



Company
MARATHON PETROLEUM CORPORATION

Ticker Symbol
MPC

CUSIP
56585A102

Guideline
Standard

Meeting Date
04/28/21

Record Date
03/02/21

Date Published
04/19/21

(delivered to most major institutional investors and parties interested in proxy matters)

Our recommendations are received by most major investors.

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Meeting Information	
Meeting Type	Annual
Meeting Date	04/28/21
Record Date	03/02/21

Items & Recommendations

We recommend that clients holding shares of MARATHON PETROLEUM CORPORATION vote:

Item	Egan-Jones Recommendation	Management Recommendation
1A - 1D – Election of Directors	FOR, WITH EXCEPTION OF Abdulaziz F. Alkhayyal	FOR ALL
2 – Ratification of Auditor	AGAINST	FOR
3 – Advisory Vote on Executive Compensation	AGAINST	FOR
4 – Approval of the New Marathon Petroleum Corporation 2021 Incentive Compensation Plan (the “Plan”)	AGAINST	FOR
5 – Amend Certificate of Incorporation to Eliminate Supermajority Provisions	FOR	FOR
6 – Amend Certificate of Incorporation to Declassify the Board of Directors	FOR	FOR
7 – Shareholder Proposal Seeking to Prohibit Accelerated Vesting of Equity Awards in Connection with a Change in Control	FOR	AGAINST

Egan-Jones' review centered on the Proposals in the context of maximizing shareholder value, based on publicly available information.

Governance Rating Score Summary

The Egan-Jones Governance Rating is based upon data sourced from FactSet Research Systems Inc., the company's public filings, reputable news sites, as well as other regulatory disclosures such as those found at the SEC and FASB

Ticker **MPC**
 Company name **MARATHON PETROLEUM CORPORATION...**

Board Rating

Item	TRUE/FALSE
CEO and Chairman Separate	TRUE
Annual Director Elections	FALSE
All Classes of Stock Have Equal Voting Rights	TRUE
Compensation Committee with All Independents	TRUE
Audit Committee with All Independents	TRUE
Nominating Committee with All Independents	FALSE
Non-binding Compensation Vote on Agenda	TRUE
Majority Independent Directors on Board	TRUE
Over-boarded CEO Director	FALSE
Over-boarded Board Chair	TRUE
Over-boarded Non-CEO Director	FALSE
Major cyber security breach	FALSE
Failure to implement sufficient carbon risk plan	FALSE
Other financial or operational risk control failure	FALSE
<i>Other serious reputational risk failure by the Board</i>	<i>TRUE*</i>
Version	VER 2.10 12/15/2017
Sub Total	40.00
Performance Adjustment	0.00
Total	40.00
Final Board Score	Some Concerns

Compensation Rating

CEO Total Comp(\$)	15,534,265
CEO Salary (\$)	1,485,417
TSR (%)	-27.31
Market Capitalization (\$M)	26,925.36
Wealth Creation (\$M)	-7354.11
Wealth Creation/CEOPAY	0.00
Raw Score (pre adjustments)	Needs Attention
Final Score	Needs Attention
Rating Model Version	VER 3.10 1/22/2021
High CEO Total Compensation	Negative Adjustment
CEO Salary Under \$1 Million Limit	No Adjustment
Other Adjustments:	No Adjustment

Audit Rating

Audit Fees	16,853,000
Total Fees	17,735,000
Non-Audit Fees exceed 50%	FALSE
Auditor has served for seven or more years	TRUE
Raw Score	Superior
Version	VER 1.11 1/22/2021
Final Score	Needs Attention

Governance Rating

Overall Score **Needs Attention**

Cyber Security Risk Rating

The Egan-Jones Cyber Risk Ratings helps stake holders assess the security posture (health) of covered entities. EJPS analysts use the SecuritiesScorecard platform to ascertain the company's Score which is incorporated into the EJPS Proxy Research Report. The methodology utilized for determining the Score can be found at http://ejproxy.com/media/documents/Egan-Jones_Proxy_Services_Cyber_Risk_Rating.pdf. For additional questions or comments please contact research@ejproxy.com or +1-844-495-5244 x1102.

Company Name **MARATHON PETROLEUM CORPORATION**
 Domain **marathonpetroleum.com**

SSC Letter Grade **A**
 SSC Industry **energy**

Application Security	C
Cubit Score	A
DNS Health	C
Endpoint Security	A
Hacker Chatter	A
IP Reputation	A
Network Security	A
Information Leak	A
Patching Cadence	A
Social Engineering	A

Minimum Factor Grade

C

EJP Qualitative Adjustment

None

Final Score

Neutral

Cyber Security Scoring Engine Version

2.0.1 - EJP

* While we recognize Marathon Petroleum's efforts in addressing climate change, particularly its recent effort in setting a company-wide goal to cut its GHG emissions and linking this goal to executive compensation, we note, however, our view, that the Company has engaged in problematic lobbying against lower carbon emissions in such a way so as to be harmful to the company's reputation. Being a major and the largest key player in the industry, we believe that the Company should strengthen its initiatives to mitigate the risks of climate change and that such action is in the long-term interest of its shareholders. We believe that Marathon Petroleum's actions on this issue has posed a significant reputational risk to the company, which can be detrimental to the financial interests of the shareholders in the long-run.

Items 1A - 1D
Election of Directors

Director Name	Nominee	Key Committee Membership	Attendance (<75%)	Position CEO/Chair	Director Since	Diverse director	Classification	Footnotes	EJP recommendation
	1	2	3	4	5	6	7	8	9
Abdulaziz F. Alkhayyal	Yes	A;C	No		2016	Yes	Independent Outside Director	F19	WITHHOLD
Jonathan Z. Cohen	Yes	A;N	No		2019		Independent Outside Director		FOR
Michael J. Hennigan	Yes		No	CHIEF EXECUTIVE OFFICER	2020		Inside Director		FOR
Frank M. Semple	Yes		No		N/A		Independent Outside Director		FOR
Evan Bayh	No	N	No		2011		Affiliated Outside Director	C6	
Charles E. Bunch	No	C;N	No		2015		Independent Outside Director		
Edward G. Galante	No	C	No		2018		Independent Outside Director		
Kim K.W. Rucker	No		No		2018	Yes	Affiliated Outside Director		
Steven A. Davis	No	C;N	No		2013	Yes	Independent Outside Director		
J. Michael Stice	No	A;N	No		2017		Independent Outside Director		
John P. Surma	No		No	NON EXECUTIVE CHAIRMAN	2011		Affiliated Outside Director	C3	
Susan Tomasky	No	A	No		2018	Yes	Independent Outside Director		

2021 Footnotes # Egan-Jones Explanation

F19 Member of the Compensation Committee and Compensation Score of Some Concerns or Needs Attention and the Compensation Plan Fails Dilution Model

According to Egan-Jones' Proxy Guidelines the Compensation Committee should be held accountable for such a poor rating and should ensure that the Company's compensation policies and procedures are centered on a competitive pay-for-performance culture, strongly aligned with the long-term interest of its shareholders and necessary to attract and retain experienced, highly qualified executives critical to the Company's long-term success and the enhancement of shareholder value. Moreover, Egan-Jones believes that the Compensation Committee should be held accountable for such disapproval and that the board as a whole should seek to align CEO and employee pay more clearly as well as link that pay with the performance of the company, and work to reduce the potential cost of any similar plan that may be proposed in the future.

