service period as listed above for each annual installment in order for the Performance Share Units for each annual installment to vest. If the Employment of the Participant is terminated for any reason other than death or a Qualified Termination, any Performance Share Units that have not vested as of the date of such termination of Employment shall be forfeited to the Corporation.

(b) The Performance Share Units shall immediately vest in full, irrespective of the limitations set forth in subparagraph (a) of this Paragraph 2, upon the occurrence of any of the following events:

- (i) the Participant’s death; or

- (ii) the Participant's termination of Employment on account of the Participant's Qualified Termination, provided, that the Participant has been in continuous Employment from the Grant Date to the termination of Employment on account of Qualified Termination.

3. Forfeiture of Performance Share Units if Award Not Timely Accepted. Notwithstanding anything in this Award Agreement to the contrary, this Award is conditioned upon and subject to the Participant accepting the Award by signing and delivering to the Corporation this Award Agreement, or otherwise electronically accepting the Award in such manner as the Committee may in its discretion determine, no later than 11 months after the Grant Date. If the Participant does not timely accept this Award, all Performance Share Units subject to this Award shall be forfeited to the Corporation. In the event of the Participant's death or incapacitation prior to accepting the Award, the Corporation shall deem the Award as being accepted by the Participant.

4. Determination of Payout Percentage. As soon as administratively feasible following the end of the Performance Cycle, the Committee shall determine and certify the TSR Performance Percentile and the resulting Payout Percentage as follows (using straight-line interpolation between the 30th percentile and the 50th percentile and between the 50th percentile and the 100th percentile):

TSR Performance Percentile	Payout Percentage
Ranked below 30 th percentile	0%
Ranked at 30 th percentile	50%
Ranked at 50 th percentile	100%
Ranked at the 100 th percentile	200%

Notwithstanding anything in this Award Agreement to the contrary:

- (a) if the Corporation's TSR calculated for the Performance Cycle is negative, then the Payout Percentage shall not exceed 100% regardless of the TSR Performance Percentile; and
- (b) if the Participant's Employment terminates by reason of death or on account of Qualified Termination prior to the end of the Performance Cycle, the Payout Percentage shall be 100%.

Notwithstanding anything in this Award Agreement to the contrary, the Committee has the sole and absolute authority and discretion to reduce the Payout Percentage as it may deem appropriate.

5. Payment of Vested Performance Share Units.

(a) Except as provided in subparagraphs (b) and (c) of this Paragraph 5, following the Committee's determinations pursuant to Paragraph 4 the Participant shall be entitled to receive a payment on any vested Performance Share Units equal to the Payout Value. The Payout Value shall be paid in cash as soon as administratively feasible following the Committee's determination under Paragraph 4 and, in any event, between January 1 and March 15 immediately following the end of the Performance Cycle. If, in accordance with the Committee's determination under Paragraph 4, the Payout Value is zero, the Participant shall immediately forfeit any and all rights to vested Performance Share Units. Upon the payment, if any, and/or forfeiture of the Performance Share Units pursuant to this Paragraph 5, the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be satisfied in full.

(b) In the event of the Participant's death, the Payout Value shall be paid in cash as soon as administratively feasible but in all cases no later than the last day of the calendar year following the calendar year in which the Participant's death occurs; provided, however, that the timing of the payment shall be determined in the sole discretion of the Board and no other individual or entity shall directly or indirectly designate the taxable year of payment. Such payment shall satisfy the rights of the Participant and the obligations of the Corporation under this Award Agreement in full.

(c) In the event of the Participant's termination of Employment on account of a Qualified Termination, the Payout Value shall be paid in cash between January 1 and March 15 immediately following the end of the Performance Cycle. Such payment shall satisfy the rights of the Participant and the obligations of the Corporation under this Award Agreement in full.

6. Conditions Precedent. This Paragraph 6 shall apply to this Award notwithstanding any other provision of this Award Agreement to the contrary. The Participant's services to the Corporation and its Subsidiaries are unique, extraordinary and essential to the business of the Corporation and its Subsidiaries, particularly in view of the Participant's access to the Corporation's or its Subsidiaries' confidential information and trade secrets. Accordingly, in consideration of this Award Agreement and by accepting this Award, the Participant agrees that in order to otherwise vest in any right to payment of Performance Share Units under this Award, the Participant must satisfy the following conditions to and including the vesting date under this Award:

