Marathon Petroleum Corp
Form DEF 14A
March 14, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant x

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Marathon Petroleum Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Notice of Annual Meeting

and Proxy Statement

2012

Wednesday, April 25, 2012

10:00 a.m. Eastern Daylight Time (EDT)

Auditorium

Marathon Petroleum Corporation

539 South Main Street

Findlay, Ohio 45840

Please vote promptly by:

Ø marking, signing and returning your proxy or voting instruction card,

Ø the Internet, or

Ø telephone

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March 14, 2012

Marathon Petroleum Corporation
539 South Main Street
Findlay, Ohio 45840

Dear Fellow Marathon Petroleum Corporation Shareholder:

On behalf of the Board of Directors and management team, I am pleased to invite you to attend Marathon Petroleum Corporation s 2012 Annual Meeting of Shareholders to be held in the Auditorium of Marathon Petroleum Corporation, 539 South Main Street, Findlay, Ohio 45840 on Wednesday, April 25, 2012 at 10:00 a.m. Eastern Daylight Time.

We commenced mailing our 2012 Proxy Statement and Annual Report for the year ended December 31, 2011 on or about March 14, 2012.

If your shares are held of record with Computershare, our transfer agent and registrar, we have enclosed a proxy card for your use. You may vote your registered shares by completing and returning the proxy card, or alternatively, by using the Internet or dialing a toll-free number as described on the proxy card. If your shares are held by a broker or other nominee (i.e., in street name), enclosed is a voting instruction card that enables you to provide instructions to your nominee by returning the voting instruction card, or using the Internet or a toll-free number.

Your vote is important. We hope you will vote as soon as possible by signing and returning your proxy or voting instruction card, or by using the Internet or telephone, whether or not you plan to attend the meeting.

Thank you for your support of Marathon Petroleum Corporation.

Sincerely,

Gary R. Heminger

President and Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF

MARATHON PETROLEUM CORPORATION

Date:

Wednesday, April 25, 2012

Time:

10:00 a.m. EDT

Place:

The Auditorium of Marathon Petroleum Corporation

539 South Main Street, Findlay, Ohio 45840

Purpose:

- Elect Ms. James and Messrs. Daberko, Lee and Schofield to serve as Class I Directors, each for a three-year term expiring on the date of the 2015 Annual Meeting;
- Ratify the selection of PricewaterhouseCoopers LLP as independent auditor for 2012;
- Approve the 2012 Incentive Compensation Plan;
- Approve, on an advisory basis, named executive officer compensation;
- Recommend, on an advisory basis, the frequency of nonbinding advisory votes on named executive officer compensation; and
- Transact any other business that properly comes before the meeting.

Other Important Information:

You are entitled to vote at the meeting if you were an owner of record of Marathon Petroleum Corporation common stock at the close of business on February 27, 2012. Owners of record will need to have a valid form of identification to be admitted to the meeting. If your ownership is through a broker or other intermediary, then in addition to a valid form of identification you will need to have proof of your share ownership to be admitted to the meeting. A recent account statement, letter or proxy from your broker or other intermediary will suffice.

We have enclosed a copy of Marathon Petroleum Corporation s Annual Report for the year ended December 31, 2011 with this Notice of Annual Meeting and Proxy Statement.

By order of the Board of Directors,

J. Michael Wilder

Secretary

March 14, 2012

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PROXY STATEMENT

GENERAL INFORMATION

On behalf of the Board of Directors (which we refer to as the Board of Directors or the Board) of Marathon Petroleum Corporation, a Delaware corporation (which we refer to as Marathon Petroleum, MPC, the Company, we or us), we have sent this Proxy Statement to you in connection with the solicitation by the Board of Directors of your proxy to be voted on your behalf at our 2012 Annual Meeting of Shareholders. The members of the MPC Proxy Committee are Thomas J. Usher, Gary R. Heminger and Donald C. Templin.

We will hold the Annual Meeting at 10:00 a.m. EDT on April 25, 2012 in the Auditorium of Marathon Petroleum Corporation, 539 South Main Street, Findlay, Ohio 45840. This Proxy Statement contains information about the matters to be voted on and other information that may be of help to you.

We began the mailing of these proxy materials on or about March 14, 2012. We have enclosed with these materials our Annual Report for the year ended December 31, 2011.

The separation of Marathon Petroleum from Marathon Oil Corporation (which we refer to as Marathon Oil or MRO) was completed on June 30, 2011. Consequently, this Proxy Statement is the Company s first set of proxy materials. References to the separation of Marathon Petroleum from Marathon Oil (which we refer to as the Spinoff) are included in these materials as appropriate to provide explanation or add clarity. More information about the Spinoff can be found in our registration statement on Form 10 filed with the Securities and Exchange Commission (or SEC) and declared effective on June 6, 2011 (which we refer to as the Form 10) and our Annual Report for the year ended December 31, 2011.

QUESTIONS AND ANSWERS

n **What is the purpose of the Annual Meeting?**

At the Annual Meeting, shareholders will act upon the proposals set forth in this Proxy Statement, which are:

- the election of four nominees to serve as Class I Directors;
- the ratification of the selection of PricewaterhouseCoopers LLP as our independent auditor for 2012;
- the approval of our 2012 Incentive Compensation Plan;
- the approval, on an advisory basis, of our named executive officer compensation; and
- a recommendation, on an advisory basis, on the frequency of nonbinding advisory votes on our named executive officer compensation.

n **Am I entitled to vote?**

You may vote if you were a holder of MPC common stock at the close of business on February 27, 2012, which is the record date of our Annual Meeting. Each share of common stock entitles its holder to one vote on each matter to be voted on at the meeting.

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n **How does the Board recommend I vote?**

The Board recommends that you vote:

- **FOR** each of the nominees for Class I Director;
- **FOR** the ratification of the selection of PricewaterhouseCoopers LLP as our independent auditor for 2012;
- **FOR** our 2012 Incentive Compensation Plan;
- **FOR** the resolution approving, on an advisory basis, our named executive officer compensation; and
- **EVERY YEAR (1)** on the proposal regarding the frequency of future nonbinding advisory votes on named executive officer compensation.

n **If I am a shareholder of record of MPC shares, how do I cast my vote?**

If you are a holder of record of MPC common stock, you may vote in person at the Annual Meeting, or by proxy, whether or not you plan to attend the annual meeting. If you choose to attend the Annual Meeting and wish to vote in person, you will be provided with a ballot at the meeting.

If you do not wish to vote in person or if you will not be attending the Annual Meeting, you may vote by proxy using the enclosed proxy card, vote by proxy using the Internet or vote by proxy over the telephone. The procedures for voting by proxy are as follows:

- To vote by proxy using the enclosed proxy card, complete, sign and date your proxy card and return it promptly in the envelope provided;
- To vote by proxy on the Internet, visit http://www.proxyvote.com to complete an electronic proxy card. You will need the 12-digit Control Number included on your proxy card; or
- To vote by proxy over the telephone, dial the toll-free phone number listed on your proxy card under the heading Vote by Phone using a touch-tone phone and follow the recorded instructions.

If you desire to vote by proxy, to be counted your vote must be received by 11:59 p.m. EDT on April 24, 2012.

We provide Internet proxy voting to allow you to vote your shares on-line, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.

n **If I am a beneficial owner of MPC shares, how do I cast my vote?**

If you are a beneficial owner of shares of MPC common stock held in street name, you should have received a voting instruction card with these proxy materials from the organization that is the record owner of your shares. Beneficial owners that received a printed copy of these proxy materials by mail from the record owner may complete and mail that voting instruction card or may vote over the Internet or by telephone as instructed by that organization in the voting instruction card. A beneficial owner planning to vote in person at the Annual Meeting must obtain a valid proxy from the record owner. To request the requisite proxy form, follow the instructions provided by your broker or contact your broker.

n **May I change my vote?**

If you are a holder of record of shares of MPC common stock, you may change your vote or revoke your proxy at any time before your shares are voted at the meeting by:

voting again using the Internet or by telephone;

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sending us a proxy card dated later than your last vote;

notifying the corporate Secretary of Marathon Petroleum in writing; or

voting at the meeting.

n **How many outstanding shares are there?**

At the close of business on February 27, 2012, which is the record date for the Annual Meeting, there were 347,730,868 shares of MPC common stock outstanding and entitled to vote.

n **How big of a vote do the proposals need in order to be approved?**

Directors are elected by a plurality voting standard. The nominees for available directorships who receive the highest number of affirmative votes of the shares present, in person or by proxy, and entitled to vote, are elected. Accordingly, abstentions and broker non-votes will not have an impact on the election of directors.

Each of Proposals 2, 4 and 5 will be approved if it receives the affirmative vote of a majority of the votes cast on the proposal, in which case abstentions and broker non-votes, if applicable, are not considered votes cast and shall have no effect on the proposal.

Proposal 3 will be approved if it receives the affirmative vote of the majority of the votes cast on the proposal so long as the total votes cast represent over 50% of our outstanding shares of common stock. With respect to Proposal 3, an abstention will be deemed to be a vote cast, but a broker non-vote will not. Accordingly, a broker non-vote will negatively impact our ability to meet the requirement that total votes cast on Proposal 3 represent over 50% of our outstanding shares of common stock, and an abstention will have the same effect as a vote against Proposal 3.

Although the advisory votes on Proposals 4 and 5 are nonbinding, as provided by law, our Board will review the results of the votes and will take them into account in making a determination concerning executive compensation and the frequency of such advisory votes.

Both abstentions and broker non-votes are counted in determining that a quorum is present for the meeting.

n **What are broker non-votes?**

The New York Stock Exchange (or NYSE) permits brokers to vote their customers shares on routine matters when the brokers have not received voting instructions from customers. The ratification of an independent auditor is an example of a routine matter on which brokers may vote in this manner. Brokers may not vote their customers shares on non-routine matters such as the election of directors or proposals related to executive compensation unless they have received voting instructions from their customers. Shares held by brokers on behalf of customers who do not provide voting instructions on non-routine matters are broker non-votes.

n **What constitutes a quorum?**

Under our Amended and Restated Bylaws (which we refer to as our Bylaws), a quorum is a majority of the voting power of the outstanding shares of stock entitled to vote.

n **How will voting be conducted if any matters not contained in this Proxy Statement are raised at the Annual Meeting?**

If any matters are presented at the Annual Meeting other than the proposals on the proxy card, the Proxy Committee will vote on them using their best judgment. Your signed proxy card, or Internet or telephone vote provides this authority. Under our Bylaws, notice of any matter to be presented by a shareholder for a vote at the meeting must have been received by December 12, 2011, and must have been accompanied by certain information about the shareholder presenting it. We have not received notice from any shareholder of any matter to be presented on the proxy card.

n **When must shareholder proposals be submitted for the 2013 Annual Meeting?**

Shareholder proposals submitted for inclusion in our 2013 Proxy Statement must be received in writing by our corporate Secretary no later than the close of business on November 14, 2012. Shareholder proposals (including nominations) submitted outside the process for inclusion in our 2013 Proxy Statement must be received from shareholders of record on or after November 14, 2012 and no later than December 14, 2012, and must be accompanied by certain information about the shareholder making the proposal, in accordance with our Bylaws.

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THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Under our Bylaws and the laws of the State of Delaware, Marathon Petroleum s state of incorporation, the business and affairs of Marathon Petroleum are managed under the direction of our Board of Directors. Our Board is divided into three classes. Directors are elected by shareholders for terms of three years and hold office until their successors are elected and qualify. One of the three classes is elected each year to succeed the directors whose terms are expiring. As of the 2012 Annual Meeting, the terms for the directors in Classes I, II and III of the Board of Directors expire in 2012, 2013 and 2014, respectively.

Our Board met seven times in 2011. The attendance of the members of our Board of Directors averaged approximately 92% for the aggregate of the total number of Board and committee meetings held in 2011. Each of our directors attended at least 75% of the meetings of the Board and committees on which he or she served except Donna A. James, who, as a newly elected director, had preexisting commitments that conflicted with certain of our Board and committee meetings. We were aware of these preexisting commitments when Ms. James was elected to serve on our Board. Ms. James attended three of the five Board meetings, and three of the four committee meetings, which took place in 2011 following her election to the Board. Under our Corporate Governance Principles, directors are expected to attend our annual meeting of shareholders.

With respect to a lead or presiding director, our Chairman of the Board presides at all meetings of shareholders and of the Board of Directors. If the non-employee directors meet without the Chairman or in circumstances where the Chairman is unavailable, our Board will designate another director to preside at such meeting. The Chairman of the Board also attends committee meetings.

Pursuant to our Corporate Governance Principles, non-employee directors of the Company hold executive sessions. An offer of an executive session is extended to non-employee directors at each regularly scheduled Board meeting. The Chairman of the Board presides at these executive sessions. In 2011, non-employee directors of the Company held one executive session.

Our Board has three principal committees, all of the members of which are independent, non-employee directors. The table below shows the current committee memberships of each director and the number of meetings that each committee held in 2011.

Board Committee Memberships

Director	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Evan Bayh	X		
David A. Daberko	X*	X	
William L. Davis	X		X*
Donna A. James		X	
Charles R . Lee	X		X
Seth E. Schofield		X*	X
John W. Snow		X	X
John P. Surma			X
Number of meetings in 2011	2	5	3

* Chair

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Board and Committee Independence

As noted above, the principal committee structure of our Board includes the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. These committees are comprised entirely of independent directors. Additionally, an Executive Committee of the Board, comprised of Thomas J. Usher and Gary R. Heminger, has been established to address matters that may arise between meetings of the Board. This Executive Committee may exercise the powers and authority of the Board subject to specific limitations consistent with our Bylaws and applicable law.

To determine director independence, our Board uses the categorical standards set forth below and, additionally, considers the materiality of any relationships between a director and the Company. The Board considers all relevant facts and circumstances including, without limitation, transactions between the Company and the director directly, immediate family members of the director or organizations with which the director is affiliated, and the frequency and dollar amounts associated with these transactions. The Board further considers whether such transactions are at arm s length in the ordinary course of business and whether any such transactions are consummated on terms and conditions similar to those with unrelated parties.