C3 FUTURE RECOMMENDATION Over-Boarded (Board Chair)

If the Company's Chairman were up for election, we would recommend that clients withhold votes from him/her for holding more than one other public directorship. According to Egan-Jones' Proxy Guidelines the Chairman, being responsible for the leadership of the Board and the creation of the conditions necessary for overall board and individual director effectiveness, should hold no more than one other public directorship to ensure the valuable and prudent exercise of his/her fiduciary duties as a CEO and that his/her integrity and efficiency are not compromised.

C6 FUTURE RECOMMENDATION Affiliated Director - Member of a Key Board Committee

If this Affiliated Director were up for election, we would recommend the clients withhold votes from him/her for serving on a Key Board Committee. Egan-Jones' Proxy Guidelines state that the key Board committees namely Audit, Compensation and Nominating committees be comprised solely of independent outside directors for sound corporate governance practice.

Item 2
Ratification of Auditor

Recommendation:

At Egan-Jones Proxy Services we review relevant factors, both qualitative and quantitative in nature, before issuing a recommendation regarding the ratification of appointment of independent auditors. We believe that auditor rotation every seven years, a ratio of non-audit fees and total fees not exceeding 50%, a lack of significant and material disciplinary actions taken against the Company's Auditor and any financial interest of the auditor in or association with the Company are the minimum criteria that should be taken into consideration in ensuring the auditor's independence.

The sum total of our evaluation can be found in the Auditor Rating we give this auditor. Generally and absent other negative factors, we suggest a score **Neutral** or higher. This audit firm has earned a grade of **Needs Attention** and thus, has failed to pass our model.

After taking into account both the quantitative and qualitative measures outlined below, we believe that shareholders should not support the ratification of the auditors **Therefore, we recommend a vote AGAINST this Proposal.**

*See scoring details on top of the report.

Background:

While ratification of auditors is one of the most common proposals submitted to shareholders it should not be overlooked. After employing the most qualified directors and CEO, to manage and grow the company, having equally experienced auditors should be next in importance. Reliable auditors are critical to ensuring shareholders receive accurate and timely reports of the Company's financial performance.

Exhibit 1 -Fees

	Current Fiscal Year	Prior Fiscal Year
Audit Fees	\$ 16,853,000	\$ 10,933,000
Audit Related Fees	—	
Non Audit and Tax Fees	\$ 882,000	\$ 1,158,000
Total Fees	\$ 17,735,000	\$ 12,091,000

Exhibit 2- Fees

	Relevant Ratios	Note
Total Fee Increase/Decrease	46.7%	
Non-Audit Related Fees divided by Total Fees (Current FY):	5.0%	Should not be higher than 50%

Board Auditor Choice: **PricewaterhouseCoopers, LLP**

PricewaterhouseCoopers, LLP is a PCAOB (Public Company Accounting Oversight Board) registered auditor. Public records show that there have been disciplinary actions taken against this firm; however, we do not believe this to be unusual for such a large company with numerous employees, in most of these cases.

Nevertheless, we note the PCAOB Release No. 105-2017-032 from August 2, 2017 in which the Public Company Accounting Oversight Board censured PricewaterhouseCoopers LLP ("PwC" or "Respondent") and imposed on PwC a civil money penalty in the amount of \$1,000,000. The Board imposed these sanctions on the basis of its findings that PwC violated PCAOB rules and standards in connection with its 2014 audit and examination engagements for Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill"), a broker-dealer registered with the United States Securities and Exchange Commission ("Commission").

In addition, we note the 2014 PCAOB order (PCAOB Release No. 105-2014-007) in which the Board censured Randall A. Stone, CPA ("Stone"), Randall A. Stone, age 51, of Austin, Texas, a certified public accountant licensed under the laws of Texas (license no. 047916), imposed a civil money penalty in the amount of \$50,000; and barred Stone from being associated with a registered public accounting firm. At all relevant times, Stone was a partner in the Austin, Texas office of PwC as an associated person of a registered public accounting firm as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). Stone retired from PwC effective June 30, 2014. This PCAOB order resulted from its findings concerning Stone's violations of PCAOB rules and auditing standards in connection with (1) the audit of the consolidated financial statements of ArthroCare Corporation ("ArthroCare" or "Company") for the fiscal year ended December 31, 2007, and (2) the consent to incorporate by reference the fiscal year 2007 audit report in a Form S-8 Registration Statement filed by ArthroCare with the United States Securities and Exchange Commission ("Commission" or "SEC") in June 2008.

Item 3

Advisory Vote on Executive Compensation

Recommendation:

After taking into account both the quantitative and qualitative measures outlined below, we believe that shareholders cannot support the current compensation policies put in place by the Company's directors. Furthermore, we believe that the Company's compensation policies and procedures are not effective or strongly aligned with the long-term interest of its shareholders. **Therefore, we recommend a vote AGAINST this Proposal.**

Background:

At Egan-Jones Proxy Services we review a number of factors, both qualitative and quantitative in nature, before issuing a recommendation regarding the advisory vote on executive compensation. These include total CEO compensation, company performance, and any past issues with compensation.

The sum total of our quantitative look at compensation can be found in the compensation corporate governance grade we give this company. Generally and absent other negative factors, a score *neutral* or higher in compensation merits a positive "say-on-pay" vote. This Company has earned a grade of **Needs Attention** in compensation and thus, has failed to pass our quantitative tests.