(a) The Participant agrees that the Participant will not, without the prior written approval of the Board, at any time during the term of the Participant's Employment and for a period of one year following the date on which the Participant's Employment terminates (the "Restricted Period"), directly or indirectly, serve as an officer, director, owner, contractor, consultant, or employee of any the following organizations (or any of their respective subsidiaries or divisions): BP plc; Chevron Corporation; ExxonMobil Corporation; HollyFrontier Corporation; PBF Energy Inc.; Phillips 66; Valero Energy Corporation; Buckeye Partners, L.P.; DCP Midstream Partners, L.P.; Enterprise Product Partners; Genesis Energy, L.P.; Holly Energy Partners L.P.; Magellan Midstream Partners, L.P.; Phillips 66 Partners, L.P.; Plains All American Pipeline L.P.; Western Midstream Partners, or otherwise engage in any business activity directly or indirectly competitive with the business of the Corporation or any of its Subsidiaries as in effect from time to time.

(b) The Participant agrees that during the term of the Participant's Employment and for a period of one year following the date on which the Participant's Employment terminates, the Participant will not, alone or in conjunction with another party, hire, solicit for hire, aid in or facilitate the hire, or cause to be hired, either as an employee, contractor or consultant, any individual who is currently engaged, or was engaged at any time during the six month period prior such event, as an employee, contractor or consultant of the Corporation or any of its Subsidiaries.

(c) The Participant agrees that the Participant may not, either during the Participant's Employment or thereafter, make or encourage others to make any public statement or release any information or otherwise engage in any conduct that is intended to, or reasonably could be foreseen to, embarrass, criticize or harm the reputation or goodwill of the Corporation or any of its Subsidiaries, or any of their employees, directors or shareholders; provided that this shall not preclude the Participant from reporting to the Corporation's management or directors or to the government or a regulator conduct the Participant believes to be in violation of the law or the Corporation's Code of

Business Conduct or responding truthfully to questions or requests for information to the government, a regulator or in a court of law in connection with a legal or regulatory investigation or proceeding.

(d) The Participant agrees and understands that the Corporation and its Subsidiaries own and/or control information and material which is not generally available to third parties and which the Corporation or its Subsidiaries consider confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to its business and that it may from time to time acquire, improve or produce additional methods, products, processes, customers lists, trade secrets and other information (collectively, the “Confidential Information”). The Participant acknowledges that each element of the Confidential Information constitutes a unique and valuable asset of the Corporation and its Subsidiaries, and that certain items of the Confidential Information have been acquired from third parties upon the express condition that such items would not be disclosed to the Corporation or a Subsidiary and the officers and agents thereof other than in the ordinary course of business. The Participant acknowledges that disclosure of the Confidential Information to and/or use by anyone other than in the Corporation’s or its Subsidiaries’ ordinary course of business would result in irreparable and continuing damage to the Corporation and its Subsidiaries. Accordingly, the Participant agrees to hold the Confidential Information in the strictest secrecy, and covenants that, during the term of the Participant’s Employment or at any time thereafter, the Participant will not, without the prior written consent of the Board, directly or indirectly, allow any element of the Confidential Information to be disclosed, published or used, nor permit the Confidential Information to be discussed, published or used, either by the Participant or by any third parties, except in effecting the Participant’s duties for the Corporation and its Subsidiaries in the ordinary course of business.

(e) The Participant agrees that in addition to the forfeiture provisions otherwise provided for in this Award Agreement, upon the Participant’s failure to satisfy in any respect of any of the conditions described in Paragraphs 6(a), (b), (c) or (d), any unvested or unpaid portion of this Award (including any otherwise vested, but unpaid portion of this Award) at the time of such failure shall be forfeited, and the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be satisfied in full, in each case to the extent permitted by applicable law.

7. Taxes. Pursuant to the applicable provisions of the Plan, the Corporation or its designated representative shall have the right to withhold applicable taxes from the cash otherwise payable to the Participant, or from other compensation payable to the Participant (to the extent consistent with Section 409A of the Code), at the time of the vesting and delivery of such cash payment.

8. Nonassignability. Upon the Participant’s death, the Performance Share Units may be transferred by will or by the laws governing the descent and distribution of the Participant’s estate. Otherwise, the Participant may not sell, transfer, assign, pledge or otherwise encumber any portion of the Performance Share Units, and any attempt to sell, transfer, assign, pledge, or encumber any portion of the Performance Share Units shall have no effect.