To be determined categorically independent, a director must not:

- be a present employee of the Company or former employee of the Company within the past three years;
- have an immediate family member serving as a present executive officer of the Company or former executive officer of the Company within the past three years;
- have personally received, or have an immediate family member who has received, any direct compensation from the Company in excess of $120,000 during any twelve-month period within the past three years, other than compensation for Board or committee service, pension or other forms of deferred compensation for prior service, or compensation paid to an immediate family member who is a non-executive employee of the Company;
- have any of the following affiliations with respect to the Company s external auditor:
  - current employee of such firm,
  - engaged, or have an immediate family member engaged, as a current partner of such firm,
  - have an immediate family member who is a current employee of such firm and who personally works on the Company s audit, or
  - has been, or has an immediate family member who has been, engaged or employed by such firm as a partner or employee within the past three years and who personally worked on the Company s audit within that time;
- be employed, or have an immediate family member employed, within the past three years as an executive officer of another company where now or at any time during the past three years, any of the Company s present executive officers serve or served on the other company s compensation committee;

be an employee, or have an immediate family member who is an executive officer, of a company that makes or made payments to, or receives or received payments from, the Company for property or services in an amount which in any of the three preceding fiscal years exceeded the greater of $1 million or 2% of the other company s consolidated gross revenues;

be an executive officer of a tax-exempt organization to which the Company has within the three preceding fiscal years made any contributions in any single fiscal year that exceeded the greater of $1 million or 2% of the tax-exempt organization s consolidated gross revenues;

be a partner of or of counsel to a law firm that provides substantial legal services to the Company on a regular basis; or

be a partner, officer or employee of an investment bank or consulting firm that provides substantial services to the Company on a regular basis.

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Under the Company s Corporate Governance Principles, the following relationships are not considered to be material relationships that would impair a director s independence:

- if the director is, or has an immediate family member who is, a partner (general or limited) in, or a controlling shareholder, equity holder, executive officer or a director of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years where the amount involved in such transaction in any such fiscal year was less than the greater of $1 million or 2% of the recipient s consolidated gross revenues for that year;

- if the director is, or has an immediate family member who is, a director or trustee of any organization to which the Company has made, or from which the Company has received, payments for property or services, and the director (or his/her immediate family member) was not involved in the negotiations of the terms of the transaction, did not, to the extent applicable, provide any services directly to the Company, and did not receive any special benefits as a result of the transaction; or

- if the director, or an immediate family member of the director, serves as an officer, director or trustee of a foundation, university, charitable or other not-for-profit organization, and the Company s discretionary charitable contributions to the organization, in the aggregate, are less than the greater of $1 million or 2% of that organization s latest publicly available annual consolidated gross revenues.

Our categorical independence standards and the material relationship considerations set forth above are found within our Corporate Governance Principles, which are available on the Company s website at http://ir.marathonpetroleum.com by selecting Corporate Governance and clicking on Corporate Governance Principles.

Our Board performed its independence review for 2012 earlier this year. In applying the categorical standards set forth above and assessing the materiality of any relationships, the Board affirmatively determined that each of Ms. James and Messrs. Bayh, Daberko, Davis, Lee, Schofield, Snow, Surma and Usher meets the categorical independence standards, has no material relationship with the Company other than that arising solely from the capacity as a director and, in addition, satisfies the independence requirements of the NYSE.

Audit Committee

Our Audit Committee has a written charter adopted by the Board, which is available on the Company s website at http://ir.marathonpetroleum.com by selecting Corporate Governance and clicking on Board Committees and Charters, Audit Committee, Audit Committee Charter. The Audit Committee Charter requires our Audit Committee to assess and report to the Board on the adequacy of the Charter on an annual basis. Each of the members of our Audit Committee is independent as independence is defined in Securities Exchange Act Rule 10A-3 of the Securities Exchange Act of 1934 (or the Exchange Act), as well as the general independence requirements of NYSE Rule 303A.02.

Our Audit Committee is, among other things, responsible for:

- appointing, compensating, retaining and overseeing the independent auditor;

- reviewing fees proposed by the independent auditor and approving in advance all audit, audit-related, tax and permissible non-audit services to be performed by the independent auditor;

- separately meeting with the independent auditor, our internal auditors and our management with respect to the status and results of their activities;

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- reviewing with our Chief Executive Officer (who we refer to as our CEO), our Chief Financial Officer (who we refer to as our CFO) and our General Counsel, disclosure controls and procedures and management s conclusions about such disclosure controls and procedures;

- reviewing and discussing with our management and the independent auditor, annual and quarterly financial statements, including those reported on Forms 10-K and 10-Q, prior to their filing, and reports of internal controls over financial reporting;

- reviewing our quarterly earnings press releases prior to their publication and discussing any financial information and any earnings guidance to be provided;

- discussing with our management guidelines and policies to govern the process by which risk assessment is undertaken by the Company;

- reviewing legal and regulatory compliance regarding the Company s financial statements, auditing matters and compliance with the Company s Code of Business Conduct, Code of Ethics for Senior Financial Officers and Whistleblowing Procedures Policy; and

- evaluating the Audit Committee s performance on an annual basis.

Our Audit Committee has the authority to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company, and to retain independent legal, accounting or other advisors or consultants to advise the Committee.

Audit Committee Policy for Pre-Approval of Audit, Audit-Related, Tax and Permissible Non-Audit Services

Our Pre-Approval of Audit, Audit-Related, Tax and Permissible Non-Audit Services Policy is attached as Appendix II to this Proxy Statement and is also available on the Company s website at http://ir.marathonpetroleum.com by selecting Corporate Governance and clicking on Board Committees and Charters, Audit Committee, Audit Committee Policy for Pre-Approval of Audit, Audit-Related, Tax and Permissible Non-Audit Services. Among other things, this policy sets forth the procedure for the Audit Committee to pre-approve all audit, audit-related, tax and permissible non-audit services, other than as provided under the de minimis exception. Notwithstanding the de minimis exception, it is the intent of our Audit Committee that standard practice will be to approve in advance all permissible non-audit services. The Audit Committee delegated pre-approval authority of up to $500,000 to our Audit Committee Chair for unbudgeted items.

Audit Committee Financial Expert

Based on the attributes, education and experience requirements set forth in the rules of the SEC, our Board of Directors has determined that David A. Daberko and Charles R. Lee each qualify as an Audit Committee Financial Expert.

Mr. Daberko was the Chairman of the Board and Chief Executive Officer of National City Corporation for twelve years. In addition to certifying the effectiveness of internal controls and procedures required by his former position as Chairman and CEO, Mr. Daberko s various other roles with National City through his many years of service involved oversight of accounting and both internal and external audit functions. Mr. Daberko also chairs the audit committee of Chesapeake Midstream Partners, L.P. Mr. Daberko holds a master s degree in business administration from Case Western Reserve University.

Mr. Lee previously held the position of Senior Vice President of Finance for Columbia Pictures Industries Inc., Penn Central Corporation and GTE Corporation (which merged with Bell Atlantic Corporation to form Verizon Communications in 2011). Mr. Lee also served as Chairman of the Board and Co-CEO of Verizon Communications. Mr. Lee chairs the audit committee of United States Steel Corporation. He received a master s degree in business administration with distinction from the Harvard Graduate School of Business Administration.

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Guidelines for Hiring of Employees or Former Employees of the Independent Auditor

Our guidelines for the hiring of employees or former employees of the independent auditor provide that the Company shall not hire any employee or former employee of its independent auditor for a position with the Company in a financial reporting oversight role for at least two years after such employee or former employee was the lead or concurring partner, or provided more than ten hours of audit, review, or attest services for the Company during any one-year period. A complete set of these guidelines is available on the Company s website at http://ir.marathonpetroleum.com by selecting Corporate Governance and clicking on Board Committees and Charters, Audit Committee, Guidelines for Hiring of Employees or Former Employees of the Independent Auditor.

Whistleblowing Procedures Policy

Our Whistleblowing Procedures Policy establishes procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Policy for Whistleblowing Procedures is available on the Company s website at http://ir.marathonpetroleum.com by selecting Corporate Governance and clicking on Board Committees and Charters, Audit Committee, Policy for Whistleblowing Procedures.

Compensation Committee

Our Compensation Committee is composed solely of directors who satisfy all criteria for independence under applicable law, NYSE listing standards and the Company s Corporate Governance Principles. The Committee has a written charter adopted by the Board, which is available on the Company s website at http://ir.marathonpetroleum.com by selecting Corporate Governance and clicking on Board Committees and Charters, Compensation Committee, Compensation Committee Charter. The Compensation Committee Charter requires the Committee to assess and report to the Board on the adequacy of the Charter on an annual basis.

Our Compensation Committee is, among other things, responsible for:

- determining all matters of policy and procedures relating to officer compensation;
- reviewing and approving corporate goals and objectives relevant to our CEO s compensation and evaluating our CEO s performance in light of those goals and objectives, and with guidance from our Board, determining and approving our CEO s compensation based on the Committee s performance evaluation;
- determining and approving the compensation of our other officers, and reviewing the succession plan relating to positions held by our other officers;
- recommending to the Board, and administering the incentive compensation plans and equity-based plans of the Company;
- certifying the achievement of performance levels under the Company s incentive compensation plans;
- reviewing, recommending and discussing with the Company s management, the Compensation Discussion and Analysis section included in the Company s annual proxy statements or other securities filings; and
- evaluating the Compensation Committee s performance on an annual basis.

Our Compensation Committee engaged Pay Governance LLC (which we refer to as Pay Governance) to serve as its independent compensation consultant for 2011. Pay Governance reported directly to our Compensation Committee, and provided the Committee with comparative data on executive compensation and expert advice on the design and implementation of the Company s compensation policies and programs.

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Our Compensation Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee. In addition, the Committee may delegate to one or more officers of the Company (or to a Salary and Benefits Committee or a similar committee comprised of officers of the Company) any of its responsibilities with respect to non-equity based plans, such as plans created pursuant to health and other employee benefit plans. In 2011, the Committee delegated certain responsibilities with respect to non-officer compensation to a Salary and Benefits Committee comprised of officers of the Company.

Our Compensation Committee seeks input from our CEO on compensation decisions and performance appraisals for all other officers. However, all officer compensation matters are approved by the Compensation Committee.

Our Compensation Committee meets at least four times a year and is given the opportunity to meet in executive session at each of its meetings. With input from its compensation consultant, our CEO and our Senior Vice President of Human Resources and Administrative Services, the Chair of our Compensation Committee approves the agendas for Committee meetings.

Compensation Committee Interlocks and Insider Participation

The members of our Compensation Committee are Seth E. Schofield (Chair), David A. Daberko, Donna A. James, and John W. Snow. Each member of the Committee qualifies as an independent non-employee director, and no member has served as an officer or employee of the Company. During 2011, none of the Company s executive officers served as a member of a compensation committee or board of directors of any other entity that has an executive officer serving as a member of our Compensation Committee or Board of Directors.

Corporate Governance and Nominating Committee

Our Corporate Governance and Nominating Committee has a written charter adopted by the Board, which is available on the Company s website at http://ir.marathonpetroleum.com by selecting Corporate Governance and clicking on Board Committees and Charters, Corporate Governance and Nominating Committee, Corporate Governance and Nominating Committee Charter. The Corporate Governance and Nominating Committee Charter requires the Committee to assess and report to the Board on the adequacy of the Charter on an annual basis. Each member of our Corporate Governance and Nominating Committee is independent and qualified under standards established by applicable law, NYSE listing standards and our Company s Corporate Governance Principles.

Our Corporate Governance and Nominating Committee is, among other things, responsible for:

- reviewing and making recommendations to our Board concerning the appropriate size and composition of the Board, including:
  - candidates for election or re-election as directors;
  - the criteria to be used for the selection of candidates for election or re-election as directors;
  - the appropriate skills and characteristics required of Board members in the context of the current composition of the Board;
  - the composition and functions of Board committees; and
  - all matters relating to the development and effective functioning of the Board;
- considering and recruiting candidates to fill positions on our Board;

considering nominees recommended by shareholders for election as directors;

reviewing and making recommendations to our Board, based on the qualifications set forth in the Company s Corporate Governance Principles, concerning each Board committee s membership and committee chairs including, without limitation, a determination of whether one or more Audit Committee members qualifies as an audit committee financial expert as defined by the rules of the SEC;

- assessing and recommending overall corporate governance practices;
- establishing the process for, and overseeing the evaluation of, our Board;
- reviewing and approving codes of conduct applicable to directors, officers and employees;
- reviewing the Company s position statement on stockholders rights plans and reporting any recommendations to our Board related thereto; and
- evaluating the Corporate Governance and Nominating Committee s performance on an annual basis.

Director Identification and Selection

The processes for director selection and the establishment of director qualifications are set forth in Article III of the Company s Corporate Governance Principles, which are available on the Company s website at http://ir.marathonpetroleum.com by selecting Corporate Governance and clicking on Corporate Governance Principles. In summary, our Board has delegated the director recruiting process to the Corporate Governance and Nominating Committee with input from our Chairman of the Board and our CEO. Our Corporate Governance and Nominating Committee may work with a third-party professional search firm to review director candidates and their credentials. At least one member of the Committee, our Chairman of the Board and our CEO should meet with each potential director candidate as part of the recruiting process. The foregoing recruiting process applies to nominees recommended by our Corporate Governance and Nominating Committee, as well as nominees recommended by shareholders in accordance with our Bylaws and applicable law. The criteria for selecting new directors includes their independence, as defined by applicable law, stock exchange listing standards and the categorical standards listed in the Company s Corporate Governance Principles, their business or professional experience, their integrity and judgment, their record of public service, their ability to devote sufficient time to the affairs of the Company, the diversity of backgrounds and experiences they bring to the Board and the needs of the Company from time to time. Directors should also be individuals of substantial accomplishment and experience with demonstrated leadership capabilities, and the ability to represent all shareholders as opposed to a specific constituency. Our Corporate Governance and Nominating Committee s Charter also gives the Committee the authority to retain and terminate any search firm used to identify director candidates, including the authority to approve the search firm s fees and other retention terms.

The Board s Role in Risk Oversight

Responsibility for risk oversight rests with our Board of Directors and the committees of the Board. Our Audit Committee assists our Board in fulfilling its oversight responsibility by regularly reviewing risks associated with financial and accounting matters, as well as those related to financial reporting. In this regard, our Audit Committee monitors compliance with regulatory requirements and internal control systems. Our Audit Committee reviews risks associated with financial strategies and the capital structure of the Company. Our Audit Committee also reviews the process by which enterprise risk management is undertaken by the Company.

Our Compensation Committee assists the Board with risk oversight through its review of compensation programs to help ensure that such programs do not encourage excessive risk. The Compensation Committee reviews compensation, incentive compensation and succession plans to confirm that the Company has appropriate practices in place to support the retention and development of the talent necessary to achieve the Company s business goals and objectives.

The Board receives regular updates from these committees about their activities and also reviews risks of a more strategic nature. Key risks associated with the strategic plan of the Company are reviewed annually at a designated strategy meeting of the Board and periodically throughout the year.

While our Board and its committees oversee risk management, the management of the Company is charged with managing risk. The Company has a strong enterprise risk management process for identifying, assessing and managing risk, as well as monitoring the performance of risk mitigation strategies. The governance of this process is effected through the executive sponsorship of our CEO and CFO, and is led by an enterprise risk manager and officers and senior managers responsible for working across the business to manage enterprise level risks and to identify emerging risks. These leaders meet periodically and provide regular updates to our Board and its committees throughout the year.