Our qualitative review of this Company's compensation has identified one minor issue, the CEO's salary at \$1,485,417 exceeds \$1 million. While this issue is not sufficient to trigger a negative vote alone, it does impact the Company's overall compensation score, we would recommend the board investigate and consider alternative means of compensation for the CEO and any other covered NEOs who exceed this limit in the future.

This advisory vote is not binding. Although non-binding, the Compensation Committee will consider the outcome of the advisory vote when making future decisions regarding the executive compensation programs.

**See scoring details on the top of the report.*

Item 4

Approval of the New Marathon Petroleum Corporation 2021 Incentive Compensation Plan (the "Plan")

Recommendation:

After taking into account the maximum amount of shareholder equity dilution this proposal could cause, as well as both the quantitative and qualitative measures outlined below, we believe that shareholders should not support the passage of this plan as proposed by the board of directors. We recommend the board seek to align CEO pay more closely with the performance of the company and work to reduce the cost of any similar plan that may be proposed in the future. **Therefore, we recommend a vote AGAINST this Proposal.**

Background:

At Egan-Jones Proxy Services we review a number of factors both qualitative and quantitative in nature before issuing a recommendation on any stock equity or bonus plan. Factors we look at include but are not limited to, the maximum shareholder equity dilution the plan could enable, total CEO compensation, overall company performance and any past issues with compensation.

Our quantitative look at compensation and much of our qualitative review is distilled into the Relative Compensation rating earned by this company. This company has earned a score *Needs Attention* for its compensation rating. The better a company's rating, in general, the greater maximum shareholder equity dilution allowed.

Our qualitative review of this company has found that the CEO salary exceeds \$1,000,000. This resulted in a negative adjustment to the overall Relative Compensation score for this company.

Stock Option Plan Details

CEO Total Compensation:	15,534,265
New shares available for grant:	20,500,000
Prior Plan/s (remaining shares available for grant) <i>*if available</i>	0
Total Available Shares: <i>(total of row 2 and 3)</i>	20,500,000
Total Shares Outstanding:	650,650,760
Shareholder Equity Dilution:	3.15%
Allowed Dilution:	0.94%

**Egan-Jones does not include granted but unexercised shares in its dilution calculation since these options are already held by grantees and often can be exercised at any time including prior to the publication of this report.*

Material Terms of the Proposed Plan:

The shareholders are being asked to approve the new Marathon Petroleum Corporation 2021 Incentive Compensation Plan (the "Plan"). The Plan is designed to permit the Company to grant awards to employees, directors, and/or certain consultants of the Company and its subsidiaries and to provide to such persons incentives and rewards for performance and/or service. The Plan permits the grant and issuance of awards that may take the form of stock options, stock appreciation rights, restricted stock, restricted stock units, shares and other share-based awards, performance-based awards of cash, shares or units, and other rights, interests or options relating to shares or other property (including cash).

The Plan will become effective on the date it is approved by the shareholders. If the Plan is so approved, the company will cease making new awards under the current plan, the Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan, as amended (the "Prior Plan"), and any shares remaining available under the Prior Plan for new awards will be canceled.

The Prior Plan is set to expire according to its term in April 2022. However, the Plan provides for a decrease – not an increase – in the number of shares of common stock available for new awards, as compared to the number of shares remaining available for new awards under the Prior Plan. As of the effective date of the Plan, subject to adjustment as described in the Plan and below, a total of 20,500,000 shares of MPC common stock, par value \$0.01 per share, will be authorized and available for awards granted under the Plan, less any shares subject to grants made under the Prior Plan after December 31, 2020, and prior to the effective date of the Plan. The company believes the Plan, including the maximum number of shares available for awards under the Plan, is necessary to ensure that the company has adequate capacity to continue to attract and retain talented employees and non-employee directors. The company believes that this number represents a reasonable amount of potential equity dilution and allows the company to continue to award equity incentives, which are an important component of the overall compensation program.

Awards Outstanding and Share Usage

The following table includes information regarding all of the outstanding equity awards and shares available for future awards under the equity plans and equity award agreements as of the dates shown (and without giving effect to this Proposal):

	As of December 31,
Total shares underlying all outstanding options	11,299,781
Weighted average exercise price of outstanding options	\$41.95
Weighted average remaining contractual life of outstanding options	5.2
Total shares underlying all outstanding time-based restricted stock and restricted stock unit awards(1)	4,200,775
Total shares underlying outstanding performance-based awards (assuming a maximum payout)(2)	641,322
Total shares currently available for grant (assuming a maximum payout for performance-based awards)	31,784,613
Number of shares that will be authorized for future grant after shareholder approval of the Plan(3)	20,500,000

(1) While Note 27 to the financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2020, reflects unvested restricted stock (579,979) and unvested restricted stock units (3,324,324) for financial reporting purposes (totaling 3,904,303) in the Restricted Stock and Restricted Stock Unit Awards table, this table reflects outstanding time-based awards (4,200,775). The difference between these numbers represents time-vested awards that are vested but have not yet distributed to participants.

(2) Reflects the number of shares that would be issued upon maximum (200%) performance of 53,050,147 outstanding dollar-denominated performance units, which settle 25% in shares of MPC common stock and 75% in cash, using the closing price of MPC common stock on December 31, 2020 of \$41.36 per share. The Performance Unit Awards table in Note 27 to the financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2020 reflects unvested performance units at target (100%) performance (320,331).

(3) The share request will be reduced by grants made under the Prior Plan after December 31, 2020 and prior to the effective date of the Plan, and is subject to adjustment as described below and in the Plan. Additionally, as noted above, the 20,500,000 shares of common stock that would be available for issuance pursuant to future awards under the Plan represents a decrease in the number of shares that are currently available for grant under the Prior Plan.

A company's burn rate is equal to the total number of equity awards the company granted in a fiscal year divided by the weighted average common shares outstanding for that year. The three-year average burn rate, at the time the Board approved the Plan, was approximately 0.6%, as further outlined in the table below:

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Three-Year Av
Stock options granted	903,797	1,952,324	2,770,139	1,875,420
Restricted stock awards / units granted	495,381	1,096,228	3,078,810	1,555,806
Performance units granted(1)(2)	92,602	151,263	81,238	108,368
Weighted average common shares outstanding	518,000,000	659,000,000	649,000,000	608,666,667
Burn rate	0.3%	0.5%	0.9%	0.6%

(1) The total number of shares of MPC common stock issued and withheld for taxes in connection with performance units paid out with performance periods ended December 31, 2018, 2019, and 2020 was 41,311, 51,734, and 86,605, respectively.