9. No Employment Guaranteed. Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Corporation or any affiliate thereof or successor thereto, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

10. Modification of Agreement. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Corporation, provided that no modification may, without the consent of the Participant, adversely affect the rights of the Participant hereunder.

11. Specified Employee; Section 409A of the Code. Notwithstanding any other provision of this Award Agreement to the contrary, if the Participant is a “specified employee” within the meaning of Section 409A of the Code as determined by the Corporation in accordance with its established policy, any settlement of any amount described in this Award Agreement which would be a payment of deferred compensation within the meaning of Section 409A of the Code with respect to the Participant as a result of the Participant’s “separation from service” as defined under Section 409A of the Code (other than as a result of death) and which would otherwise be paid within six months of the Participant’s separation from service shall be paid on the date that is one day after the earlier of (i) the date that is six months after the Participant’s separation from service or (ii) the date that otherwise complies with the requirements of Section 409A of the Code. The payment of each amount under this Award Agreement is deemed as a “separate payment” for purposes of Section 409A of the Code. For all purposes under this Award, “termination of Employment” and similar terms shall mean “separation from service” as defined and determined under Section 409A of the Code.

12. Definitions. For purposes of this Award Agreement:

“**Beginning Stock Price**” means the average of the daily closing price of a share of common stock for the 20 trading days immediately prior to the commencement of the Performance Cycle, historically adjusted, if necessary, for any stock split, stock dividend, recapitalizations, or similar corporate events that occur during Performance Cycle.

“**Change in Control**” for purposes of this Award Agreement shall have the same definition as under the Marathon Petroleum Corporation Amended and Restated Executive Change in Control Severance Benefits Plan, as in effect on the Grant Date, and such definition and associated terms are hereby incorporated into this Award Agreement by reference.

“**Compensation Reference Group**” means 3M, Archer-Daniels-Midland, Caterpillar, ConocoPhillips, DuPont de Nemours, Halliburton, Honeywell Int’l, Phillips 66, PPG Industries, Schlumberger, Valero Energy, Baker Hughes, Bunge, Cummins, Dow, EOG Resources, General Dynamics, L3Harris Tech., LyondellBasell, and Textron.

“**Employment**” means employment with the Corporation or any of its Subsidiaries. For purposes of this Award Agreement, Employment shall also include any period of time during which the Participant is on Disability status. The length of any period of Employment shall be determined by the Corporation or the Subsidiary that either (a) employs the Participant or (b) employed the Participant immediately prior to the Participant’s termination of Employment.

“**Ending Stock Price**” means the average of the daily closing price of a share of common stock for the 20 trading days prior to the end of the Performance Cycle.

“Forfeiture Event” means the occurrence of at least one of the following events: (a) the Corporation is required, pursuant to a determination made by the Securities and Exchange Commission or by the Audit Committee of the Board, to prepare a material accounting restatement due to the noncompliance of the Corporation with any financial reporting requirement under applicable securities laws as a result of misconduct, and the Committee determines that (i) the Participant knowingly engaged in the misconduct, (ii) the Participant was grossly negligent with respect to such misconduct or (iii) the Participant knowingly or grossly negligently failed to prevent the misconduct; or (b) the Committee concludes that the Participant engaged in fraud, embezzlement or other similar misconduct materially detrimental to the Corporation.

“Payout Percentage” means the percentage (from 0% to 200%) determined by the Committee in accordance with the procedures set forth in Paragraph 4, which shall be used to determine the Payout Value.

“Payout Value” means the product of (a) the Payout Percentage as determined in Paragraph 4, (b) the number of vested Performance Share Units as determined in Paragraph 2, and (c) the Fair Market Value of a share of Common Stock on the date on which the Payout Percentage is certified by the Committee, or in the event of a Participant’s death, the date of death.

“Peer Group” means the group of companies that are pre-established by the Committee which principally represent a group of selected peers, or such other group of companies as selected and pre-established by the Committee. For this Award, the Committee has determined that the peer group will be BP, Chevron, CVR Energy, Delek US Holdings, ExxonMobil, HollyFrontier, PBF Energy, Phillips 66, Valero, the S&P 500 Index, the Alerian MLP Index, and one company from the 2021 Compensation Reference Group. The company from the 2021 Compensation Reference Group will be determined by selecting the median company when ranking the 2021 Compensation Reference Group by TSR in descending order for the Performance Cycle. Such pre-established Peer Group is subject to the following adjustments:

(a) If a member of the Peer Group is substantially acquired by another company, the acquired Peer Group company will be removed from the Peer Group for the Performance Cycle.