Corporate Governance Principles

Our Corporate Governance Principles are available on the Company s website at http://ir.marathonpetroleum.com

by selecting Corporate Governance and clicking on Corporate Governance Principles. In summary, our Corporate Governance Principles provide the functional framework of our Board, including its roles and responsibilities. These principles also address Board independence, committee composition, the presiding and lead director positions, the process for director selection and director qualifications, the Board s performance review, the Board s planning and oversight functions, director compensation and director retirement and resignation.

Leadership Structure of the Board

As provided in our Corporate Governance Principles, our Board does not have a policy requiring the roles of chairman of the board and chief executive officer to be filled by separate persons or a policy requiring the chairman of the board to be a non-employee director. Our Board will make determinations about the leadership structure based on what it believes is best for the Company given specific circumstances. The Board views its active engagement in assessing specific risks through the involvement of our Audit and Compensation Committees, assessing more strategic risks at its annual strategy review meeting and assessing operational and other risks as periodically reported by our CEO and CFO as providing the desired level of oversight and accountability for our current leadership structure. At present, the positions of chairman of the board and chief executive officer of Marathon Petroleum are split. Thomas J. Usher serves as our Chairman of the Board and Gary R. Heminger serves as our President and CEO. The Board has determined that Mr. Usher s knowledge and past experience serve our Company well, and that our current Board leadership structure is appropriate at this time.

Communications from Interested Parties

All interested parties may communicate directly with our non-employee directors by submitting a communication in an envelope addressed to the Board of Directors (non-employee members) in care of the Company s corporate Secretary. Additionally, employees of the Company may communicate with the non-employee directors by following the procedures set forth in the Company s Code of Business Conduct. Communications with our Audit, Compensation, and Corporate Governance and Nominating Committee Chairpersons may be made by sending an e-mail to:

auditchair@marathonpetroleum.com;

compchair@marathonpetroleum.com; or

corpgovchair@marathonpetroleum.com.

You may communicate with the non-employee directors, individually or as a group, by sending an e-mail to non-managedirectors@marathonpetroleum.com.

Our corporate Secretary will forward to the directors all communications that, in the Secretary s judgment, are appropriate for consideration by the directors. Examples of communications that would not be considered appropriate include commercial solicitations and matters not relevant to the affairs of the Company.

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Code of Business Conduct

Our Code of Business Conduct is available on our website at http://ir.marathonpetroleum.com by selecting Corporate Governance and clicking on Code of Business Conduct. The Code of Business Conduct applies to our directors, officers and employees.

Code of Ethics for Senior Financial Officers

Our Code of Ethics for Senior Financial Officers is available on the Company s website at http://ir.marathonpetroleum.com by selecting Corporate Governance and clicking on Code of Ethics for Senior Financial Officers. This Code of Ethics applies to our CEO, CFO, Vice President and Controller, Vice President Finance and Treasurer and other persons performing similar functions, as well as to those designated as Senior Financial Officers by our CEO or our Audit Committee.

Under this Code of Ethics, these Senior Financial Officers shall, among other things:

- act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the SEC, and in other public communications made by the Company;
- comply with applicable laws, governmental rules and regulations, including insider trading laws; and
- promote the prompt internal reporting of potential violations or other concerns related to this Code of Ethics to the Chair of the Audit Committee and to the appropriate person or persons identified in the Company s Code of Business Conduct, and encourage employees to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation.

Our Code of Ethics for Senior Financial Officers further provides that any violation will be subject to appropriate discipline, up to and including dismissal from the Company and prosecution under the law.

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COMPENSATION OF DIRECTORS

Our Board of Directors determines annual retainers and other compensation for non-employee directors. Directors who are employees of Marathon Petroleum receive no compensation for their service on the Board. The annual retainers and other compensation have been established at the levels set forth below.

Form of Compensation	Chairman of the Board ($)	Audit Committee Chair ($)	Compensation Committee Chair ($)	Corporate Governance and Nominating Committee Chair ($)	All Other Directors ($)
Cash Retainer	350,000	150,000	150,000	150,000	150,000
Committee Fees		15,000	12,000	10,000	
Stock Unit Awards	100,000	150,000	150,000	150,000	150,000
Total	450,000	315,000	312,000	310,000	300,000

Directors do not receive meeting fees for attendance at Board or committee meetings.

Non-employee directors, other than the Chairman of the Board, receive an annual restricted stock unit award valued at $150,000. The Chairman receives an annual restricted stock unit award valued at $100,000. These restricted stock unit awards are credited to an unfunded account based on the closing stock price of MPC common stock on the grant date. When dividends are paid on MPC common stock, directors receive dividend equivalents in the form of restricted stock units. The restricted stock units awarded are payable in shares of MPC common stock only upon the directors departure from the Board.

Each year, non-employee directors have the opportunity to defer 100% of their annual cash retainer into an unfunded account. This deferred cash retainer account may be invested in certain phantom investment options offered under the Marathon Petroleum Corporation Deferred Compensation Plan for Non-Employee Directors, which generally mirror the investment options offered to employees under our Thrift Plan except for the option of investing in MPC common stock. When a director who has deferred cash retainer compensation departs from the Board, he or she receives cash from the deferred account in a lump sum.

Under our matching gifts program, non-employee directors are eligible to have up to $10,000 of their contributions to certain tax-exempt educational institutions matched by the Company each year. The annual limit is applied based on the date of the director s gift to the institution. Due to processing delays, the actual amount paid out on behalf of a director may exceed $10,000 in a given year.

We also have stock ownership guidelines in place for non-employee directors. Each of the non-employee directors, including the Chairman of the Board, is expected to hold three times the value of such director s annual cash retainer in MPC common stock. Directors have five years from the commencement of their service on the Board to satisfy these guidelines and the annual restricted stock unit awards are credited toward these guidelines.

In 2012, cash retainer amounts will be paid in quarterly installments and restricted stock unit awards will be granted on a quarterly basis, both at the commencement of each quarter.

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2011 Director Compensation Table

Amounts reflected in the table below represent compensation paid for the six months ended December 31, 2011.

Name	Fees Earned or Paid in Cash[(1)] ($)	Stock Awards[(2)] ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)	All Other Compensation[(3)] ($)	Total ($)
Evan Bayh	75,000	75,000	0	0	0	0	150,000
David A. Daberko	82,500	75,000	0	0	0	8,000	165,500
William L. Davis	80,000	75,000	0	0	0	0	155,000
Donna A. James	75,000	75,000	0	0	0	0	150,000
Charles R. Lee	75,000	75,000	0	0	0	0	150,000
Seth E. Schofield	81,000	75,000	0	0	0	0	156,000
John W. Snow	75,000	75,000	0	0	0	0	150,000
John P. Surma	75,000	75,000	0	0	0	0	150,000
Thomas J. Usher[(4)]	175,000	50,000	0	0	0	0	225,000

(1) The amounts shown reflect the director and Chairman of the Board cash retainers and committee chair fees for July 1, 2011 through December 31, 2011. Directors are eligible to defer up to 100% of their annual cash retainer fees. All restricted stock unit awards are deferred until departure from the Board.

(2) The amounts shown reflect the aggregate grant date fair value, as computed in accordance with generally accepted accounting principles in the United States regarding stock compensation for restricted stock unit awards granted to the non-employee directors in 2011. The aggregate number of restricted stock unit awards credited as of December 31, 2011 for each director is as follows: Mr. Bayh, 2,291; Mr. Daberko, 52,654; Mr. Davis, 50,084; Ms. James, 2,291; Mr. Lee, 91,282; Mr. Schofield, 74,639; Mr. Snow, 24,271; Mr. Surma, 2,291; and Mr. Usher, 19,603. For Messrs. Daberko, Davis, Lee, Schofield, Snow and Usher, the aggregate number of restricted stock unit awards credited as of December 31, 2011 includes replacement awards received as of June 30, 2011 for prior service on the Board of Directors of Marathon Oil and a supplemental award granted on December 5, 2011.

(3) The amount shown represents a contribution made on behalf of Mr. Daberko to an educational institution under our matching gifts program.

(4) The amounts shown for Mr. Usher reflect an annual cash retainer of $350,000 and an annual restricted stock unit award of $100,000 for his role as Chairman of the Board.

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PROPOSALS OF THE BOARD

Our Board will present the following proposals at the 2012 Annual Meeting:

Proposal No. 1 Election of Class I Directors

Our Restated Certificate of Incorporation provides that the Board shall fix the number of directors at no fewer than three and no more than twelve. Our Board of Directors is currently fixed at ten directors and is divided into three classes as nearly equal in size as practicable. Directors are elected by shareholders for terms of three years and hold office until their successors are duly elected and qualify. One of the three classes is elected each year to succeed the directors whose terms are expiring. As of the 2012 Annual Meeting, the terms for the directors in Classes I, II and III of the Board of Directors expire in 2012, 2013 and 2014, respectively.

In 2012, we have four nominees for Class I Director whose terms expire in 2012. Ms. James and Messrs. Daberko, Lee and Schofield are currently Class I Directors whose terms are expiring at the 2012 Annual Meeting and each has been nominated by the Board for re-election through the 2015 Annual Meeting. A brief statement about the background and qualifications of each nominee is given on the following pages. If any nominee for whom you have voted becomes unable to serve, your proxy may be voted for another person designated by our Board.

Our Bylaws describe the procedures that must be followed by a shareholder of record seeking to nominate someone for election as a director. Such procedures generally require that notice be received by our corporate Secretary at least 90 days, but not more than 120 days, before the first anniversary of the date on which proxy materials were mailed for the preceding year s annual meeting of shareholders. For purposes of the 2012 Annual Meeting only, the date by which such notices of nomination were required to be received by the corporate Secretary was extended through February 10, 2012 for shareholders previously requesting certain nominating documents. As set forth in our Bylaws, a notice must contain certain information about the nominee, including his or her age, address, citizenship, occupation and share ownership, as well as the name, address and share ownership of the shareholder giving the notice.

As explained earlier in the Question and Answer section of this Proxy Statement, directors are elected by a plurality voting standard. Accordingly, the nominees who receive the highest number of votes of the shares present, in person or by proxy, and entitled to vote shall be elected to the available Class I Director positions.

Your Board of Directors recommends that you vote FOR the Nominees for Class I Director

in Proposal No. 1.

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Nominees for Class I Directors Current Terms Expiring in 2012:

David A. Daberko

Director since 2011

Retired Chairman of the Board, National City Corporation Age 66

Mr. Daberko graduated from Denison University with a bachelor s degree and from Case Western Reserve University with a master s degree in business administration. He joined National City Bank in 1968, where he held a number of management positions. In 1985, he led the assimilation of the former BancOhio National Bank into National City Bank, Columbus. In 1987, Mr. Daberko was elected Deputy Chairman of the corporation and President of National City Bank in Cleveland. He served as President and Chief Operating Officer from 1993 until 1995 when he was named Chairman of the Board and Chief Executive Officer. He retired as Chief Executive Officer in June 2007 and as Chairman of the Board in December 2007. Mr. Daberko serves as Chairman of the Board of Chesapeake Midstream Partners, L.P. and on the Board of Directors of RPM International, Inc. He is a Trustee of Case Western Reserve University, University Hospitals Health System and Hawken School. Mr. Daberko also previously served, within the last five years, as a Director of National City Corporation and OMNOVA Solutions, Inc. Mr. Daberko is one of the named financial experts serving on our Audit Committee. With thirty-nine years of experience in the banking industry, Mr. Daberko brings extensive knowledge of the financial services and investment management sector to our Board. He draws upon this depth of experience in his role as Chair of our Audit Committee.

Donna A. James

Director since 2011

Managing Director, Lardon & Associates, LLC Age 54

Ms. James graduated from North Carolina Agricultural and Technical State University with a bachelor of science degree in accounting. Before joining Lardon & Associates, LLC, she served in leadership positions with Nationwide Insurance and Financial Services where she served as President, Nationwide Strategic Investments. Prior to that, she was the Executive Vice President and Chief Administrative Officer and held other executive positions at Nationwide, including that of Executive Vice President and Chief Human Resources Officer. Her responsibilities included leading several U.S. and internationally-based subsidiary companies, a venture capital fund and new business development teams with responsibility for emerging opportunities in financial services. Ms. James is presently Managing Director of Lardon & Associates, LLC, a business and executive advisory services firm. Additionally, she serves as a Director for public companies including Time Warner Cable, Inc., Coca-Cola Enterprises, Inc. and Limitedbrands, Inc. Ms. James also previously served, within the last five years, as a Director of CNO Financial Group, Inc. Ms. James was appointed by President Barack Obama as Chair of the National Women s Business Council, a non-partisan advisory council to President Obama, Congress and the Small Business Administration on economic development of women-owned businesses. With these qualifications, Ms. James offers a valuable perspective on a range of topics impacting our business, including financial reporting, risk management and human resources. She also draws upon her broad executive experience in providing insight on matters of corporate management.

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Nominees for Class I Directors Current Terms Expiring in 2012:

Charles R. Lee

Director since 2011

Retired Chairman of the Board, Verizon Communications, Inc. Age 72

Mr. Lee received his bachelor s degree in metallurgical engineering from Cornell University and a master s degree in business administration with distinction from the Harvard Graduate School of Business Administration. He served in various financial and management positions before becoming Senior Vice President of Finance for Penn Central Corporation, and then Columbia Pictures Industries, Inc. In 1983, Mr. Lee joined GTE Corporation (which merged with Bell Atlantic Corporation to form Verizon Communications, Inc. in 2000) as Senior Vice President of Finance, and in 1986 was named Senior Vice President of Finance and Planning. He was elected President, Chief Operating Officer and a Director in December 1988 and was elected Chairman of the Board and Chief Executive Officer of GTE in 1992. Mr. Lee served as Chairman of the Board and Co-Chief Executive Officer of Verizon Communications from June 2000 through March 2002 and served as non-executive Chairman of the Board from April 2002 to December 2003. Mr. Lee serves on the Boards of Directors of United States Steel Corporation, United Technologies Corporation and DIRECTV. He previously served, within the last five years, as a Director for The Proctor & Gamble Company. Mr. Lee is a member of the Board of Overseers of Weill Cornell Medical College. He is also a Trustee Emeritus and Presidential Councilor of Cornell University. Mr. Lee is one of the named financial experts serving on our Audit Committee. Mr. Lee has a broad range of expertise applicable to our business. He has led technology and communications companies and has an extensive background in finance, all of which make him a significant contributor on our Board.