(2) Reflects the number of shares of MPC common stock that would be issued upon target performance (100%) of dollar-denominated performance units, which settle 25% in MPC common stock and 75% in cash, granted in 2018 of 15,320,000 (or 3,830,000 on a 25% basis), 2019 of 25,025,000 (or 6,256,250 on a 25% basis) and 2020 of 13,440,000 (or 3,360,000 on a 25% basis), using the closing price of MPC common stock on December 31, 2020 of \$41.36 per share.

The company manage the long-term shareholder dilution by limiting the number of equity incentive awards granted annually. The company carefully monitor the annual burn rate, dilution, and equity expense to ensure that the company maximize shareholder value by granting only the appropriate number of equity incentive awards necessary to attract, reward and retain employees, directors and consultants. The company believes that the number of shares available for issuance under the Plan would be sufficient for about five to six years of equity grant activity under the historic and current compensation program, organizational structure and capital structure; however, the company currently expect that the number of shares available for issuance under the Plan will last the full ten-year term of the Plan under expected changes to the grant practices. However, this longer duration is further dependent on the price of shares of the common stock and hiring activity during the next few years, forfeitures of outstanding awards under the Prior Plan and this Plan, and whether expected changes to the grant practices are implemented and/or the duration of such practices without additional modifications (as future circumstances may require the company to further change the current equity grant practices). MPC cannot predict its future equity grant practices, the future price of its shares or future hiring activity with any degree of certainty at this time, and the share reserve under the Plan could last for a shorter or longer time. Future benefits that may be received by participants under the Plan are not determinable at this time.

2021 Plan Summary

Shares Available. The maximum number of shares of the common stock that are available for awards under the Plan (subject to the adjustment provisions described under "Adjustments upon Changes in Capitalization" below and the share counting rules of the Plan) is 20,500,000 shares, less any shares subject to grants made under the Prior Plan after December 31, 2020, and prior to the effective date of the Plan (and counted on a one-for-one basis). As noted above, this is a decrease in the number of shares that the company currently have available for grant under the Prior Plan. After the date of approval of the Plan by shareholders, no awards may be granted under the Prior Plan.

If, after the effective date of the Plan, any shares subject to an award under the Plan or under the Prior Plan, or any awards under the Plan or under the Prior Plan, are forfeited, canceled, unearned, expire or are settled for cash (in each case in whole or in part), the shares subject to the award may be used again for awards under the Plan to the extent of the forfeiture, cancellation, lack of being earned, expiration or cash settlement. In the event that withholding tax liabilities arising from an award other than an option or SAR under the Plan or an award other than an option or stock appreciation right under the Prior Plan are satisfied by the tendering or other use of shares or by the withholding of shares by MPC, in any such case after the effective date of the Plan, the shares so tendered, otherwise used or withheld will be added to the shares available for awards under the Plan (with such adding back of shares limited to 10 years from the date of the most recent shareholder approval of the Plan if the shares have actually been issued by MPC). After the effective date of the Plan, the following shares will not be added to the shares authorized for grant under the Plan: (i) shares tendered, used or withheld in payment of the purchase price of an option under the Plan or an option under the Prior Plan; (ii) shares tendered, used or withheld to satisfy any tax withholding obligation with respect to an award of options or SARs under the Plan or options or stock appreciation rights under the Prior Plan; (iii) shares subject to a SAR under the Plan or, after a stock appreciation right under the Prior Plan that are not issued in connection with its stock settlement on exercise, and (iv) shares reacquired by MPC on the open market or otherwise using cash proceeds from the exercise of options under the Plan or options under the Prior Plan. For the avoidance of doubt, if, outside of the Plan and under a MPC approved program or policy, an employee elects and the Committee approves, for such employee to give up the right to receive compensation in exchange for shares based on fair market value, such shares will not count against the aggregate limit described above.

Shares of common stock under awards made under the Plan in assumption or conversion of, or in substitution or exchange for, awards previously granted by a company acquired by the company or a subsidiary, or with which the company or a subsidiary combine ("Substitute Awards"), do not reduce the maximum number of shares that are available for awards under the Plan. In addition, if a company acquired by the company or a subsidiary, or with which the company or a subsidiary combine, has shares remaining available under a pre-existing plan approved by its shareholders, then as described in the Plan the available shares (adjusted to reflect the exchange or valuation ratio in the acquisition or combination) may be used for awards under the Plan and will not reduce the maximum number of shares of common stock that are available for awards under the Plan; provided, however that awards using such available shares will not be made after the date awards or grants could have been made under the pre-existing plan, absent the acquisition or combination, and will only be made to individuals who were not the employees or directors prior to the acquisition or combination. As described in the Plan, Substitute Awards may reflect the terms of the original awards and need not comply with other specific terms of the Plan.

The maximum number of shares that may be issued under the Plan pursuant to the exercise of "incentive stock options," as defined in Section 422 of the Code is 20,500,000 shares, subject to adjustment as described in the Plan.

Eligibility. Options, SARs, restricted stock awards, restricted stock unit awards, stock or other share-based awards and performance awards (including performance shares, performance units and performance cash) may be granted under the Plan. Options may be either incentive stock options, or nonqualified stock options. Awards may be granted under the Plan to any employee of MPC or any of its subsidiaries (as defined in the Plan) and non-employee member of the Board of Directors, and any consultant or advisor who is a natural person and provides services to the company and/or a subsidiary (subject to certain requirements as described in the Plan); incentive stock options may be granted only to the employees (or to employees of a "subsidiary corporation" as defined under the Code and in accordance with applicable rules).

Awards to be Granted to Certain Individuals and Groups. Approximately 18,600 employees of the Company and its subsidiaries and 11 non-employee directors of the Company will be eligible to participate in the Plan. This number of employees excludes approximately 39,300 employees of Speedway (which the company is in the process of selling) who are not expected to participate in the Plan. If, however, the sale did not close, then the Speedway employees would also be eligible to participate in the Plan. Consultants of the Company and its subsidiaries are also eligible to participate in the Plan. Due to the temporary status of such service providers, the company do not have a current estimate of how many such consultants may be eligible in the future to participate in the Plan. The company do not currently expect to make material grants of awards under the Plan to consultants.

The Committee, in its discretion, selects the persons to whom awards may be granted, determines the type of awards, determines the times at which awards will be made, determines the number of shares subject to each such award (or the dollar value of the awards), and determines the other terms and conditions relating to the awards. For this reason, it is not possible to determine the benefits or amounts that will be received by any particular person in the future. The basis of participation in the Plan is selection for participation by the Committee (or its proper delegate).