(b) If a member of the Peer Group sells, spins-off, or disposes of a portion of its business, then such Peer Group company will remain in the Peer Group for the Performance Cycle unless such disposition(s) results in the disposition of more than 50% of such company’s total assets during the Performance Cycle.

(c) If a member of the Peer Group acquires another company, the acquiring Peer Group company will remain in the Peer Group for the Performance Cycle, unless the newly formed company’s primary business no longer satisfies the criteria for which such member was originally selected as a member of the Peer Group, then in such case the company shall be removed from the Peer Group.

(d) If a member of the Peer Group is delisted on all major U.S. stock exchanges, or is no longer publicly-traded, such company will be removed from the Peer Group for the Performance Cycle.

(e) If any member of the Peer Group splits its stock, such company's TSR performance will be adjusted for the stock split so as not to give an advantage or disadvantage to such company by comparison to the other companies.

(f) Members of the Peer Group that file for bankruptcy, liquidation or reorganization during the Performance Cycle will remain in the Peer Group positioned below the lowest performing non-bankrupt member of the Peer Group for the Performance Cycle.

In addition, the Committee shall have the discretionary authority to make other appropriate adjustments in response to a change in circumstances after the commencement of the Performance Cycle that results in a member of the Peer Group no longer satisfying the criteria for which such member was originally selected.

"Performance Cycle" means the period beginning on January 1, 2021 and ending at the close of December 31, 2023.

"Qualified Termination" for purposes of this Award Agreement shall have the same definition as under the Marathon Petroleum Corporation Amended and Restated Executive Change in Control Severance Benefits Plan, as in effect on the Grant Date, and such definition and associated terms are hereby incorporated into this Award Agreement by reference.

"Total Shareholder Return" or "TSR" means for the Corporation and each entity in the Peer Group, the number derived using the following formula:

$$\frac{(\text{Ending Stock Price} - \text{Beginning Stock Price}) + \text{Cumulative Dividends}}{\text{Beginning Stock Price}}$$

"TSR Performance Percentile" means the percentile ranking of the Corporation's Total Shareholder Return for the Performance Cycle among the Total Shareholder Returns of the Peer Group companies, ranked in descending order.

Marathon Petroleum Corporation

By: _____
Authorized Officer

MARATHON PETROLEUM CORPORATION
LIST OF SUBSIDIARIES
as of December 31, 2020

<u>Name of Subsidiary</u>	<u>Jurisdiction of Organization/Incorporation</u>
2Go Tesoro Company	Delaware
631 South Main Street Development LLC	Delaware
* Andeavor Field Services LLC	Delaware
* Andeavor Gathering I LLC	Delaware
Andeavor LLC	Delaware
* Andeavor Logistics CD LLC	Delaware
* Andeavor Logistics GP LLC	Delaware
* Andeavor Logistics LP	Delaware
* Andeavor Logistics Rio Pipeline LLC	Delaware
* Andeavor Midstream Partners GP LLC	Delaware
* Andeavor Midstream Partners LP	Delaware
* Andeavor Midstream Partners Operating LLC	Delaware
* Andeavor MPL Holdings LLC	Delaware
Andeavor Rio Holdings LLC	Delaware
Andeavor Servicios de Mexico, S. de R.L. de C.V.	Mexico
Ascarate Group LLC	Delaware
* Ascension Pipeline Company, LLC	Delaware
* Asphalt Terminals LLC	Delaware
* Bakken Pipeline Investments LLC	Delaware
* BANGL Operating, LLC	Delaware
* BANGL, LLC	Delaware
BEH Holding LLC	Delaware
Blanchard Holdings Company LLC	Delaware
Blanchard Pipe Line Company LLC	Delaware
Blanchard Refining Company LLC	Delaware
* Blanchard Terminal Company LLC	Delaware
Bonded Oil Company	Delaware
Buckeye Assurance Corporation	Vermont
Buffalo Terminal LLC	Delaware
* Canton Refining Logistics LLC	Delaware
* Capline Pipeline Company LLC	Delaware
Carson Cogeneration LLC	Delaware
* Catlettsburg Refining Logistics LLC	Delaware
Catlettsburg Refining, LLC	Delaware
* Centennial Pipeline LLC	Delaware
* Centrahoma Processing LLC	Delaware
Central de Hidrocarburos Limpios, S. de R.L. de C.V.	Mexico
Cincinnati BioRefining Corp.	Delaware
Cincinnati Renewable Fuels LLC	Delaware
Ciniza Production Company	New Mexico
* CISPRI Services LLC	Delaware
* Combustibles Playa Rosarito, S.A. de C.V.	Mexico
Corn Oil and Renewable Energy LLC	Delaware
* Crowley Blue Water Partners LLC	Delaware