Seth E. Schofield

Director since 2011

Retired Chairman and Chief Executive Officer, USAir Group Age 72

Mr. Schofield graduated from the Harvard Business School Program for Management Development in 1975. He served in various corporate staff positions after joining USAir, Inc. in 1957 and became Executive Vice President of Operations in 1981. Mr. Schofield served as President and Chief Operating Officer of USAir from 1990 until 1991. He was elected President and Chief Executive Officer in 1991 and became Chairman of the Boards of USAir Group and USAir, Inc. in 1992. He retired in January 1996. Mr. Schofield is the Presiding Director of United States Steel Corporation and Lead Director of Calgon Carbon Corporation. Mr. Schofield oversaw a large operational-focused business and brings that relevant insight to our Board. Also, through his experience as a chairman and chief executive officer and as a director on the boards of other public companies, he has gained an in-depth knowledge on matters of executive compensation and corporate governance. As Chair of our Compensation Committee, Mr. Schofield draws upon this expertise.

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Continuing Class II Directors Current Terms Expiring in 2013:

Evan Bayh

Director since 2011

Senior Advisor, Apollo Global Management; Partner, McGuireWoods LLP Age 56

Senator Bayh graduated with a bachelor s degree in business economics from Indiana University in 1978 and received his law degree from the University of Virginia in 1981. As a former U.S. Senator and the Governor of Indiana, he has served in leadership positions beginning in 1986 with his election as Indiana s Secretary of State. In 1988, he was elected Governor. After two terms, Mr. Bayh was elected to the U.S. Senate where he served for twelve years. He served on numerous committees including Banking, Housing and Urban Affairs; Armed Services; Energy and Natural Resources; the Select Committee on Intelligence; Small Business and Entrepreneurship; and the Special Committee on Aging, holding key leadership roles on several. During his time in office, he focused on job creation, national security, small business growth and many other critical domestic issues. Senator Bayh is presently a partner with McGuireWoods LLP and a Senior Advisor with Apollo Global Management. He also serves on the Boards of Directors of Fifth Third Bancorp and RLJ Lodging Trust. Having served many years in elected office, including as the chief executive of a large Midwestern state, Senator Bayh brings a well-rounded perspective to our Board on matters of government regulation, corporate governance, risk management and finance.

William L. Davis

Director since 2011

Retired Chairman, President and Chief Executive Officer, R.R. Donnelley & Sons Company Age 68

Mr. Davis graduated from Princeton University in 1965 with a bachelor s degree in politics. From 1977 through 1997 he held a variety of positions with Emerson Electric Company, including that of President of two of its subsidiaries, Appleton Electric Company and Skil Corporation. He also served as Senior Executive Vice President for the Emerson Tool Group, the Industrial Motors and Drives Group and the Process Control Group. Mr. Davis joined R.R. Donnelley & Sons Company in 1997 as the Chairman and Chief Executive Officer. In 2001, he accepted the responsibility of serving as President of the company. Mr. Davis retired as Chairman, President and Chief Executive Officer of R.R. Donnelley & Sons Company in February 2004. Mr. Davis serves on the Board of Directors of Air Products and Chemicals, Inc. He also serves on the Board of Directors of Northshore University Health System, previously serving as Chairman of the Board of Directors. Mr. Davis is also a former Director of Mallinckrodt, Inc. As a former chairman, president and chief executive officer of a public company, Mr. Davis brings to our Board experience with many of the major issues that face our day-to-day business, such as strategic planning, capital allocation and management development. This experience serves him in performing his role as Chair of our Corporate Governance and Nominating Committee.

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Thomas J. Usher

Director since 2011

Non-Executive Chairman of the Board, Marathon Petroleum Corporation Age 69

Mr. Usher graduated from the University of Pittsburgh with a bachelor of science degree in industrial engineering, a master of science degree in operations research and a doctorate in systems engineering. He joined United States Steel Corporation (later renamed USX Corporation) in 1965 and held various positions in industrial engineering. From 1975 through 1979, he held a number of management positions at United States Steel Corporation s South and Gary Works. Mr. Usher was elected Executive Vice President of Heavy Products in 1986, President of U.S. Steel Group and Director of USX Corporation in 1991, President and Chief Operating Officer of USX Corporation in 1994 and Chairman of the Board of Directors and Chief Executive Officer effective July 1995. He retired from United States Steel Corporation as Chief Executive Officer in September 2004 and as non-executive Chairman of the Board in February 2006. Mr. Usher serves on the Boards of Directors of H. J. Heinz Company, The PNC Financial Services Group, Inc. and PPG Industries, Inc. Mr. Usher is a member of the Board of Trustees of the University of Pittsburgh, the Board of Directors of the Extra Mile Education Foundation and The Business Council. Mr. Usher has in-depth knowledge of the petroleum industry and has led a large industrial firm. His service on other boards of directors of public companies has also given him exposure to varying approaches to governance and leadership. Consequently, he is well positioned as our Chairman to guide our Board in its strategic focus and risk oversight functions.

Continuing Class III Directors Current Terms Expiring in 2014:

Gary R. Heminger

Director since 2011

President and Chief Executive Officer, Marathon Petroleum Corporation Age 58

Mr. Heminger earned a bachelor s degree in accounting from Tiffin University in 1976, and a master s degree in business administration from the University of Dayton in 1982. He is a graduate of the Wharton School Advanced Management Program at the University of Pennsylvania. Mr. Heminger has served in a variety of capacities in his more than thirty-seven years with Marathon. In addition to five years in various financial and administrative roles, he spent three years in London as part of the Brae Project, and held several marketing and commercial roles with the predecessor of Speedway LLC. He also served as President of Marathon Pipe Line Company. Mr. Heminger was named Vice President of Business Development for Marathon Ashland Petroleum LLC upon its formation in January 1998, Senior Vice President in 1999 and Executive Vice President in 2001. Mr. Heminger was appointed President of Marathon Petroleum Company LLC in September 2001 and Executive Vice President Downstream of Marathon Oil Corporation. He assumed his current position in July 2011. Mr. Heminger is Chairman of the Board of Trustees of Tiffin University. He is Chairman of the American Petroleum Institute Downstream Committee, past Chairman of the Louisiana Offshore Oil Port and a member of the Oxford Institute for Energy Studies. He also serves on the Boards of Directors of Fifth Third Bancorp and JobsOhio, as well as the Board of Directors and Executive Committee for the American Fuel & Petrochemical Manufacturers and the U.S.-Saudi Arabian Business Council Executive Committee. Mr. Heminger has extensive knowledge of all aspects of our business. He leverages that expertise in terms of advising on the strategic direction of the Company and apprising our Board on issues of significance to both our Company and our industry.

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John W. Snow

Director since 2011

Chairman, Cerberus Capital Management, L.P. Age 72

Mr. Snow graduated from the University of Toledo in 1962 with a bachelor s degree. He also holds a master s degree from Johns Hopkins University, a doctorate in economics from the University of Virginia and a law degree from George Washington University. He joined Cerberus Capital Management, L.P. as Chairman in October 2006 and continues in that capacity today. Mr. Snow was sworn into office as U.S. Secretary of the Treasury in February 2003, where he served until leaving office in June 2006. Prior to becoming Secretary of the Treasury, he served as Chairman and Chief Executive Officer of CSX Corporation. He also held several high-ranking positions in the Department of Transportation during the Ford Administration. Mr. Snow also serves on the Boards of Directors of Verizon Communications, Inc., Amerigroup Corporation and International Airlines Group. He is a former Co-Chairman of the Conference Board s Blue-Ribbon Commission on Public Trust and Private Enterprise. He also served as Co-Chairman of the National Commission on Financial Institution Reform, Recovery and Enforcement. Prior to serving as Secretary of the Treasury, Mr. Snow served on various corporate and nonprofit boards, including the American Enterprise Institute and Johns Hopkins University. Through his experience as Chairman of a leading private investment firm, Secretary of the Treasury and Chairman and Chief Executive Officer of a large public company, Mr. Snow is uniquely positioned to contribute to our Board on an array of issues.

John P. Surma

Director since 2011

Chairman and Chief Executive Officer, United States Steel Corporation Age 57

Mr. Surma graduated from Pennsylvania State University with a bachelor of science degree in accounting. He has served in various executive leadership positions since joining United States Steel Corporation in 2002. Mr. Surma joined Marathon Oil Company as Senior Vice President, Finance & Accounting in 1997. He was named President, Speedway SuperAmerica LLC in 1998 and Senior Vice President, Supply & Transportation of Marathon Ashland Petroleum LLC in 2000. He was appointed President of Marathon Ashland Petroleum LLC in 2001. Prior to joining Marathon, he worked for Price Waterhouse LLP where he was admitted to the partnership in 1987. Mr. Surma is a member of the Board of Directors of The Bank of New York Mellon Corporation and serves as Treasurer of the Board of Directors of the World Steel Association. He is also a member of the Board of Directors of the American Iron and Steel Institute and has previously held various leadership roles in the organization. Mr. Surma is currently a member of both the National Petroleum Council and The Business Council. He was appointed by President Barack Obama to the President s Advisory Committee for Trade Policy and Negotiations and serves as Vice Chairman. As the current Chairman and Chief Executive Officer of a large industrial firm, Mr. Surma has direct insight into many of the same challenges faced by our Company. In addition, his broad experience provides him a detailed level of operational knowledge that enhances his ability to contribute on our Board.

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PROPOSALS OF THE BOARD *(continued)*

Proposal No. 2 Ratification of Independent Auditor for 2012

Our Audit Committee has selected PricewaterhouseCoopers LLP (which we refer to as PricewaterhouseCoopers), an independent registered public accounting firm, as our independent auditor to audit the Company s books and accounts for the year ending December 31, 2012. PricewaterhouseCoopers served as our independent auditor in 2011. While our Audit Committee is responsible for appointing, replacing, compensating and overseeing the work of the independent auditor, we are requesting, as a matter of good corporate governance, that our shareholders ratify the appointment of PricewaterhouseCoopers as our independent auditor for 2012. If the shareholders fail to ratify this appointment, our Audit Committee will reconsider whether to retain PricewaterhouseCoopers and may retain that firm or another firm without resubmitting the matter to our shareholders. Even if the appointment is ratified, our Audit Committee may, in its discretion, direct the appointment of a different independent auditor at any time during the year if it determines that such change would be in the Company s best interest and in the best interests of our shareholders.

We expect representatives of PricewaterhouseCoopers to be present at our Annual Meeting with an opportunity to make a statement if they desire to do so, and to be available to respond to appropriate questions from our shareholders.

Your Board of Directors recommends that you vote FOR Proposal No. 2.

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PROPOSALS OF THE BOARD *(continued)*

Proposal No. 3 Approval of 2012 Incentive Compensation Plan

On February 29, 2012, our Board approved the Marathon Petroleum Corporation 2012 Incentive Compensation Plan (which we refer to as the 2012 Plan) and its submission to shareholders for their approval. The 2012 Plan is intended to reward participants by providing cash benefits and opportunities to acquire our common stock. The 2012 Plan is designed to attract and retain officers, employees and directors, to strengthen the alignment of their interests with shareholder interests and to reward outstanding contributions to our development and financial success.

The 2012 Plan is intended to replace, on a prospective basis, the Second Amended and Restated Marathon Petroleum Corporation 2011 Incentive Compensation Plan (which we refer to as the 2011 Plan). The 2011 Plan was adopted in preparation for the Spinoff. The 2011 Plan document was formulated to mirror Marathon Oil s plan and to contain certain provisions that were specifically related to the Spinoff. Our Board believes the 2012 Plan is appropriate as a replacement of the 2011 Plan at this time in order to eliminate the Spinoff-related provisions, to more closely tailor the 2012 Plan and approved performance criteria to the goals and philosophy of the Company following the Spinoff and to update the 2012 Plan with current equity compensation plan best practices. In addition, as the 2011 Plan was approved and put into place by Marathon Oil prior to the Spinoff, the regulations under Section 162(m) of the Internal Revenue Code require shareholder approval at an annual meeting of shareholders within the 24 months following the Spinoff. The Board has committed to seek this required shareholder approval at the earliest possible opportunity by presenting the 2012 Plan for approval at the 2012 Annual Meeting. If the 2012 Plan is approved by shareholders, all granting authority under the 2011 Plan will be revoked and no new grants will be made from it following the date of shareholder approval. If the 2012 Plan is not approved by shareholders, the 2011 Plan will continue in effect pursuant to the terms and provisions set forth in the 2011 Plan.

The 2012 Plan authorizes the grant of awards, including shares of our common stock, in any combination of the following:

- stock options, including incentive stock options and non-qualified stock options;
- stock appreciation rights (or SARs);
- stock awards, restricted stock awards and other awards denominated or paid in common stock;
- restricted stock units (which may include dividend equivalents);
- cash awards; and
- performance awards.

The following summary of the 2012 Plan is qualified by reference to the full text of the 2012 Plan, which is attached as Appendix I to this Proxy Statement. The 2012 Plan is not tax-qualified under Section 401(a) of the Internal Revenue Code and is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

Authorized Shares and Limits

Subject to shareholder approval, we have reserved a total of 25 million shares of our common stock for issuance in connection with the 2012 Plan. No more than 10 million shares may be used for awards other than stock options or SARs. The number of shares authorized to be issued under the 2012 Plan, as well as individual limits and exercise prices, are subject to adjustment for stock dividends, stock splits, recapitalizations, mergers or similar corporate events.

The following limitations apply to awards made under the 2012 Plan:

- no employee may be granted, during any calendar year, stock options or SARs that are exercisable for or relate to more than 6 million shares of common stock;

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- no employee may be granted, during any calendar year, stock awards or restricted stock unit awards covering or relating to more than 2 million shares of common stock; and

- no employee may be granted performance awards consisting of cash for any calendar year, having a maximum value determined on the date of grant in excess of $20 million.

Historical Burn Rates

Our burn rate represents the number of equity awards granted in a given year relative to common shares outstanding. As a new company, we have estimated an annualized burn rate of 0.61% based on historical grants.

Potential Dilution

The maximum number of shares that may be issued under the 2012 Plan represents approximately 7% of the total number of shares of our common stock outstanding on March 2, 2012, excluding treasury shares. The closing price per share of our common stock on March 2, 2012 as reported on the Consolidated Tape System was $42.18.

Administration of the Plan

Our Board will designate a committee (which we refer to for purposes of this summary as the Plan Committee) to administer the 2012 Plan and delegate to it the authority to determine the types of employee awards made under the 2012 Plan and to designate the employees who are to be recipients of awards. The Plan Committee will administer the 2012 Plan with respect to employee awards. The Plan Committee will have full and exclusive power to administer and interpret the 2012 Plan. The Plan Committee may adopt guidelines for administering the 2012 Plan as it deems necessary or proper.

The Plan Committee may also correct any defect, supply any omission or reconcile any inconsistency in the 2012 Plan or in any award. Decisions of the Plan Committee in the interpretation and administration of the 2012 Plan are within its sole and absolute discretion and are final, conclusive and binding on all parties concerned.

With respect to director awards, our Board determines the types of director awards made under the 2012 Plan and has the same powers, duties and authority as the Plan Committee has with respect to employee awards.