Limits on Awards to Directors. Notwithstanding any other provision of the Plan to the contrary, the aggregate grant date fair value (computed as of the date of grant in accordance with applicable financial accounting rules) of all awards granted to any non-employee director during any single calendar year, plus all cash and other compensation paid or payable to such director for director services rendered to the Company for the same calendar year (whether or not paid under this Plan, and including, for example, annual retainers and other fees), will not exceed \$800,000 (except that this amount shall be increased by an additional \$400,000 in the case of any non-executive chairman of the Board or lead director); provided, however, that this limitation will be determined without regard to (i) amounts paid to a non-employee director for director services for any subsidiary of the Company; (ii) amounts paid during any period in which such individual was an employee or consultant (other than grants of awards paid for service in their capacity as a non-employee director), and (iii) any severance and other payments such as consulting fees paid to a non-employee director for such director's prior or current service to the Company or any subsidiary other than serving as a director.

Administration. The Plan will be administered by the Committee (or a subcommittee formed by the Committee). However, at the discretion of the Board, the Plan may be administered by the Board, including with

respect to the administration of any responsibilities and duties held by the Committee. The Committee has the authority to determine the terms and conditions of awards (including, but not limited to, determining whether awards may be settled in cash, shares or other property, determining whether amounts payable with respect to an award can be deferred, and determining whether any award will be canceled or suspended, or vesting terms or other restrictions continued, waived or accelerated), and to interpret and administer the Plan and its award agreements. The Committee may to the extent not inconsistent with applicable law (i) delegate to a committee or subcommittee of one or more directors its authority, including the right to make awards and to cancel or suspend awards and to otherwise take action on its behalf under the Plan, and (ii) authorize an officer or a committee of officers the right to make awards to employees who are not directors or executive officers and cancel or suspend awards under the Plan to such employees.

Stock Options. The Committee may grant either nonqualified stock options or incentive stock options. A stock option entitles the recipient to purchase a specified number of shares of common stock at a fixed price subject to terms and conditions set by the Committee, including conditions for exercise that must be satisfied, which may be based solely on continued provision of services. The purchase price of shares of common stock covered by a stock option cannot be less than 100% of the fair market value of the common stock on the date the option is granted (except for Substitute Awards). Fair market value of the common stock is generally equal to the closing price for the common stock on the principal U.S. national securities exchange on which the Company's common stock is traded (the "Principal Exchange") (or if there was no closing price on that date, on the last preceding date on which a closing price was reported), except for Substitute Awards. As of March 2, 2021, the closing price of one share of the common stock as reported on the NYSE was \$56.03 per share.

The Plan permits payment of the purchase price of stock options to be made by cash or cash equivalents, shares previously acquired by the participant, any other form of consideration approved by the Committee and permitted by applicable law (including withholding of shares that would otherwise be issued on exercise), or any combination thereof. Options granted under the Plan expire no later than ten years from the date of grant. An award agreement may provide that if on the last day of the term the exercise of the option is prohibited by applicable law or the holder cannot purchase or sell shares due to a "blackout period" under the Company's insider trading policy or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term will be automatically extended for a 30-day period from the end of the prohibition or blackout period, but not to exceed the expiration of the option as set forth in the award agreement.

Stock Appreciation Rights. The Committee is authorized to grant SARs in conjunction with a stock option or other award granted under the Plan, and to grant SARs separately. The grant price of a SAR may not be less than 100% of the fair market value of a share of common stock on the date the SAR is granted (except for Substitute Awards). The term of an SAR may be no more than ten years from the date of grant. An award agreement may provide if on the last day of the term the exercise of the SAR is prohibited by applicable law or the holder cannot purchase or sell shares due to a "blackout period" under the Company's insider trading policy or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term will be automatically extended for a 30-day period from the end of the prohibition or blackout period, but not to exceed the expiration of the SAR as set forth in the award agreement. SARs are subject to terms and conditions set by the Committee, including conditions for exercise that must be satisfied.

Upon exercise of an SAR, the participant will have the right to receive the excess of the fair market value of the shares covered by the SAR on the date of exercise (or such lesser amount as determined by the Committee) over the grant price. Payment may be made in cash, shares or other property, or any combination thereof, as the Committee may determine. Shares issued upon the exercise of SARs are valued at their fair market value as of the date of exercise.

Restricted Stock Awards. Restricted stock awards may be issued either alone or in addition to other awards granted under the Plan and are also available as a form of payment of performance awards and other earned cash-based incentive compensation. The Committee determines the terms and conditions of restricted stock awards, including the number of shares granted, and conditions for vesting that must be satisfied, which may be based principally or solely on continued provision of services, and also may include a performance-based component. Unless otherwise provided in the award agreement, the holder of a restricted stock award will have the rights of a shareholder from the date of grant of the award, including the right to vote the shares of common stock subject to the award and the right to ultimately receive cash dividends and share and property distributions on the shares (subject to the requirements for dividends on unvested awards as described under "Dividends; Dividend Equivalents" below).

Restricted Stock Unit Awards. Awards of restricted stock units having a value equal to an amount of shares of common stock may be granted either alone or in addition to other awards granted under the Plan, and are also available as a form of payment of performance awards granted under the Plan and other earned cash-based incentive compensation. The Committee determines the terms and conditions of restricted stock units, including conditions for vesting that must be satisfied, which may be based principally or solely on continued provision of services, and also may include a performance-based component. The holder of a restricted stock unit award will not have voting rights with respect to the award. Any dividend equivalents and shares and other property distributed with respect to the award will be subject to the same restrictions as the award.

Shares and Other Share-Based Awards. The Plan also provides for the award of shares of and other awards that are valued by reference to common stock or other property ("Other Share-Based Awards"), including deferred stock units and dividend equivalents payable in shares. Such awards may be granted alone or in addition to other awards under the Plan. Other Share-Based Awards may be paid in cash, shares or other property, or a combination thereof, as determined by the Committee. The Committee determines the terms and conditions of Other Share-Based Awards, including any conditions for vesting that must be satisfied. Dividends or dividend equivalents (or other property distributions) on Other Share-Based Awards will be subject to the same restrictions (if any) as the award.

Director Fees. Non-employee directors may, if determined by the Board of Directors, receive Other Share-Based Awards in the form of deferred stock units (or any other type of award, as determined by the Board), in lieu of all or a portion of their annual retainer and/or certain other amounts, provided any such election is made in accordance with the requirements of Section 409A of the Code. The Committee will, in its absolute discretion, establish such rules and procedures as it deems appropriate for such elections.