* Crowley Coastal Partners, LLC	Delaware
* Crowley Ocean Partners LLC	Delaware
* Crowley Tanker Charters III, LLC	Delaware
* Crowley Tankers II, LLC	Delaware
* Crowley Tankers IV, LLC	Delaware
* Crowley Tankers V, LLC	Delaware
* Dakota Access Holdings LLC	Delaware
* Dakota Access Truck Terminals, LLC	Delaware
* Dakota Access, LLC	Delaware
Dakota Prairie Refining, LLC	Delaware
* Delaware Basin Residue, LLC	Delaware
* Delek W2W, LLC	Delaware
* Detroit Refining Logistics LLC	Delaware
Dial Oil Co., LLC	New Mexico
* Eastern Gulf Crude Access, LLC	Delaware
Empire Oil Co.	California
* Enchi Corporation	Delaware
* Energy Transfer Crude Oil Company, LLC	Delaware
* ETCO Holdings LLC	Delaware
* Explorer Pipeline Company	Delaware
* Galveston Bay Refining Logistics LLC	Delaware
* Garyville Refining Logistics LLC	Delaware
Giant Four Corners, LLC	Delaware
Giant Industries, Inc.	Delaware
Giant Stop-N-Go of New Mexico, LLC	New Mexico
Gold Star Maritime Company	Delaware
* Gravcap, Inc.	Delaware
Gray Oak Gateway Holdings LLC	Delaware
* Gray Oak Pipeline, LLC	Delaware
* Green River Processing, LLC	Delaware
* Guilford County Terminal Company, LLC	North Carolina
Hardin Street Holdings LLC	Delaware
* Hardin Street Marine LLC	Delaware
* Hardin Street Transportation LLC	Delaware
* Illinois Extension Pipeline Company, L.L.C.	Delaware
Interior Fuels Company	Alaska
* Jefferson Gas Gathering Company, L.L.C.	Delaware
Kenai LNG LLC	Delaware
Kenai Pipe Line Company	Delaware
* Las Animas Minerals, LTD.	Colorado
* Lincoln Pipeline LLC	Delaware
* LOCAP LLC	Delaware
* LOOP LLC	Delaware
Marathon Carbon Management LLC	Delaware
Marathon International Products Supply LLC	Delaware
Marathon Petroleum Canada Trading & Supply ULC	British Columbia
Marathon Petroleum Company Canada, Ltd.	Alberta
Marathon Petroleum Company LP	Delaware
* Marathon Petroleum Foundation, Inc.	Texas
Marathon Petroleum Holding Company	Delaware
Marathon Petroleum Logistics Services LLC	Delaware
Marathon Petroleum Mexico, S. de R.L. de C.V.	Mexico
Marathon Petroleum Service Company	Delaware