Our Board or the Plan Committee may delegate to a subcommittee, our CEO and/or other executive officers, as such term is defined by Section 16 of the Exchange Act (each an executive officer), their duties or authority under the 2012 Plan with respect to employee awards and administrative functions subject to the limitations as set forth in the 2012 Plan. Our Board and the Plan Committee may also engage third-party administrators to carry out administrative functions under the 2012 Plan.

Awards that are stock options or SARs may not be repriced, replaced, regranted through cancellation or modified without shareholder approval (except if in connection with a change in our capitalization) if the effect would be to reduce the underlying grant price. Similarly, no stock options or SARs may be repurchased with cash without shareholder approval.

Eligibility

Employees eligible for awards under the 2012 Plan are employees of our Company or its subsidiaries who are selected by the Plan Committee. All of our non-employee directors are also eligible for awards under the 2012 Plan. The Plan Committee has the authority to identify employee recipients to whom awards will be granted, and the type and amount of each award. Although the Plan Committee may grant awards to any employee of the Company, it is anticipated that eligibility for awards will be as follows: eligibility for stock option awards will generally include approximately 80 management and other select employees based on grade; eligibility for restricted stock and restricted stock unit awards will generally include approximately 5,400 management and other select employees based on grade; eligibility for long-term cash-based incentive awards will generally include approximately 15 management employees; and eligibility for annual cash-based incentive awards will generally include a broad employee base.

Employee Award Terms

All awards to employees under the 2012 Plan are subject to the terms, conditions and limitations as determined by the Plan Committee. Awards may be made in combination with, in replacement of, or as alternatives to, grants under the 2012 Plan or other plans of our Company or subsidiaries, including plans of an acquired entity.

A stock option granted to an employee under the 2012 Plan may consist of either an incentive stock option that complies with the requirements of Section 422 of the Internal Revenue Code or a non-qualified stock option that does not comply with those requirements. Incentive stock options and non-qualified stock options must have an exercise price per share that is not less than the fair market value of the common stock on the date of grant and, subject to certain adjustment provisions of the 2012 Plan that apply only upon specified corporate events, the exercise price of an option granted under the 2012 Plan may not be decreased. The term of a stock option may not extend more than ten years after the date of grant.

A SAR may be granted under the 2012 Plan with respect to all or a portion of the shares of common stock subject to a stock option or may be granted separately. The exercise price of a SAR may not be less than the fair market value of the common stock on the date of grant and its term shall extend no more than ten years from the date of grant.

Stock awards consist of restricted and non-restricted grants of common stock. Rights to dividends may be extended to and made part of any stock award at the discretion of the Plan Committee. The Plan Committee may also establish rules and procedures for the crediting of interest or other earnings on deferred cash payments. Subject to vesting requirements and provisions as determined by the Plan Committee and set forth in an individual employee award agreement, stock awards settled in stock that are not performance-based will vest over a minimum period of three years either incrementally or through cliff vesting and stock awards settled in stock that are performance-based will vest over a minimum period of one year.

Restricted stock unit awards consist of awards of units denominated in common stock. Rights to dividend equivalents may be extended to and made part of any restricted stock unit award at the discretion of the Plan Committee. The Plan Committee may also establish rules and procedures for the crediting of interest or other earnings on deferred cash payments. Subject to earlier vesting upon death, disability, retirement or change in control, restricted stock unit awards settled in stock that are not performance-based will vest over a minimum period of three years and restricted stock unit awards settled in stock that are performance-based will vest over a minimum period of one year.

No portion of a stock award or restricted stock unit award will have a restriction period of less than one year, except that up to 3% of the total awards authorized under the 2012 Plan are available to be granted to executives with a vesting period of shorter than one year. Additionally, employees who are officers at the time a stock award or restricted stock unit award is granted will also have an additional one-year holding period to follow the vesting and lapse of restrictions before such shares (net of shares used to satisfy applicable tax withholding) may be sold.

Performance awards consist of grants made subject to the attainment of one or more performance goals and may be intended to meet the requirements of qualified performance-based compensation under Section 162(m) of the Internal Revenue Code. The goals intended to satisfy Section 162(m) of the Internal Revenue Code must be established by the Plan Committee prior to the earlier of 90 days after the commencement of the period of service to which the performance goals relate and the lapse of 25% of the period of service.

A performance goal intended to meet the requirements of Section 162(m) of the Internal Revenue Code may be based upon one or more business criteria that apply to the employee, one or more business units of the Company or the Company as a whole, and may include as set forth in the 2012 Plan any of the following:

- revenue and income measures (which may include revenue, gross margin, income from operations, net income, net sales, earnings per share, earnings before interest, taxes, depreciation and amortization and economic value added);

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- expense measures (which include costs of goods sold, selling, finding and development costs, general and administrative expenses and overhead costs);
- 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);
- margins (which include crack spread measures);
- refined product measures;
- cash management and cash flow measures (which include net cash flow from operating activities, working capital, receivables management and related customer terms);
- liquidity measures (which include earnings before or after the effect of certain items such as interest, taxes, depreciation and amortization and free cash flow);
- leverage measures (which include the debt-to-equity ratio, the debt-to-total-capital ratio and net debt);
- market measures (which include market share, stock price, growth measure, total shareholder return and market capitalization measures);
- return measures (which include return on equity, return on assets and return on invested capital);
- corporate value and sustainability measures (which include compliance, safety, environmental and personnel matters);
- project completion measures (which may include measures relating to interim milestones regarding budgets and deadlines, as well as whether projects are completed on time and on or under budget); and
- other measures such as those relating to acquisitions, dispositions or customer satisfaction.

Prior to the payment of any performance award based on the achievement of performance goals, our Compensation Committee is required to certify in writing, pursuant to Section 162(m) of the Internal Revenue Code, that the applicable performance goals and any material terms are, in fact, satisfied. Additionally, employees who are officers at the time a performance award that will settle in shares is made, have an additional one-year holding requirement after the performance award is settled before such shares (net of shares used to satisfy applicable tax withholding) may be sold.

Cash awards, which consist of grants denominated in cash, may also be granted to employees under the 2012 Plan. Such cash awards shall be subject to the same performance criteria proposed above with respect to performance awards, with the addition of subjective performance criteria consisting of group, team or individual performance goals aligned with desired business results.

In addition to the holding period for officers following the vesting of awards under the 2012 Plan, executive officers are also subject to stock ownership guidelines, which may require an executive officer to retain vested shares (net of shares used to satisfy applicable tax withholding) beyond the holding requirements provided in the 2012 Plan.

Non-Employee Director Award Terms

All awards to our non-employee directors under the 2012 Plan are subject to the terms, conditions and limitations determined by our Board. The terms, conditions and limitations of director awards are evidenced in either an individual award agreement or by some other document or plan which sets forth such terms, conditions and limitations in writing. Awards may be made in combination with, in replacement of or as alternatives to, grants under the 2012 Plan or other plans maintained by the Company or its subsidiaries, including plans of an acquired entity.

A stock option granted to a director under the 2012 Plan will consist of a non-qualified stock option that does not comply with the requirements of Section 422 of the Internal Revenue Code. Non-qualified stock options must

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have an exercise price per share that is not less than the fair market value of the common stock on the date of grant and, subject to certain adjustment provisions of the 2012 Plan that apply only upon specified corporate events, the exercise price of an option granted under the 2012 Plan may not be decreased. The term of a stock option may not extend more than ten years after the date of grant.

A SAR may be granted under the 2012 Plan with respect to all or a portion of the shares of common stock subject to a stock option or may be granted separately. The exercise price of a SAR may not be less than the fair market value of the common stock on the date of grant and its term shall extend no more than ten years from the date of grant.

Stock awards consist of restricted and non-restricted grants of common stock. Rights to dividends may be extended to and made part of any stock award at the discretion of our Board. Our Board may also establish rules and procedures for the crediting of interest or other earnings on deferred cash payments.

Restricted stock unit awards consist of awards of units denominated in common stock. Rights to dividend equivalents may be extended to and made part of any restricted stock unit award at the discretion of our Board. Our Board may also establish rules and procedures for the crediting of interest or other earnings on deferred cash payments.

Performance awards consist of grants made subject to the attainment of one or more performance goals. Performance awards to non-employee directors are not required to meet the requirements of qualified performance-based compensation under Section 162(m) of the Internal Revenue Code. Our Board determines the terms, conditions, limitations and performance goals with respect to performance awards to our non-employee directors.

Amendment of the Plan

The Plan Committee may amend or terminate the 2012 Plan in response to any legal requirements or for any other purpose permitted by law; provided, however, that our Board must approve such Plan Committee action. No amendment that would adversely affect the rights of a participant may be made without the consent of the participant and no amendment may be effective prior to its approval by the shareholders of the Company if such approval is required by law or any stock exchange on which our common stock is listed. No amendment may cause an option or SAR to be repriced, replaced, repurchased, regranted through cancellation or modified without shareholder approval except for certain adjustments permitted under the 2012 Plan.

We intend to structure awards under the 2012 Plan so that they are exempt from or that they comply with the requirements of Section 409A of the Internal Revenue Code.

Federal Income Tax Consequences of the Plan

The following is a discussion of material U.S. federal income tax consequences to participants in the 2012 Plan, based on the law as in effect on the date of this Proxy Statement. This discussion is limited, and does not cover state, local or foreign tax treatment of participation in the 2012 Plan. Differences in participants financial situations may cause tax consequences of participation in the 2012 Plan to vary.

Participants will not realize taxable income upon the grant of a non-qualified stock option or SAR. Upon the exercise of a non-qualified stock option or SAR, the participant will recognize ordinary income. In the case of employees, the ordinary income recognized is an amount equal to the excess of the amount of cash and the fair market value of the common stock received on the date of exercise over the exercise price, if any, paid. This ordinary income is subject to tax withholding by the Company. The participant will generally have a tax basis in any shares of common stock received pursuant to the exercise of a SAR, or pursuant to the cash exercise of a non-qualified stock option, that equals the fair market value of the shares on the date of exercise. Generally, the

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Company will be entitled to a deduction for U.S. federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by the participant.

Employees will not have taxable income upon the grant or the exercise of an incentive stock option. However, the excess of the fair market value of the shares of common stock received upon exercise of the incentive stock option over the exercise price will increase the alternative minimum taxable income of the employee, which may cause the employee to incur alternative minimum tax. The payment of any alternative minimum tax due to the exercise of an incentive stock option is allowed as a credit against the employee s regular tax liability in a later year to the extent the employee s regular tax liability is in excess of the alternative minimum tax for that year.

Upon the disposition of stock received as a result of an exercise of an incentive stock option that has been held for the requisite holding period (generally one year from the date of exercise and two years from the date of grant), the employee will generally recognize capital gain or loss equal to the difference between the amount received in the disposition and the exercise price paid. However, if an employee disposes of stock that has not been held for the requisite holding period, the employee will recognize ordinary income in the year of the disqualifying disposition to the extent that the fair market value of the stock at the time of exercise of the incentive stock option, or, if less, the amount realized in the case of an arm s-length disqualifying disposition to an unrelated party, exceeds the exercise price paid by the employee for the stock. The employee will also recognize capital gain, or, depending on the holding period, additional ordinary income, to the extent the amount realized in the disqualifying disposition exceeds the fair market value of the stock on the exercise date. If the exercise price paid for the stock exceeds the amount realized in the disqualifying disposition, in the case of an arm s-length disposition to an unrelated party, the excess would ordinarily be a capital loss.

The Company is generally not entitled to any federal income tax deduction upon the grant or exercise of an incentive stock option, unless the employee makes a disqualifying disposition of the stock. If an employee makes a disqualifying disposition, the Company will generally be entitled to a tax deduction that corresponds as to timing and amount with the compensation income recognized by the employee.

An employee will recognize ordinary compensation income upon receipt of cash pursuant to a cash award or performance award or, if earlier, at the time the cash is otherwise made available to the employee.

A participant will not have taxable income upon the grant of a stock award in the form of units denominated in common stock but, rather, will generally recognize ordinary compensation income at the time the participant receives common stock or cash in satisfaction of a stock unit award in an amount equal to the fair market value of the common stock or cash received. In general, a participant will recognize ordinary compensation income as a result of the receipt of common stock pursuant to a stock award or performance award in an amount equal to the fair market value of the common stock when the stock is received; provided, however, that if the stock is not transferable and is subject to a substantial risk of forfeiture when received, the participant will recognize ordinary compensation income in an amount equal to the fair market value of the common stock when it first becomes transferable or is no longer subject to a substantial risk of forfeiture, unless the participant makes an election to be taxed on the fair market value of the common stock when the stock is received.

An employee will be subject to tax withholding for federal, and generally for state and local, income taxes at the time the employee recognizes income with respect to common stock or cash received pursuant to a cash award, performance award, stock award or stock unit award. Dividends that are received by a participant prior to the time that the common stock is taxed to the participant are taxed as additional compensation, not as dividend income. A participant s tax basis in the common stock received will equal the amount recognized by the participant as compensation income and the participant s holding period in the shares will commence on the date income is recognized.

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Generally, the Company will be entitled to a deduction for U.S. federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by the participant. Section 162(m) of the Internal Revenue Code provides that certain compensation received in any year by a covered employee in excess of $1,000,000 is non-deductible by the Company for federal income tax purposes. Section 162(m) provides an exception, however, for performance-based compensation. The 2012 Plan permits the Plan Committee to structure grants and awards made under the 2012 Plan to covered employees as performance-based compensation that is exempt from the limitations of Section 162(m). However, the Plan Committee may award compensation that is or may become non-deductible, based on its consideration of whether the grants are in the best interest of the Company, balancing tax efficiency with long-term strategic objectives.

Awards Under the Plan

Awards under the 2012 Plan will be granted at the discretion of the Board or the Plan Committee, as appropriate. Therefore, the total benefits that will be received by any particular person or group under the 2012 Plan are not determinable at this time.

Your Board of Directors recommends that you vote FOR Proposal No. 3.

PROPOSALS OF THE BOARD *(continued)*

Proposal No. 4 Shareholder Advisory Vote to Approve the Compensation of the Company s Named Executive Officers

Pursuant to Section 14A of the Exchange Act, we seek your advisory vote on the compensation of our named executive officers as disclosed in this Proxy Statement.

Although this vote is nonbinding, the Compensation Committee values your opinion and expects to consider the voting results when making future decisions about named executive officer compensation.

Additionally, we think that constructive dialogue with our shareholders provides meaningful feedback about specific named executive officer compensation practices and programs and encourage shareholders to communicate directly with both management of the Company and the Compensation Committee about named executive officer compensation. Shareholders may contact the Compensation Committee Chair to provide input on named executive officer compensation matters at any time by email at: compchair@marathonpetroleum.com.

Shareholders may also contact management to provide input on named executive officer compensation matters at any time by contacting Pamela K.M. Beall, Vice President, Investor Relations and Government & Public Affairs by email at: pkbeall@marathonpetroleum.com.