Performance Awards. Performance awards provide participants with the opportunity to receive shares of common stock, cash or other property based on performance and other vesting conditions. Performance awards may be granted from time to time as determined at the discretion of the Committee. The Committee has the discretion to determine the number of shares of common stock under, or the dollar value of, a performance award and the conditions that must be satisfied for grant or for vesting. Dividends or dividend equivalents (or other property distributions) on performance awards will be subject to the same restrictions (if any) as the award.

Performance Criteria. The Committee may determine that the distribution of cash, shares or other property pursuant to an award will be subject to the achievement of one or more performance goals established by the Committee, which may be based on achievement with respect to one or more (or any combination) of the following: sales (including net sales); return on sales; revenue, net revenue, product revenue or systemwide revenue (including growth of such revenue measures); operating income (before or after taxes); pre- or after-tax income or loss (before or after allocation of corporate overhead and bonus); earnings or loss per share; net income or loss (before or after taxes); return on equity; total shareholder return; return on assets or net assets; appreciation in and/or maintenance of the price of the shares or any other publicly traded securities of the Company; market share; gross profits; gross or net profit margin; gross profit growth; net operating profit (before or after taxes); operating earnings; earnings or losses or net earnings or losses (including earnings or losses before taxes, before interest and taxes, or before interest, taxes, depreciation and amortization); economic value-added models or equivalent metrics; comparisons with various stock market indices; reductions in costs; cash flow (including operating cash flow and free cash flow) or cash flow per share (before or after dividends); return on capital (including return on total capital or return on invested capital); cash flow return on investment; cash flow return on capital; improvement in or attainment of expense levels or working capital levels, including cash, inventory and accounts receivable; general and administrative expense savings; inventory control; operating margin; gross margin; year-end cash; cash margin; debt reduction; shareholders equity; operating efficiencies; cost reductions or savings; market share; customer satisfaction; customer growth; employee satisfaction; productivity or productivity ratios; regulatory achievements (including submitting or filing applications or other documents with regulatory authorities or receiving approval of any such applications or other documents and passing pre-approval inspections (whether of the Company or the Company's third-party manufacturer) and validation of manufacturing processes (whether regarding the Company or the Company's third-party manufacturers); strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property; establishing relationships with commercial entities with respect to the marketing, distribution and sale of the Company's products (including with group purchasing organizations, distributors and other vendors); supply chain achievements (including establishing relationships with manufacturers or suppliers of component materials and manufacturers of the Company's products); co-development, co-marketing, profit sharing, joint venture or other similar arrangements; financial ratios, including those measuring liquidity, activity, profitability or leverage; cost of capital or assets under management; financing and other capital raising transactions (including sales of the Company's equity or debt securities; debt level year-end cash position; book value; factoring transactions; competitive market metrics; timely completion of new product rollouts; timely launch of new facilities (such as new store openings, gross or net); sales or licenses of the Company's assets, including its intellectual property, whether in a particular jurisdiction or territory or globally; or through partnering transactions); bookings; royalty income; implementation, completion or attainment of measurable objectives with respect to research, development, manufacturing, commercialization, products or projects, production volume levels, acquisitions and divestitures, succession and hiring projects, reorganization and other corporate transactions, expansions of specific business operations and meeting divisional or project budgets; safety, environmental, social, health or governance objectives; recruiting and maintaining personnel; and any other metric as approved by the Committee.

Such performance goals also may be based solely by reference to the Company's performance or the performance of a subsidiary, division, business segment or business unit of the Company or a subsidiary, or based upon performance relative to performance of other companies or upon comparisons of any of the indicators of performance relative to performance of other companies.

If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the applicable performance goals unsuitable or requires an adjustment to the performance goals or achievement with respect to the performance goals, the Committee may in its discretion modify such performance goals or the actual levels of achievement regarding the performance goals, in whole or in part, as the Committee deems appropriate and equitable. Without limiting the foregoing, in calculating performance outcomes for an award subject to performance goals, the Committee may provide for exclusion of the impact of an event or occurrence that the Committee determines should appropriately be excluded, including (a) restructurings, discontinued operations, extraordinary items, and other unusual, infrequently occurring or non-recurring charges or events, (b) asset write-downs, (c) litigation or claim judgments or settlements, (d) acquisitions or divestitures, (e) reorganization or change in the corporate structure or capital structure of the Company, (f) an event either not directly related to the operations of the Company, subsidiary, division, business segment or business unit or not within the reasonable control of management, (g) foreign exchange gains and losses, (h) a change in the fiscal year of the Company, (i) the refinancing or repurchase of bank loans or debt securities, (j) unbudgeted capital expenditures, (k) the issuance or repurchase of equity securities and other changes in the number of outstanding shares, (l) conversion of some or all of convertible securities to common stock, (m) any business interruption event, (n) the cumulative effects of tax or accounting changes in accordance with U.S. generally accepted accounting principles, or (o) the effect of changes in other laws or regulatory rules affecting reported results.

The Committee may adjust upward or downward the amount payable pursuant to performance-based awards, and the Committee may waive the achievement of the applicable performance goals in its discretion or under special circumstances. The Committee must certify or provide for certification, in writing, the amount of the award for each participant before payment of the award is made.

Change in Control. In the event of a change in control of the Company (as defined in the Plan), an award agreement (or the Committee) may provide for various award treatments, including any of the following:

- continued or accelerated vesting;
- performance based awards treated as earned, based on achievement of performance goals or based on target performance, payable in full or pro-rated, or converted into time-based restricted stock or restricted stock unit awards based on such performance outcomes;
- if the successor company continues, replaces, assumes or substitutes an award and if a participant's employment with such successor company (or the Company) or a subsidiary thereof experiences a

qualifying termination of employment or service within 24 months following such change in control (or such other period set forth in the award agreement), then such award will become fully vested and exercisable;

- if the successor company does not continue, replace, assume or substitute an award, then immediately prior to the change in control, such award will become fully vested and exercisable; or
- each option and SAR will terminate within a specified number of days after notice to the participant, and/or that each participant will receive an amount equal to the excess of the fair market value of each share immediately prior to the occurrence of such change in control over the exercise price, to be payable in cash, in one or more kinds of stock or property (including the stock or property, if any, payable in the transaction) or in a combination thereof, as the Committee, in its discretion, determines.