Marathon Petroleum Servicios de Mexico, S. de R.L. de C.V.	Mexico
Marathon Petroleum Supply and Trading LLC	Delaware
Marathon Petroleum Supply LLC	Delaware
Marathon Petroleum Trading Canada LLC	Delaware
Marathon Petroleum Western Holdings LLC	Delaware
Marathon Pipe Line Company	Nevada
* Marathon Pipe Line LLC	Delaware
Marathon PrePaid Card LLC	Ohio
Marathon Refining Logistics Services LLC	Delaware
Marathon Renewable Fuels Corp.	Delaware
Marathon Transporte de Hidrocarburos, S. de R.L. de C.V.	Mexico
* MarEn Bakken Company LLC	Delaware
* MarkWest Agua Blanca Pipeline, L.L.C.	Delaware
* MarkWest Blackhawk, L.L.C.	Texas
* MarkWest Bluestone Ethane Pipeline, L.L.C.	Delaware
* MarkWest Delaware Basin Gas Company, L.L.C.	Delaware
* MarkWest EMG Jefferson Dry Gas Gathering Company, L.L.C.	Delaware
* MarkWest Energy East Texas Gas Company, L.L.C.	Delaware
* MarkWest Energy Finance Corporation	Delaware
* MarkWest Energy Operating Company, L.L.C.	Delaware
* MarkWest Energy Partners, L.P.	Delaware
* MarkWest Energy South Texas Gas Company, L.L.C.	Delaware
* MarkWest Energy West Texas Gas Company, L.L.C.	Delaware
* MarkWest Gas Services, L.L.C.	Texas
* MarkWest Hydrocarbon, L.L.C.	Delaware
* MarkWest Javelina Company, L.L.C.	Texas
* MarkWest Javelina Pipeline Company, L.L.C.	Texas
* MarkWest Liberty Bluestone, L.L.C.	Delaware
* MarkWest Liberty Ethane Pipeline, L.L.C.	Delaware
* MarkWest Liberty Gas Gathering, L.L.C.	Delaware
* MarkWest Liberty Midstream & Resources, L.L.C.	Delaware
* MarkWest Liberty NGL Pipeline, L.L.C.	Delaware
* MarkWest Mariner Pipeline, L.L.C.	Delaware
* MarkWest New Mexico, L.L.C.	Texas
* MarkWest Ohio Fractionation Company, L.L.C.	Delaware
* MarkWest Oklahoma Gas Company, L.L.C.	Oklahoma
* MarkWest Panola Pipeline, L.L.C.	Texas
* MarkWest Panola Utility Company, L.L.C.	Delaware
* MarkWest Pinnacle, L.L.C.	Texas
* MarkWest Pioneer, L.L.C.	Delaware
* MarkWest Pipeline Company, L.L.C.	Texas
* MarkWest PNG Utility, L.L.C.	Texas
* MarkWest POET, L.L.C.	Delaware
* MarkWest Power Tex, L.L.C.	Texas
* MarkWest Ranger Pipeline Company, L.L.C.	Delaware
* MarkWest Texas PNG Utility, L.L.C.	Texas
* MarkWest Tornado GP, L.L.C.	Delaware
* MarkWest Utica EMG, L.L.C.	Delaware
* MarkWest Utica Operating Company, L.L.C.	Delaware
* Midwest Connector Capital Company LLC	Delaware
* Minnesota Pipe Line Company, LLC	Delaware
MPC Alaska Terminal Company LLC	Delaware
MPC Finance Co.	Delaware
MPC Investment Fund, Inc.	Delaware

MPC Investment LLC	Delaware
MPC Trade Receivables Company LLC	Delaware
MPL Investment LLC	Delaware
* MPL Investments, Inc.	Delaware
* MPL Louisiana Holdings LLC	Delaware
* MPLX Alaska LLC	Delaware
* MPLX Alaska Logistics LLC	Delaware
* MPLX DAPLETCO Holdings LLC	Delaware
* MPLX Delaware Basin NGL LLC	Delaware
* MPLX Fuels Distribution LLC	Delaware
MPLX GP LLC	Delaware
MPLX Logistics Holdings LLC	Delaware
* MPLX LP	Delaware
* MPLX Operations LLC	Delaware
* MPLX Ozark Pipe Line LLC	Delaware
* MPLX Pipe Line Holdings LLC	Delaware
* MPLX Refining Logistics LLC	Delaware
* MPLX Terminal and Storage LLC	Delaware
* MPLX Terminals LLC	Delaware
* MPLX W2W Pipeline Holdings LLC	Delaware
* MPLXIF LLC	Delaware
* Mt. Airy Terminal LLC	Delaware
* Mule Sidetracks, L.L.C.	Delaware
* Mule Tracts, L.L.C.	Delaware
* Muskegon Pipeline LLC	Delaware
* MWE GP LLC	Delaware
* Navajo Convenient Stores Co., LLC	New Mexico
Niles Properties LLC	Delaware
Northern Tier Bakery LLC	Delaware
Northern Tier Energy GP LLC	Delaware
Northern Tier Energy LLC	Delaware
Northern Tier Energy LP	Delaware
Northern Tier Finance Corporation	Delaware
Northern Tier Oil Transport LLC	Delaware
Northern Tier Retail Holdings LLC	Delaware
Northern Tier Retail LLC	Delaware
Ocean Tankers LLC	Delaware
* Ohio Condensate Company, L.L.C.	Delaware
* Ohio Gathering Company, L.L.C.	Delaware
* Ohio River Pipe Line LLC	Delaware
* Oil Insurance Limited	Bermuda
* Panola Pipeline Company, LLC	Texas
* PFJ Southeast LLC	Delaware
* PNAC, LLC	Nevada
* Port Everglades Environmental Corp.	Florida
* Prairie Minerals, LTD.	Colorado
Redland Vision, LLC	Delaware
* Rendezvous Gas Services, L.L.C.	Wyoming
* Rendezvous Pipeline Company, LLC	Colorado
* Resource Environmental, L.L.C.	Delaware
* Ridgewood Association	Texas
Rio Hub LLC	Delaware
* Robinson Refining Logistics LLC	Delaware
RW Land Company	Delaware