As described in the Compensation Discussion and Analysis portion of this Proxy Statement, our Compensation Committee has effectively established executive compensation programs that reflect both Company and individual performance. Executive compensation decisions are made in order to attract, motivate, retain and reward talented executives to deliver business results and value to our shareholders.

Our Compensation Committee consistently exercises care and discipline in determining executive compensation. Our Board of Directors urges you to review carefully the Compensation Discussion and Analysis that describes our compensation philosophy and programs in greater detail and to approve the following resolution:

RESOLVED, that the compensation paid to the Company s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including in the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.

Your Board of Directors recommends that you vote FOR Proposal No. 4.

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PROPOSALS OF THE BOARD *(continued)*

Proposal No. 5 Shareholder Advisory Vote on the Frequency of Future Shareholder Advisory Votes on the Compensation of the Company s Named Executive Officers

The Dodd-Frank Wall Street Reform and Consumer Protection Act created Section 14A of the Exchange Act, which provides for our shareholders to indicate how frequently the Company should seek an advisory vote on the compensation of our named executive officers. Proposal No. 5 is submitted to you as required pursuant to Section 14A. By voting on this proposal, shareholders may indicate whether they prefer an advisory vote on named executive officer compensation every one, two or three years, or abstain on this matter.

After careful consideration, our Board of Directors has determined that an advisory vote on executive compensation that occurs every year is the most appropriate choice for Marathon Petroleum. Therefore, our Board recommends that you vote for an annual advisory vote on named executive officer compensation, for the reasons stated below:

- An annual advisory vote will give shareholders a formal mechanism for providing their direct input on our compensation philosophy, policy and practices as disclosed in our proxy statement every year.

- An annual advisory vote is consistent with our policy of seeking input from and engaging in discussions with our shareholders regarding executive compensation and may encourage additional dialogue.

While this is an advisory vote and, as such, is nonbinding, our Board will carefully consider the results of the vote when deciding when to call for the next advisory vote on named executive officer compensation.

Please indicate your preference as to the frequency of holding shareholder advisory votes on named executive officer compensation as every one year, every two years or every three years, or you may mark Abstain on this proposal.

Your Board of Directors unanimously recommends a vote FOR EVERY YEAR (1) on Proposal No. 5 relating to the advisory vote on the frequency of named executive officer compensation votes. Shareholders are not voting to approve or disapprove the recommendation of the Board of Directors. Shareholders may choose among the four choices (every year, every two years, every three years or abstain)

as set forth above.

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AUDIT COMMITTEE REPORT

The Audit Committee has reviewed and discussed Marathon Petroleum s audited financial statements and its report on internal controls over financial reporting for 2011 with Marathon Petroleum s management. The Audit Committee discussed with the independent auditors, PricewaterhouseCoopers, the matters required to be discussed by the Public Company Accounting Oversight Board s AU Section 380 (Communication with Audit Committees). The Committee has received the written disclosures and the letter from PricewaterhouseCoopers required by the applicable requirements of the Public Company Accounting Oversight Board for independent auditor communications with audit committees concerning independence and has discussed with PricewaterhouseCoopers its independence. Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements and the report on internal controls over financial reporting for Marathon Petroleum be included in the Company s Annual Report on Form 10-K for 2011 for filing with the SEC.

Audit Committee

David A. Daberko, Chair

Evan Bayh

William L. Davis

Charles R. Lee

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INDEPENDENT REGISTERED PUBLIC

ACCOUNTING FIRM S FEES, SERVICES AND INDEPENDENCE

Independent Auditor Fees and Services

Aggregate fees for professional services rendered for the Company by PricewaterhouseCoopers for the years ended December 31, 2011 and December 31, 2010 were:

Fees	2011[(1)] (in 000 s)	2010[(2)] (in 000 s)
Audit	$ 4,414	$ 2,717
Audit-Related	0	0
Tax	0	0
All Other	4	0
Total [(3)]	**$ 4,418**	**$ 2,717**

(1) Includes $625,000 invoiced to and paid by Marathon Oil for audit services provided to Marathon Petroleum prior to the Spinoff.

(2) Marathon Petroleum and its subsidiaries were wholly-owned subsidiaries of Marathon Oil prior to the Spinoff. Fees paid for 2010 audit services for the Marathon Oil affiliated group were aggregated. The fees set forth in this column represent 2010 allocated audit fees from Marathon Oil for the businesses and operations that following the Spinoff comprise those of Marathon Petroleum and its subsidiaries.

(3) The Company s Pre-Approval of Audit, Audit-Related, Tax and Permissible Non-Audit Services Policy is attached as Appendix II to this Proxy Statement. The Audit Committee pre-approved all fees and services paid by Marathon Petroleum for 2011. The Audit Committee did not utilize the Policy s de minimis exception in 2011.

The *Audit* fees for the years ended December 31, 2011 and December 31, 2010 were for professional services rendered for the audit of consolidated financial statements and of internal controls over financial reporting, statutory and regulatory audits, the issuance of comfort letters, consents and assistance with and review of documents filed with the SEC.

The *All Other* fee for the year ended December 31, 2011 was for an accounting research software license.

Our Audit Committee has considered whether PricewaterhouseCoopers is independent for purposes of providing external audit services to the Company, and the Committee has determined that it is.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table furnishes information concerning all persons known to Marathon Petroleum to beneficially own 5% or more of MPC common stock as of December 31, 2011. The information provided below was derived from reports filed with the SEC by beneficial owners on the dates indicated in the footnotes below.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Outstanding Shares
Blackrock, Inc.[(1)]	26,467,054[(1)]	7.42%[(1)]
40 East 52nd Street		
New York, NY 10022		
FMR LLC[(2)]	18,379,912[(2)]	5.16%[(2)]
82 Devonshire Street		
Boston, MA 02109		

(1) Based on the Schedule 13G/A dated January 20, 2012 (filed: February 9, 2012), which indicates that it was filed by Blackrock, Inc. According to such Schedule 13G, Blackrock, Inc., through itself and being the parent holding company or control person over each of the following subsidiaries: Blackrock Japan Co. Ltd; Blackrock Advisors (UK) Limited; Blackrock Institutional Trust Company, N.A.; Blackrock Fund Advisors; Blackrock Asset Management Canada Limited; Blackrock Asset Management Australia Limited; Blackrock Advisors, LLC; Blackrock Financial Management, Inc.; Blackrock Investment Management, LLC; Blackrock Investment Management (Australia) Limited; Blackrock (Luxembourg) S.A.; Blackrock (Netherlands) B.V.; Blackrock Fund Managers Limited; Blackrock Asset Management Ireland Limited; Blackrock International Limited; and Blackrock Investment Management (UK) Limited, each individually owning less than 5%, is deemed to beneficially own 26,467,054 shares, and has sole voting power over 26,467,054 shares, shared voting power over no shares, sole dispositive power over 26,467,054 shares, and shared dispositive power over no shares.

(2) Based on the Schedule 13G/A dated February 13, 2012 (filed: February 14, 2012) which indicates that it was filed jointly by FMR LLC (FMR) and Edward C. Johnson 3d, Chairman of FMR. According to the Schedule 13G, (i) Fidelity Management & Research Company (Fidelity), a wholly-owned subsidiary of FMR, is an investment adviser and the beneficial owner of 17,009,273 shares, or 4.771%, and that Edward C. Johnson 3d and FMR, through its control of Fidelity, and the funds each has sole dispositive power over 17,009,273 shares owned by the funds, shared dispositive power over no shares, and that neither FMR or Edward C. Johnson 3d has sole or shared voting power to vote or direct the voting of the shares owned directly by the funds, which power resides with the funds Board of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the funds Board of Trustees; (ii) Fidelity Management Trust Company (FMTC), a wholly-owned subsidiary of FMR, and a bank is deemed to beneficially own 114,722 shares, or .032%, as a result of its serving as investment manager of the institutional accounts owning such shares, and that Edward C. Johnson 3d and FMR, through its control of FMTC, each has sole voting power or the power to direct the voting over 114,722 shares, and each has sole dispositive power over 114,722 shares owned by the institutional accounts managed by FMTC; (iii) Strategic Advisers, Inc., is a wholly-owned subsidiary of FMR and an investment adviser is deemed to beneficially own 13,359 shares or .004% of the shares beneficially owned through it; (iv) Pyramis Global Advisors, LLC (PGALLC), an indirect wholly-owned subsidiary of FMR and an investment adviser is deemed to beneficially own 195,405 shares or .055%, and that Edward C. Johnson 3d and FMR, through its control of PGALLC, each has sole voting power or the power to direct the voting over 317,490 shares, and each has sole dispositive power over 195,405 shares owned by the institutional accounts or funds advised by PGALLC; (v) Pyramis Global Advisors Trust Company (PGATC), an indirect wholly-owned subsidiary of FMR and a bank is deemed to beneficially own 517,084 shares, or .145%, as a result of its serving as investment manager of institutional accounts owning such shares, and that Edward C. Johnson 3d and FMR, through its control of PGATC, each has sole voting power or the power to direct the voting over 909,423 shares, and each has sole dispositive power over 489,809 shares owned by the institutional accounts managed by PGATC; and (vi) FIL Limited (FIL) and various foreign-based subsidiaries provide investment advisory and management services to a number of non-U.S. investment companies and certain institutional investors. FIL is deemed to beneficially own 530,069 shares, or .149%. Partnerships controlled predominately by members of the family of Edward C. Johnson 3d, Chairman of FMR and FIL, or trusts for their benefit, own shares of FIL voting stock. While the percentage of total voting power represented by these shares may fluctuate as a result of changes in the total number of shares of FIL voting stock from time to time, it normally represents more than 25% and less than 50% of the total vote which may be cast by all holders of FIL voting stock. FMR and FIL are separate and independent corporate entities, and their boards of directors are generally composed of different individuals. FMR and FIL are of the view that they are not acting as a group for purposes of Section 13(d) under the Securities Exchange Act of 1934 (the Exchange Act) and that they are not otherwise required to attribute to each other the beneficial ownership of securities beneficially owned by the other corporation within the meaning of Rule 13d-3 of the Exchange Act.

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SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the number of shares of MPC common stock beneficially owned as of January 31, 2012, except as otherwise noted, by each director, by each named executive officer and by all directors and executive officers as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(10)		Percent of Total Outstanding
Non-Employee Directors			
Evan Bayh	3,414	(1)	*
David A. Daberko	55,777	(1)	*
William L. Davis	53,207	(1)(5)	*
Donna A. James	3,689	(1)	*
Charles R. Lee	94,404	(1)	*
Seth E. Schofield	77,045	(1)(4)	*
John W. Snow	27,394	(1)	*
John P. Surma	8,778	(1)(5)(7)	*
Thomas J. Usher	32,041	(1)(5)	*
Named Executive Officers			
Gary R. Heminger	581,139	(2)(3)(6)(8)	*
Anthony R. Kenney	104,867	(2)(3)(6)(9)	*
Garry L. Peiffer	113,273	(2)(5)(6)	*
Donald C. Templin	29,623	(2)	*
J. Michael Wilder	84,273	(2)(5)(6)	*
All Directors and Executive Officers as a group (22 reporting persons)	1,666,353	(1)(2)(3)(4)(5)(6)(7)(8)(9)	*

(1) Includes restricted stock unit awards granted pursuant to the 2011 Plan and credited within a deferred account pursuant to the Deferred Compensation Plan for Non-Employee Directors. The aggregate number of restricted stock unit awards credited as of January 31, 2012 for each director is as follows: Mr. Bayh, 3,414; Mr. Daberko, 53,777; Mr. Davis, 51,207; Ms. James, 3,414; Mr. Lee, 92,404; Mr. Schofield, 75,761; Mr. Snow, 25,394; Mr. Surma, 3,414; and Mr. Usher, 20,351. For Messrs. Daberko, Davis, Lee, Schofield, Snow and Usher, the aggregate number of restricted stock unit awards includes replacement awards received as of June 30, 2011 for prior service on the Board of Directors of Marathon Oil and a supplemental award grant made on December 5, 2011.

(2) Includes shares of restricted stock issued pursuant to the 2011 Plan, which are subject to limits on sale and transfer and may be forfeited under certain conditions. For Messrs. Heminger, Kenny, Peiffer and Wilder, the aggregate number of shares of restricted stock includes replacement awards for shares of unvested Marathon Oil restricted stock that were cancelled as of June 30, 2011.

(3) Includes shares held within the Marathon Petroleum Thrift Plan.

(4) Includes shares held within the Marathon Petroleum Corporation Dividend Reinvestment and Direct Stock Purchase Plan.

(5) Includes 1,000 shares indirectly held by Mr. Davis in the William L. Davis III Revocable Trust. Includes 5,000 shares indirectly held by Mr. Surma in the Elizabeth L. Surma Revocable Trust. Includes 11,009 shares indirectly held by Mr. Usher in a revocable trust account governed by a Trust Agreement dated July 3, 2001. Includes, respectively, 2,194 shares and 8,463 shares indirectly held by Rodney P. Nichols in revocable trust accounts governed by Trust Agreements dated April 25, 2006. Includes 1,825 shares indirectly held by Mr. Peiffer in a revocable trust account governed by a Trust Agreement dated April 9, 2010. Includes 7,386 shares indirectly held by Mr. Wilder in a revocable trust account governed by a Trust Agreement dated September 8, 2006.

(6) Includes vested options issued in partial replacement of previously granted Marathon Oil options and exercisable within sixty days of January 31, 2012, including the following number of options that are not-in-the-money as of January 31, 2012: Mr. Heminger: 102,558; Mr. Kenney: 20,627; Mr. Peiffer: 25,503; and Mr. Wilder: 13,734, and all other executive officers as a group: 110,902.

(7) Includes 364 phantom shares held within a U.S. Steel Supplemental Thrift Plan.

(8) Includes shares that would have been received as a result of stock-settled SARs exercised based on the fair market value (i.e., closing price) of Marathon Petroleum s common stock on January 31, 2012 of $38.22.

(9) Includes shares held within the Marathon Petroleum Thrift Plan by Mr. Kenney s spouse, who is a former employee of an affiliate of the Company.

(10) None of the shares are pledged as security.