In addition, options and SARs may be canceled and terminated without payment if the fair market value per share as of the change in control (or change in control consideration) is less than the per share option exercise price or SAR grant price.

Dividends; Dividend Equivalents. Awards other than options and SARs may, if determined by the Committee, provide that the participant will be entitled to receive cash, stock or other property dividends, or cash payments in amounts equivalent to cash, stock or other property dividends declared, with respect to shares of common stock covered by an award. The Committee may provide that the dividend equivalents (if any) will be deemed to have been reinvested in additional shares or otherwise reinvested or accumulated and credited to a bookkeeping account, but in all events the dividends and dividend equivalents will be subject to the same restrictions and risk of forfeiture as the underlying award and will not be paid unless and until the underlying award is vested.

No Repricing. The Plan prohibits option and SAR repricings (other than to reflect stock splits, spinoffs or other corporate events described under "Adjustments upon Changes in Capitalization" below, or in connection with a change in control of the Company) unless shareholder approval is obtained. For purposes of the Plan, a "repricing" means a reduction in the exercise price of an option or the grant price of a SAR, the cancellation of an option or SAR in exchange for cash or another award under the Plan if the exercise price or grant price of the option or SAR is greater than the fair market value of the common stock, or any other action with respect to an option or SAR that may be treated as a repricing under the rules of the Principal Exchange.

Non transferability of Awards. Except as determined by the Committee, no award under the Plan is, and no shares subject to awards that have not been issued or as to which any applicable restriction, performance or deferral period has not lapsed are, transferable other than by will or the laws of descent and distribution, and an award may be exercised during the participant's lifetime only by the participant or the participant's guardian or legal representative (except that the Committee may provide in an award agreement that a participant may transfer an award without consideration to certain family members, family trusts, or other family-owned entities, or for charitable donations under such terms and conditions determined by the Committee). No award will be transferred for value.

Adjustments upon Changes in Capitalization. In the event of any merger, reorganization, consolidation, recapitalization (or other change in the capital structure of the Company), dividend or distribution (whether in cash, shares or other property, other than a regular cash dividend), stock split, combination of shares, reverse stock split, spinoff, split-off, spinout, split-up, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or similar transaction or event or other change in corporate structure affecting the Company's shares of common stock or their value, such adjustments and other substitutions will be made to the Plan and to awards in a manner the Committee deems equitable or appropriate to prevent dilution or enlargement of the rights of participants, including adjustments in the aggregate number, class and kind of securities that may be delivered under the Plan or an award, the limitations on annual director compensation, the maximum number of shares that may be issued pursuant to incentive stock options and, in the aggregate or to any participant, in the number, class, kind and option or exercise price of securities subject to (and any other term/provision of) outstanding awards granted under the Plan.

Termination of Employment. The Committee will determine and set forth in the award agreement whether any awards will continue to be exercisable and continue to vest or be earned, and the terms of such exercise, vesting or earning, on and after the date the participant ceases to be employed by, or to otherwise provide services to, the company, whether by reason of death, disability, voluntary or involuntary termination of employment or service, or otherwise. Unless provided otherwise in an award agreement or by the Committee, the change in status of providing service to the Company or a Subsidiary from one category of eligibility under the Plan to another (for example, the change in status from an employee to a director or consultant) will not by itself be considered a termination of employment for purposes of an award and will not, without the existence of a separate trigger, cause an award to cease vesting according to its original terms.

Deferral. The Committee is authorized to establish procedures pursuant to which the payment of any award may be deferred.

Tax Withholding. The Company will have the right to make all payments or distributions pursuant to the Plan net of any applicable federal, state and local taxes required to be paid or withheld as a result of (i) the grant of any award, (ii) the exercise of an option or SAR, (iii) the delivery of shares or cash, (iv) the lapse of any restrictions in connection with any award or (v) any other event occurring pursuant to the Plan. Subject to applicable law, the Company or any subsidiary will have the right to withhold from wages or other amounts otherwise payable to a participant (or permitted assignee) such withholding taxes as may be required by law, or to otherwise require the participant (or permitted assignee) to pay such withholding taxes. The Committee is authorized to establish procedures to satisfy obligations for the payment of such taxes by tendering previously acquired shares (either actually or by attestation, valued at their then fair market value), or by directing the Company to retain shares (up to the minimum required tax withholding rate or such other rate that will not cause an adverse accounting consequence or cost, in accordance with Company policy and at the discretion of the Committee) otherwise deliverable in connection with the award.

Recoupment. Notwithstanding anything to the contrary contained in the Plan, an award agreement may provide that, if the participant, without the consent of the Company, while employed by or providing services to the Company or any subsidiary or after termination of such employment or service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement or otherwise engages in activity that is in conflict with or adverse to the interest of the Company or any subsidiary, as determined by the Committee in its sole discretion, then (i) any outstanding, vested or unvested, earned or unearned portion of the award may, at the Committee's discretion, be canceled and (ii) the Committee, in its discretion, may require the participant or other person to whom any payment has been made or shares or other property have been transferred in connection with the award to forfeit and pay over to the Company, on demand, all or any portion of the gain (whether or not taxable) realized upon the exercise of any option or SAR and the value realized (whether or not taxable) on the vesting or payment of any other award during the time period specified in the award agreement.

All awards granted under the Plan will be subject to recoupment in accordance with the Company's clawback policy, as may be amended from time to time, and any future clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an award agreement as the Board determines necessary or appropriate. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

Amendment and Termination. The Plan may be amended or terminated by the Board, except that shareholder approval is required for any amendment to the Plan that increases the number of shares available for awards under the Plan, expands the types of awards available under the Plan, materially expands the class of persons eligible to participate in the Plan, permits the grant of options or SARs with an exercise or grant price of less than 100% of fair market value on the date of grant, amends the provisions prohibiting the repricing of stock options and SARs as described above under "No Repricing" or takes any action with respect to an option or SAR that may be treated as a repricing under the rules of the Principal Exchange, or increases the maximum permissible term of an option or SAR (subject to certain exceptions as described in the Plan). Except as described in the Plan, no amendment or termination may materially impair a participant's rights under an award previously granted under the Plan without the written consent of the participant.

Awards may be granted under the Plan at any time and from time to time prior to the tenth anniversary of the effective date of the Plan (or until the Plan is terminated by the Board), on which date the Plan will expire except as to awards then outstanding under the Plan; provided, however, in no event may an incentive stock option be granted more than ten years after the earlier of the date the Plan is approved by the Board or the effective date of the Plan.