* Sakakawea Area Spill Response LLC	Delaware
San Juan Refining Company, LLC	New Mexico
* Sherwood Midstream Holdings LLC	Delaware
* Sherwood Midstream LLC	Delaware
South Houston Green Power, LLC	Delaware
* South Texas Gateway Terminal LLC	Delaware
Speedway Inc.	Delaware
Speedway LLC	Delaware
Speedway of Massachusetts LLC	Massachusetts
Speedway Petroleum Corporation	Delaware
Speedway Prepaid Card LLC	Ohio
Speedway Western Holdings LLC	Delaware
Speedway.com LLC	Delaware
Speedy Prepaid Services Inc.	New Hampshire
St. Paul Park Refining Co. LLC	Delaware
Starvin Marvin, Inc.	Delaware
SuperAmerica Franchising LLC	Delaware
SWTO LLC	Delaware
Tahoe Merger Sub 2, LLC	Delaware
Tesoro Alaska Company LLC	Delaware
* Tesoro Alaska Pipeline Company LLC	Delaware
* Tesoro Alaska Terminals LLC	Delaware
Tesoro Aviation Company	Delaware
Tesoro Canada Supply & Distribution Ltd.	British Columbia
Tesoro Companies, Inc.	Delaware
Tesoro Corporation	Arizona
Tesoro Environmental Resources Company	Delaware
Tesoro Far East Maritime Company	Delaware
* Tesoro Great Plains Gathering & Marketing LLC	Delaware
Tesoro Great Plains Holdings Company LLC	Delaware
* Tesoro Great Plains Midstream LLC	Delaware
* Tesoro High Plains Pipeline Company LLC	Delaware
Tesoro Insurance Holding Company	Delaware
* Tesoro Logistics Finance Corp.	Delaware
Tesoro Logistics GP, LLC	Delaware
* Tesoro Logistics Northwest Pipeline LLC	Delaware
* Tesoro Logistics Operations LLC	Delaware
* Tesoro Logistics Pipelines LLC	Delaware
Tesoro Maritime Company	Delaware
Tesoro Mexico Supply & Marketing, S. de R.L. de C.V.	Mexico
Tesoro Northstore Company	Alaska
Tesoro Petroleum (Singapore) Pte. Ltd.	Singapore
Tesoro Refining & Marketing Company LLC	Delaware
Tesoro Renewables Company LLC	Delaware
Tesoro Sierra Properties, LLC	Delaware
Tesoro SoCal Cogen Company LLC	Delaware
* Tesoro SoCal Pipeline Company LLC	Delaware
Tesoro South Coast Company, LLC	Delaware
Tesoro Trading Company	Delaware
Tesoro Wasatch, LLC	Delaware
Tesoro West Coast Company, LLC	Delaware
* The Andersons Marathon Holdings LLC	Delaware
* Three Rivers Gathering, LLC	Delaware
Trans-Foreland Pipeline Company LLC	Delaware

Treasure Card Company LLC	Arizona
Treasure Franchise Company LLC	Delaware
TRMC Retail LLC	Delaware
TTC Holdings LLC	Delaware
Uinta Express Pipeline Company LLC	Delaware
* Uintah Basin Field Services, L.L.C.	Delaware
Virent Renewables Holding Company LLC	Delaware
Virent Renewables LLC	Delaware
Virent, Inc.	Delaware
* W2W Finance LLC	Delaware
* W2W Holdings LLC	Delaware
* Watson Cogeneration Company	California
* West Relay Gathering Company, L.L.C.	Delaware
Western Refining Company, L.P.	Delaware
Western Refining Conan Gathering Holdings, LLC	Delaware
* Western Refining Conan Gathering, LLC	Delaware
Western Refining de Mexico, S. de R.L. de C.V.	Mexico
* Western Refining Delaware Basin Storage, LLC	Delaware
Western Refining GP, LLC	Delaware
* Western Refining Logistics GP, LLC	Delaware
* Western Refining Logistics, LP	Delaware
Western Refining LP, LLC	Delaware
* Western Refining Pipeline, LLC	New Mexico
Western Refining Product Transport, LLC	Delaware
Western Refining Retail, LLC	Delaware
Western Refining Southwest, Inc.	Arizona
* Western Refining Terminals, LLC	Delaware
Western Refining Texas Retail Services, LLC	Texas
Western Refining TRS I, LLC	Texas
Western Refining TRS II, LLC	Texas
Western Refining Wholesale, LLC	Delaware
Western Refining Yorktown Holding Company	Delaware
Western Refining Yorktown, Inc.	Delaware
Western Refining, Inc.	Delaware
* Whistler Pipeline LLC	Delaware
Williston Basin Pipe Line LLC	Delaware
* Wink to Webster Pipeline LLC	Delaware
* WIP, LLC	Indiana
WNR Mexico 1, LLC	Delaware
WNR Mexico 2, LLC	Delaware
* WNRL Energy GP, LLC	Delaware
* WNRL Energy, LLC	Delaware
* WNRL Finance Corp.	Delaware
* Wolverine Pipe Line Company	Delaware
* Woodhaven Cavern LLC	Delaware
York River Fuels, LLC	Delaware