* The percentage of shares beneficially owned by each director or nominee, or each executive officer, does not exceed 1% of the common shares outstanding, and the percentage of shares beneficially owned by all directors and executive officers of the Company as a group does not exceed 1% of the common shares outstanding.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act, as amended, requires that the Company s directors and executive officers, and persons who own more than 10% of a registered class of the Company s equity securities, file reports of beneficial ownership on Form 3 and changes in beneficial ownership on Forms 4 or 5 with the SEC. Based solely on the Company s review of the reporting forms and written representations provided to the Company from the individuals required to file reports, the Company believes that each of its directors has complied with the applicable reporting requirements for transactions in the Company s securities during the fiscal year ended December 31, 2011. Further, the Company believes that each of its executive officers has complied with the applicable reporting requirements for transactions in the Company s securities during the fiscal year ended December 31, 2011, with the exceptions set forth below which arose in the context of initial reports or transactions related to the Spinoff and all of which were reported promptly upon discovery. The initial Form 4 filed on behalf of Garry L. Peiffer did not report his beneficial ownership of 3,373 shares of Marathon Petroleum common stock that were distributed to him on a pro rata basis as a result of the Spinoff. An amended Form 4 was filed on December 21, 2011 to correct this oversight. Due to an administrative error in connection with the first restricted stock vesting involving a Marathon Petroleum executive officer, a Form 4 filed on behalf of J. Michael Wilder was inadvertently filed late to report the disposition of 289 shares of Marathon Petroleum common stock to pay tax withholding. The initial Form 4 filed on behalf of Michael G. Braddock did not report his beneficial ownership of options to acquire 255 shares of Marathon Petroleum common stock as such Form 4 was filed in reliance on preliminary information available at the time of the Spinoff. The Form 4 filed on Mr. Braddock s behalf on July 5, 2011 included a footnote reference indicating that amounts reported were estimates as of the Spinoff and that any necessary corrections would be reported in a subsequent filing. Upon receipt of final Spinoff related information from Marathon Petroleum s equity agent, an amended Form 4 was filed on July 14, 2011 to reflect the corrected number of stock options.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed Marathon Petroleum s Compensation Discussion and Analysis report for 2011 with Marathon Petroleum s management. Based on its review and discussions, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis report be included in this Proxy Statement and incorporated by reference into the Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Compensation Committee

Seth E. Schofield, Chair

David A. Daberko

Donna A. James

John W. Snow

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COMPENSATION DISCUSSION AND ANALYSIS

Overview

On June 30, 2011, Marathon Petroleum became an independent public company as a result of the Spinoff. Although the compensation programs and philosophy established by Marathon Oil formed the basis of the executive compensation programs for Marathon Petroleum executive officers in 2011, our Compensation Committee made conservative adjustments to the targeted total direct compensation (base salary, annual bonus targets and long-term incentives) for certain officers following the Spinoff. These adjustments were made to help ensure the compensation levels provided to our executive officers were reasonable, competitive and appropriate for an independent downstream company engaged in the refining, marketing and transportation of petroleum products. In addition, our Compensation Committee undertook a full review of executive compensation programs and made adjustments that became effective either in the latter part of 2011 or the beginning of 2012, as discussed in this report.

This Compensation Discussion and Analysis explains and analyzes compensation awarded to or earned by our named executive officers in 2011 and the compensation philosophy established and decisions made by our Compensation Committee for 2011. It also discusses the material elements of our compensation programs, including changes that are applicable to our named executive officers for 2012. This Compensation Discussion and Analysis should be read in conjunction with the tabular disclosures beginning on page 59. For additional information about the philosophy for executive compensation prior to the Spinoff, please review the Compensation Discussion and Analysis section of the Marathon Oil 2011 Proxy Statement.

Executive Summary

Our Business

Marathon Petroleum is the nation s fifth-largest crude oil refiner based on crude oil refining capacity, with crude oil throughput capacity of approximately 1.2 million barrels per calendar day within our six-refinery system. Marathon® gasoline is sold through more than 5,000 independently owned locations across eighteen states. In addition, our wholly-owned subsidiary, Speedway LLC (which we refer to as Speedway), owns and operates the nation s fourth largest convenience store chain, with approximately 1,375 locations in seven states. We also currently own, lease, or have ownership interests in approximately 8,300 miles of crude oil and refined product pipelines. Our fully integrated system provides operational flexibility to move crude oil, feedstock and petroleum-related products efficiently through the Company s distribution network in the Midwest, Southeast and Gulf Coast regions.

2011 Business Highlights

In 2011, we saw the completion of, or major progress on, several strategic initiatives and projects. Among them were the Spinoff and the continued on-time and on-budget progress of our Detroit Heavy Oil Upgrade Project (which we refer to as DHOUP). This project, when complete, is expected to enable our Detroit refinery to process an additional 80 thousand barrels per calendar day (or mbpcd) of heavy Canadian bitumen blends. In addition, we continued to optimize our refineries, which increased our overall crude oil refining capacity. In 2011, our Garyville, Louisiana, Catlettsburg, Kentucky and Texas City, Texas refineries increased crude throughput from 464 mbpcd to 490 mbpcd, 212 mbpcd to 233 mbpcd and 76 mbpcd to 80 mbpcd, respectively. Also in 2011, Speedway purchased 23 convenience stores in Illinois and Indiana. All of these locations have been rebranded and integrated into Speedway s operations.

From a financial perspective, we reported net income of $2.4 billion, or $6.67 per diluted share in 2011, compared with net income of $623 million, or $1.74 per diluted share, in 2010. This exceeded net income for each of the previous four years. We placed first among a peer group of U.S. refiners when comparing 2011

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adjusted domestic operating income per barrel of crude oil processed. Additionally, financing was in place at the time of the Spinoff, and we established a strong balance sheet, announced a 25% increase in our quarterly dividend and generated substantial free cash flow.

In 2011, our mechanical availability was approximately 96.8% and our company-wide recordable safety incident rate decreased to 0.45, from 0.61 in 2010, which ties our record performance for this key metric.

Named Executive Officers

This Compensation Discussion and Analysis discusses and analyzes the compensation programs and decisions made with respect to the material elements of compensation for each of our named executive officers (or NEOs) listed below, for the year ended December 31, 2011:

Name	Title
Gary R. Heminger	President and Chief Executive Officer
Donald C. Templin	Senior Vice President and Chief Financial Officer
Garry L. Peiffer	Executive Vice President, Corporate Planning and Investor & Government Relations
Anthony R. Kenney	President, Speedway LLC
J. Michael Wilder	Vice President, General Counsel and Secretary

Although we have elected to provide information on compensation of our NEOs that predates the Spinoff, these individuals may not have qualified as NEOs under the prior reporting structure as part of Marathon Oil. Due to various payments made to certain individuals in connection with the Spinoff, these individuals also may not be the same as those listed in the Form 10. Our NEOs were determined based on compensation for 2011, as shown in the 2011 Summary Compensation Table on page 59.

Significant Compensation Committee Actions

The following chart summarizes significant actions taken by our Compensation Committee, which were effective on or after the Spinoff:

Action	Reason for Action
Approved providing shareholders with an annual advisory vote on named executive officer compensation policies and procedures	Named executive officer compensation is now subject to an advisory shareholder vote due to our standalone status
Implemented an annual review and assessment of potential risks with regard to compensation programs and policies, including annual bonus and long-term incentive programs	To determine if the design of our 2011 incentive programs could encourage excessive risk taking and to determine if existing controls mitigate such risk
Eliminated tax gross-up provision related to Section 280G of the Internal Revenue Code from change in control plan	To align with best practices and the long-term interests of our shareholders

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Action	Reason for Action
Established two peer groups for executive compensation:	To establish a set of peers from which to obtain market data that can be used to help establish and maintain competitive compensation levels for our executives and to understand competitive program design
a direct peer group comprised of integrated or downstream petroleum companies, which reflects industry-specific market data from both proxy statements and compensation surveys; and	To establish a set of industry peers for purposes of evaluating annual and long-term performance for incentive purposes
a broad industry peer group comprised of large industrial companies from the oil and gas industry, as well as other industries with a focus on commodities	
Conducted assessment of short and long-term incentive program designs and actual and target compensation levels for all officers	To ensure alignment of incentive arrangements with the business strategy and goals of the new independent downstream business
	To ensure flexibility and appropriately motivate and reward performance
	To ensure consistency with current market practices
	To ensure that our pay levels are consistent with our new peer groups of companies
Increased CEO stock ownership guidelines from five to six times base salary	To establish robust stock ownership requirements that align our executives long-term interests with those of our shareholders
Added a one-year holding requirement applicable to officers for full-value shares vested or earned under the Company s incentive compensation plan	
Approved clawback provisions applicable to officers for long-term incentive and annual bonus programs, as well as anti-hedging and derivative guidelines for executives	

Selection of Our Independent Consultant

In anticipation of the Spinoff, our Senior Vice President of Human Resources and Administrative Services, at the request of our Compensation Committee Chair, led a search to identify compensation consultants experienced and effective in advising compensation committees to serve as our independent compensation consultant. After reviewing firms with experience supporting large, complex public corporations, three qualified advisors were identified and interviewed by our Senior Vice President of Human Resources and Administrative Services. Two finalists were recommended to our Compensation Committee Chair for review. After the Committee Chair interviewed the two finalists and discussed their qualifications with the Committee, Pay Governance was retained directly by the Committee as its independent compensation consultant in May 2011.

Pay Governance was selected in part due to:

- the lead consultant designated for our account having demonstrated the ability to provide proactive and strategic advice and guidance;

- the depth and breadth of experience within the Pay Governance support staff;

- its recognition as a leader in developing and designing compensation programs with a strong pay for performance disposition;

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- its ability to provide independent advice;
- its ability to be responsive to deadlines and to provide quality service;
- its access to technical executive compensation expertise (such as SEC, governance, tax and accounting), which impacts compensation program design; and
- its experience working with tax-free spinoffs and businesses carving-out subsidiaries.

Our lead consultant from Pay Governance attended two meetings of our Compensation Committee in 2011 to provide independent analysis and advice on compensation decisions and the regulatory environment surrounding executive compensation. Pay Governance provided analysis and perspectives to the Committee on the following items related to the Company s executive compensation programs:

- peer group selection;
- the mix and competitive levels of total direct compensation (base salary, annual bonus targets and long-term incentives) for our executive officers relative to our compensation peer groups;
- change in control severance programs;
- performance-based equity programs;
- other long-term incentive vehicle prevalence and weighting considerations;
- updates on the regulatory environment;
- equity-related retirement provisions; and
- incentive plans.

Our Compensation Committee is confident that the advice it receives from Pay Governance is objective and not influenced by its working relationship with the Company. Company procedures in place to ensure the independence of compensation consultants generally, or Pay Governance specifically, include:

- compensation consultants retained report directly to our Compensation Committee and communicate with the Committee Chair;
- the Committee has the sole authority to retain and/or terminate compensation consultants;

- the Committee evaluates the quality and objectivity of the services provided by compensation consultants each year and determines whether to continue the engagement;

- the compensation consultant does not personally receive incentive payments or other compensation based on the fees charged to the Company for other services provided by Pay Governance or any of its affiliates;

- Pay Governance, as a firm, provides no other consulting services (such as benefit plan consulting) to the Company;

- the protocols for the engagement (established by the Committee) limit the means by which compensation consultants may interact with Company management; and

- the Committee has directed the Company to not engage Pay Governance, without prior Committee approval, for any executive compensation consulting advice other than that provided to the Committee.

Our management does not direct or oversee the retention of, or the activities of, Pay Governance. However Pay Governance does seek and receive input from our management on various executive compensation matters and works with management to formalize proposals for presentation to our Compensation Committee. Additionally, in determining executive compensation, the Committee considers recommendations from Pay Governance as well as management. Pay Governance did not perform any consulting services for us during 2011 that were not related to executive compensation, nor did it provide any services to our NEOs, individually, in 2011.

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Compensation Committee Actions as a Result of the Spinoff

Compensation Adjustments

As a result of the Spinoff, our Compensation Committee reviewed market data provided by Pay Governance with respect to competitive pay levels and made compensation adjustments for some of our NEOs. Increases and awards for Messrs. Heminger, Peiffer and Wilder were directly related to, and granted in recognition of, the significant additional ongoing duties and responsibilities of their positions as part of an independent, public company. These changes include:

1. Increases in base salary for Messrs. Heminger, Peiffer and Wilder in the amounts of $100,000, $100,000 and $35,000, respectively, in order to move their base pay closer to the median of our preliminary peer group:

Name	Position	Previous Base Salary ($)	Base Salary July 1, 2011 ($)
G. R. Heminger	President and CEO	1,000,000	1,100,000
G. L. Peiffer	Executive Vice President	500,000	600,000
J. M. Wilder	Vice President, General Counsel and Secretary	390,000	425,000

2. Annual Cash Bonus (or ACB) program target increases of thirty, twenty and ten percentage points for Messrs. Heminger, Peiffer and Wilder, respectively, in order to move their incentive targets closer to the median of our preliminary peer group. Mr. Kenney s incentive target was increased five percentage points based, in part, on a competitive compensation review and in recognition of the strong financial performance of Speedway under Mr. Kenney s leadership in the preceding two years:

Name	Position	Previous Bonus Target	Bonus Target Effective July 1, 2011*
G. R. Heminger	President and CEO	95%	125%
G. L. Peiffer	Executive Vice President	70%	90%
A. R. Kenney	President, Speedway LLC	70%	75%
J. M. Wilder	Vice President, General Counsel and Secretary	60%	70%

* Bonus targets and the annualized base salary in effect at the end of 2011 were used for the calculation of each NEO s full 2011 bonus award.

3. Equity grants on July 1, 2011 for Messrs. Heminger, Peiffer and Wilder in order to bring their long-term incentives closer to the median of our preliminary peer group. These grants were made in the form of restricted stock for Messrs. Heminger, Peiffer and Wilder in the amounts of 76,896 shares, 11,849 shares and 4,147 shares, respectively, and a stock option grant to Mr. Peiffer in the amount of 34,966 options. These restricted stock awards and stock options vest in one-third increments on the first, second and third anniversaries of the date of grant. Stock options have a grant date of July 1, 2011, a grant price equal to the closing price per share of MPC common stock on July 1, 2011 and a maximum term of ten years.

Our Compensation Committee also asked Pay Governance to perform a more comprehensive study which could serve as the basis for compensation decisions to be made in 2012, based on the Company s revised peer group and approach for determining officer compensation.

Engagement of Senior Vice President and Chief Financial Officer

In May 2011, in anticipation of the Spinoff, Marathon Oil approved the terms and conditions of the engagement of Donald C. Templin to serve as the Company s Senior Vice President and CFO. In addition to an annualized base salary of $500,000 and an annual bonus target of 90% of base salary, the material terms of the offer were disclosed in the Form 10 and include a cash signing bonus of $500,000, signing and retention equity awards

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valued at approximately $1,500,000, and prorated long-term incentive equity awards valued at approximately $1,000,000. The signing and retention equity awards were granted in the form of stock options valued at approximately $750,000 that will vest in one-third increments on the first, second and third anniversaries of the date of grant, which was July 1, 2011, restricted shares valued at $500,000 that will cliff vest on the third anniversary of the date of grant, which was July 1, 2011 and restricted shares valued at $250,000 that will vest in one-third increments on the first, second and third anniversaries of the date of grant, which was July 1, 2011. The prorated long-term incentive equity awards are in the form of a grant of stock options valued at approximately $500,000 that will vest in one-third increments on the first, second and third anniversaries of the date of grant and a grant of restricted shares valued at approximately $500,000 that will cliff vest on the third anniversary of the date of grant.