Item 5

Amend Certificate of Incorporation to Eliminate Supermajority Provisions

Recommendation:

We believe that a simple majority vote will strengthen the Company's corporate governance practice. Contrary to supermajority voting, a simple majority standard will give the shareholders equal and fair representation in the Company by limiting the power of shareholders who own a large stake in the entity, therefore, paving way for a more meaningful voting outcome. **As such, we recommend a vote FOR this Proposal.**

Background:

The shareholders are being asked to act on a proposal that requests the Board to take the steps necessary to eliminate each shareholder voting requirement in the Restated Certificate of Incorporation that calls for a greater than simple majority vote. The Board recommended that shareholders vote for this proposal, and it passed with the support of a majority of the votes cast at the meeting.

The Board has carefully considered the advantages and disadvantages of maintaining the supermajority voting provisions in the Restated Certificate of Incorporation. While the supermajority voting provisions are designed to ensure that the interests of all shareholders are fully protected, the Board recognizes that there are different perspectives on this matter and, after weighing these considerations, has determined that it is in the best interests of the Company and its shareholders to amend the Restated Certificate of Incorporation to eliminate the supermajority voting provisions (the "Supermajority Elimination Amendment"). The Board recommends that shareholders approve the Supermajority Elimination Amendment.

Item 6

Amend Certificate of Incorporation to Declassify the Board of Directors

Recommendation:

We believe that staggered terms for directors increase the difficulty for shareholders of making fundamental changes to the composition and behavior of a board. We prefer that the entire board of a company be elected annually to provide appropriate responsiveness to shareholders. **We recommend a vote FOR this Proposal.**

Background:

The shareholders are being asked to approve an amendment to the Restated Certificate of Incorporation to phase out the classified Board so that the Board is fully declassified by the 2024 annual meeting.

The Restated Certificate of Incorporation provides for a staggered Board divided into three classes of directors, with each class elected for a three-year term. The Board believes it is advisable and in the best interests of the Company and its shareholders to amend the Restated Certificate of Incorporation to phase out the classified Board so that the Board is fully declassified by the 2024 annual meeting of shareholders (the "Declassification Amendment").

The proposed Declassification Amendment will amend Article Six of the Restated Certificate of Incorporation to provide that the classified Board structure will be phased out beginning at the 2022 annual meeting of shareholders such that from and after the 2024 annual meeting of shareholders, all directors will be up for election at each annual meeting and will serve for a term of one year and until such directors' successors are duly elected and qualified or until such directors' earlier death, resignation or removal.

Pursuant to the Declassification Amendment, the phaseout of the classified Board commences with the 2022 annual meeting of shareholders, at which the Class II directors will be up for election and each such director will be elected for a one-year term. At the 2023 annual meeting of shareholders, the Class II and Class III directors will be up for election, and each such director will be elected for a one-year term. Finally, at the 2024 annual meeting of shareholders, all classes of directors will be up for election, and each director elected at the 2024 annual meeting of shareholders (and at all annual meetings thereafter) will be elected for a one-year term and until his or her successor is duly elected and qualified or until such director's earlier death, resignation or removal. The phasing in of annual elections of directors over this period is designed so that the term of any incumbent director will not be shortened, and to ensure a smooth transition to a system of annual elections of all the directors.

The Declassification Amendment also provides that directors elected to fill any vacancy on the Board, or to fill newly created director positions resulting from an increase in the number of directors, before the 2024 annual meeting of shareholders would serve the remainder of the term for the class to which they are elected.

This description of the proposed Declassification Amendment is only a summary of the proposed amendments to the Restated Certificate of Incorporation and is qualified in its entirety by reference to, and should be read in conjunction with, the full text of Article Six of the Restated Certificate of Incorporation, as proposed to be amended, a copy of which is attached to this Proxy Statement as Appendix III.

Item 7

Shareholder Proposal Seeking to Prohibit Accelerated Vesting of Equity Awards in Connection with a Change in Control

Recommendation:

We believe that the proposal warrants shareholder approval. We believe that the vesting of equity awards over a period of time is intended to promote long-term improvements in performance. The link between pay and long-term performance can be severed if awards pay out on an accelerated schedule. **After evaluating the details pursuant to the shareholder proposal and in accordance with the Egan-Jones' Proxy Guidelines, we recommend a vote FOR this Proposal.**

Background:

The shareholders are being asked to act to adopt a policy that in the event of a change in control (as defined under any applicable employment agreement, equity incentive plan or other plan), there shall be no acceleration of vesting of any equity award granted to any senior executive officer, provided, however, that the Board's Compensation Committee may provide in an applicable grant or purchase agreement that any unvested award will vest on a partial, pro-rata basis up to the time of the named executive officer's termination, with such qualifications for an award as the Committee may determine.

For purposes of this Policy, "equity award" means an award granted under an equity incentive plan as defined in Item 402 of the SEC's Regulation S-K, which addresses elements of executive compensation to be disclosed to shareholders. This resolution shall be implemented so as not to affect any contractual rights in existence on the date this proposal is adopted, and it shall apply only to equity awards made under equity incentive plans or plan amendments that shareholders approve after the date of the 2021 Annual Meeting.

Marathon Petroleum Corp., (the "Company") has a policy that in a change in control situation the Company will generally provide senior executives with the full vesting of their unvested stock options, unvested restricted stock awards and outstanding performance units (paid out based on actual performance for the period up until the change of control, and target performance for the remaining period of the performance cycle).

The proponents do not question that some form of severance payments may be appropriate in that situation. The proponents are concerned, however, that current practices at the Company may permit windfall awards that have nothing to do with an executive's performance.

The proponents are unpersuaded by the argument that executives somehow "deserve" to receive unvested awards. To accelerate the vesting of unearned equity on the theory that an executive was denied the opportunity to earn those shares seems inconsistent with a "pay for performance" philosophy worthy of the name.

The proponents do believe, however, that an affected executive should be eligible to receive an accelerated vesting of equity awards on a pro rata basis as of his or her termination date, with the details of any pro rata award to be determined by the Compensation Committee.

Other major corporations, including: Apple, Chevron, ExxonMobil, IBM, Intel, Microsoft, and Occidental Petroleum, have limitations on accelerated vesting of unearned equity, such as providing pro rata awards or simply forfeiting unearned awards. Research from James Reda & Associates found that over one-third of the largest 200 companies now pro rate, forfeit or only partially vest performance shares upon a change of control.

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