* Indicates a company that is not wholly owned, directly or indirectly, by Marathon Petroleum Corporation.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-237861, 333-237799 and 333-227623) and Form S-8 (Nos. 333-248128, 333-227621, 333-212956, 333-181007, 333-175245 and 333-175244) of Marathon Petroleum Corporation of our report dated February 26, 2021 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/PricewaterhouseCoopers LLP

Toledo, Ohio
February 26, 2021

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each of the undersigned officers and directors of Marathon Petroleum Corporation, a Delaware corporation, hereby constitutes and appoints Michael J. Hennigan, Maryann T. Mannen and John J. Quaid, and each of them, as his or her true and lawful attorney or attorneys-in-fact, with full power of substitution and revocation, for each of the undersigned and in the name, place, and stead of each of the undersigned, to sign on behalf of each of the undersigned an Annual Report on Form 10-K for the fiscal year ended December 31, 2020 pursuant to Section 13 of the Securities Exchange Act of 1934 and to sign any and all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith including, without limitation, a Form 12b-25 with the Securities and Exchange Commission, granting to said attorney or attorneys-in-fact, and each of them, full power and authority to do so and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorney or attorneys-in-fact or any of them or their substitute or substitutes may lawfully do or cause to be done by virtue thereof.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original with respect to the person executing it.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the 26th day of February 2021.

/s/ Michael J. Hennigan

Michael J. Hennigan
Director, President and Chief Executive Officer
(principal executive officer)

/s/ John P. Surma

John P. Surma
Chairman of the Board

/s/ Maryann T. Mannen

Maryann T. Mannen
Executive Vice President and Chief Financial Officer
(principal financial officer)

/s/ John J. Quaid

John J. Quaid
Senior Vice President and Controller
(principal accounting officer)

/s/ Abdulaziz F. Alkhayyal

Abdulaziz F. Alkhayyal
Director

/s/ Evan Bayh

Evan Bayh
Director

/s/ Charles E. Bunch

Charles E. Bunch
Director

/s/ Jonathan Z. Cohen

Jonathan Z. Cohen
Director

/s/ Steven A. Davis

Steven A. Davis
Director

/s/ Edward G. Galante

Edward G. Galante
Director

/s/ James E. Rohr

James E. Rohr
Director

/s/ Kim K.W. Rucker

Kim K.W. Rucker
Director

/s/ J. Michael Stice

J. Michael Stice
Director

/s/ Susan Tomasky

Susan Tomasky
Director

MARATHON PETROLEUM CORPORATION
CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Hennigan, certify that:

1. I have reviewed this report on Form 10-K of Marathon Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2021

/s/ Michael J. Hennigan

Michael J. Hennigan

President and Chief Executive Officer

MARATHON PETROLEUM CORPORATION
CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Maryann T. Mannen, certify that:

1. I have reviewed this report on Form 10-K of Marathon Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2021

/s/ Maryann T. Mannen

Maryann T. Mannen

Executive Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Marathon Petroleum Corporation (the "Company") on Form 10-K for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Hennigan, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 26, 2021

/s/ Michael J. Hennigan

Michael J. Hennigan
President and Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Marathon Petroleum Corporation (the "Company") on Form 10-K for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Maryann T. Mannen, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 26, 2021

/s/ Maryann T. Mannen

Maryann T. Mannen

Executive Vice President and Chief Financial Officer