Mr. Templin also participates in our employee and executive benefit plans in accordance with their terms. Further, Mr. Templin receives additional contributions to our non-qualified plan to ensure that the aggregate contributions from our qualified and non-qualified retirement plans equal 11% of his applicable compensation. Based on the age and service calculation specified in the Marathon Petroleum Retirement Plan, Mr. Templin will receive our standard 7% contribution to the qualified retirement plan and a supplemental non-qualified contribution initially set at 4% of eligible compensation. This supplemental contribution will be decreased over time as Mr. Templin s age and service increase; he will be eligible for the full 11% contribution in his qualified plan in 2023.

Performance Unit Payout

Performance units were awarded by Marathon Oil to certain of our officers in February 2011 as part of a routine annual grant. While the Spinoff was announced in January 2011, Marathon Oil made annual grants based on the existing Marathon Oil program design.

Under the terms of the award agreements, vesting of these performance units was tied to MRO s total shareholder return (or TSR) compared to the TSR of each of the member companies within the Amex Oil Index (or XOI) for the 2011-2013 performance period. The XOI is a published stock index which represents a cross-section of publicly traded upstream, downstream and integrated corporations involved in various segments of the oil and gas industry. Marathon Oil has historically used this index as a benchmark for comparing MRO stock performance.

A TSR metric is determined by taking the sum of a company s stock price appreciation or reduction, plus cumulative dividends for the performance period and dividing that total by the beginning stock price. For purposes of this calculation, the beginning and ending stock prices are the averages of the daily closing stock prices for the month immediately preceding the beginning and ending dates of the performance period. Our Compensation Committee believes that the Marathon Oil TSR-based program did not encourage the taking of excessive or inappropriate risk as it capped the maximum payout at $2.00 per performance unit. The target value of each performance unit was $1.00, with the actual payout varying from $0.00 to $2.00 (0 to 200% of target) based on MRO s relative TSR ranking for the measurement period. For example, a payout percentage equal to 100% would pay out at $1.00 per unit.

In connection with the Spinoff, Marathon Oil approved paying out all outstanding performance units based on actual performance through the date of the Spinoff. This decision was disclosed in the Form 10. At the time of the Spinoff, three groups of performance unit grants were outstanding: 2009 grants for the 2009-2011 performance period; 2010 grants for the 2010-2012 performance period; and 2011 grants for the 2011-2013 performance period.

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Marathon Oil determined the value of these performance units by comparing the TSR of MRO to the TSR of each of the peer companies in the XOI, in accordance with the program design. However, the effective date of the Spinoff (rather than the end of each of the three-year performance periods) was used as the ending measurement date for the relevant performance period for purposes of this calculation. The treatment of each outstanding performance unit grant is summarized below:

Performance Period	MRO TSR Results	Relative Performance as of 6/30/2011 (#)	Payout Earned (200% vesting) ($)	Pro-Ration Factor
2009 2011	116%	1 of 13 companies	2.00 per unit	100% (full 36 months)
2010 2012	67%	1 of 13 companies	2.00 per unit	50% (18 of 36 months)
2011 2013	45%	1 of 13 companies	2.00 per unit	16.67% (6 of 36 months)

For the performance units granted in 2009, each holder of performance units received a cash payment based on the performance of MRO stock using the relative TSR measure. This payment was not prorated. For the performance units granted in 2010 and 2011, each holder of performance units received a prorated cash payment based on the performance of MRO stock using the relative TSR measure and the portion of the performance period actually completed. The remaining portion of the 2010 and 2011 performance unit grant was cancelled. For example, the 2010 grant of performance units was valued based on MRO s relative TSR through June 30, 2011 and the value of the units was multiplied by one-half to reflect the fact that one-half of the original performance period was completed as of June 30, 2011.

Payouts for our NEOs were made on July 15, 2011 as follows:

Name	Position	2009-2011 Performance Period ($)	2010-2012 Performance Period ($)	2011-2013 Performance Period ($)	Total Value ($)
G. R. Heminger	President and CEO	3,155,800	1,342,500	481,733	4,980,033
G. L. Peiffer	Executive Vice President	507,200	232,300	172,033	911,533
A. R. Kenney	President, Speedway LLC	507,200	258,200	120,433	885,833
J. M. Wilder	Vice President, General Counsel and Secretary	422,600	219,400	73,133	715,133

Mr. Templin had no performance unit grants at the time of the Spinoff and was thus ineligible for a performance unit payout.

Replacement Performance Unit Grant

The Compensation Committee approved replacement performance unit grants representing the cancelled opportunity for each of our NEO s 2010 and 2011 grants, as described above. The 2009 grant was settled and paid in full at the time of the Spinoff and therefore, not replaced. The target opportunity amounts approved for our NEOs are:

Name	Position	Performance Period July 1, 2011 through December 31, 2012 ($)	Performance Period July 1, 2011 through December 31, 2013 ($)	Total Value ($)

G. R. Heminger	President and CEO	671,250	1,204,333	1,875,583
G. L. Peiffer	Executive Vice President	116,150	430,083	546,233
A. R. Kenney	President, Speedway LLC	129,100	301,083	430,183
J. M. Wilder	Vice President, General Counsel and Secretary	109,700	182,833	292,533

Mr. Templin had no performance unit grants at the time of the Spinoff and was thus ineligible for a replacement performance unit grant.

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As with the cancelled performance unit grants, the replacement performance unit grants use relative TSR to determine payout. However, to recognize Marathon Petroleum as a standalone company, our Compensation Committee, with the recommendation of Pay Governance, replaced the previous performance peer group, the XOI, with a new peer group comprised of: integrated oil companies with downstream operations; downstream-focused companies; and a broad index to represent larger, diversified companies. This peer group is comprised of the following companies:

Chevron Corporation	HollyFrontier Corporation	Tesoro Corporation
ConocoPhillips	Murphy Oil Corporation	Valero Energy Corporation
Hess Corporation	Sunoco, Inc.	S&P 500 Index

The replacement performance unit awards have substantially the same terms and conditions as those previously granted by Marathon Oil, which include:

- each performance unit continues to have a target value of $1.00;
- vesting from 0 to 200% of target, based upon MPC s relative TSR ranking;
- settlement in cash; and
- no dividend equivalents paid on and no voting rights provided for the performance units.

Supplemental Equity Awards

In connection with the Spinoff, Marathon Petroleum entered into an Employee Matters Agreement with Marathon Oil. A copy of the Employee Matters Agreement was attached as an exhibit to the Form 10. The Employee Matters Agreement was amended on June 30, 2011 and the amendment was filed by us with the SEC on July 1, 2011 as an exhibit to a Current Report on Form 8-K. We refer to the amended Employee Matters Agreement as the EMA.

At the time of the Spinoff, outstanding equity awards that had been previously granted pursuant to the Marathon Oil Stock Plans (as such term is defined within the EMA) to certain of our non-employee directors and employees were adjusted and new Marathon Petroleum equity awards were granted pursuant to the terms of the EMA. We refer to these as the Spinoff Adjusted Equity Awards. As noted in the Form 10, the Spinoff Adjusted Equity Awards were intended to generally preserve the intrinsic value of the original Marathon Oil awards.

The methodology set forth within the EMA to calculate the Spinoff Adjusted Equity Awards relied on a ratio of the simple average of the high and low trading prices reported for a share of MRO common stock for June 30, 2011 and the simple averages of the high and low trading prices reported for a share of MRO and MPC common stock for July 1, 2011. However, on July 1, during a period of heightened volatility of approximately 30 seconds in duration, trades of MPC common stock occurred on other exchanges at prices well above the day s trading range on the NYSE primary market. These aberrant trades had a significant adverse effect on the calculation of the Spinoff Adjusted Equity Awards. To address the unanticipated consequence of the anomalous trades, our Board approved new grants of approximately 13,000 MPC restricted stock units, approximately 9,700 shares of MPC restricted stock, and options for approximately 363,000 shares of MPC common stock to a total of approximately 300 recipients, including six of the non-employee members of our Board and four of our NEOs.

The number of new MPC restricted stock units, shares of MPC restricted stock and MPC stock options granted to each recipient was determined through an assessment by the Board, in consultation with Pay Governance, of the adverse effect of the aberrant trades on the Spinoff Adjusted Equity Awards. These supplemental grants were independent of any previous awards and made with a grant date of December 5, 2011. The exercise price for all of the new stock options is the closing stock price of MPC common stock on the date of grant.

Each MPC restricted stock award and MPC stock option award granted to our NEOs will vest in three approximately equal amounts on the first, second and third anniversaries of the date of grant. Stock options have a 10-year term. The MPC restricted stock awards and MPC stock option awards were made pursuant to the terms and conditions of the 2011 Plan and award agreements, the forms of which were approved and adopted by our Board.

Further information on these grants to our NEOs can be found in the Grants of Plan-Based Awards in 2011 Table beginning on page 61.

Executive Compensation Philosophy and Objectives

We believe executive compensation plays a critical role in maximizing long-term shareholder value through our ability to attract, motivate, retain and reward the highest quality executives who can excel within our performance culture.

In October 2011, our Compensation Committee reviewed and approved a new executive compensation philosophy to target the total direct compensation for our executives at the median of our peer companies with individual pay elements of compensation (base salary, annual bonus targets and long-term incentives) generally between the twenty-fifth and seventy-fifth percentile of our peer group. Individual roles, responsibilities, performance and experience, as well as corporate performance and other factors necessary to attract, motivate, retain and reward such individuals contribute to the overall placement of each executive within the competitive range at the discretion of the Committee.

The mix of pay elements allows our Compensation Committee to use both cash (base pay and annual bonus opportunities) and equity (stock options and restricted stock) to encourage and motivate executives to achieve both the short-term and long-term business objectives of the Company. The majority of our NEO compensation is performance-based and in the form of both short and long-term incentives.

Our Compensation Committee believes that this approach provides the flexibility necessary to reward executives based on potentially very different business and strategic objectives and allows us to recognize that we may compete with different industries for talent in some of our organizations (such as retail or transportation industries) that may have different competitive compensation structures.

Our Compensation Committee does not consider amounts earned from prior performance-based compensation, such as prior bonus awards or realized or unrealized stock option gains, in its decisions to increase or decrease compensation for a succeeding year. The Committee believes that this would not be in the best interest of retaining and motivating executives.

Elements of Compensation

Our compensation program is comprised of three key components, each designed to be market-competitive and to help attract, motivate, retain and reward our NEOs.

Compensation Components	Key Characteristics	Purpose
Base Salary	Fixed cash compensation component Reviewed annually and adjusted, if and when appropriate	Intended to provide a minimum level of cash compensation upon which our executives may rely Based on the scope and responsibility level of the position held, competitive peer group(s) and individual performance

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Compensation Components	Key Characteristics	Purpose
Annual Cash Bonus	Variable cash compensation component Performance-based award opportunity Determined based on both corporate and operating organization s performance against predetermined metrics, as well as the level of individual contributions to that performance and our Compensation Committee s assessment of individual performance	Intended to motivate and reward NEOs for achieving our annual business objectives that drive overall performance and shareholder value creation Intended to encourage responsible risk taking and accountability
Long-Term Incentives	Variable equity-based compensation component A combination of performance units (40%), stock options* (40%) and time-based restricted stock (20%) awards Performance-based opportunities in the form of annual grants Value actually realized will be determined based solely on stock price appreciation (stock options and restricted stock) and TSR (performance units)	Intended to motivate executive officers to achieve our long-term business objectives by linking compensation to the performance of MPC stock over the long-term Strengthens the alignment between the interests of our executive officers and our shareholders, while building equity to help meet stock ownership guidelines

* The Committee believes that stock options are inherently performance-based, as options have no initial value and grantees only realize benefits if the value of our stock increases following the date of grant.

In addition to these compensation elements, the Company generally offers to all of its employees, market-competitive health, life insurance, income protection, retirement and severance benefits. The Company also provides limited perquisites consistent with our peer group. None of these additional items are considered material when making compensation decisions.

Setting Executive Compensation

Benchmarking

In July 2011, the Compensation Committee met to establish a new compensation benchmarking philosophy for Marathon Petroleum as an independent downstream company. Due to the limited number of domestic independent downstream companies, and in recognition of Marathon Petroleum s size, complexity and market capitalization, the Committee chose to approve two peer groups to be used in the process of benchmarking our NEOs compensation.

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The first peer group is a direct industry group comprised of integrated oil companies with significant downstream operations and independent downstream companies similar to Marathon Petroleum. This peer group provides industry-specific market compensation and program design data from both proxy statements and compensation surveys. At the time the peer group was approved, Marathon Petroleum was approximately at the forty-fifth percentile of the group in terms of market capitalization, the forty-fifth percentile for revenue and the fifty-seventh percentile for number of employees. This group is comprised of the following twelve companies:

BP plc	Hess Corporation	Royal Dutch Shell Oil plc
Chevron Corporation	HollyFrontier Corporation	Sunoco, Inc.
ConocoPhillips	Koch Industries, Inc.	Tesoro Corporation
ExxonMobil Corporation	Murphy Oil Corporation	Valero Energy Corporation

The Compensation Committee determined not to use BP plc and ExxonMobil Corporation in setting the compensation of our CEO or CFO due to concerns that the size, complexity and extensive global footprint of those companies would not be comparable to the scope for these positions at Marathon Petroleum.

The second peer group is a custom broad industry group selected to supplement the direct industry peer group. This peer group was selected because it is comprised of large oil and gas companies, as well as other industrial companies whose focus is on commodities. Criteria used to screen for these companies included:

- revenues generally greater than $10 billion;
- heavy manufacturing operations;
- commodity exposure;
- safety and environmental focus; and
- the availability of publicly reported information.

At the time this peer group was approved, Marathon Petroleum was approximately at the thirty-fifth percentile of the group in terms of market capitalization, eighty-fourth percentile for revenue and twenty-first percentile for employees.

The thirty-seven companies that comprised the broad industry peer group for 2011 were:

3M Company	Johnson Controls Inc.
Alcoa, Inc.	Lockheed Martin Corporation
The Boeing Company	The Mosaic Company
Caterpillar Inc.	Murphy Oil Corporation
Chevron Corporation	Navistar International Corporation
ConocoPhillips	Northrop Grumman Corporation
The Dow Chemical Company	Occidental Petroleum Corporation

Eaton Corporation	Parker Hannifin Corporation
EI DuPont de Nemours & Company	PPG Industries, Inc.
Exxon Mobil Corporation	Schlumberger Limited
Ford Motor Company	Sunoco, Inc.
General Dynamics Corporation	Tesoro Corporation

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General Electric Company	Textron Inc.
Goodyear Tire & Rubber Company	TRW Automotive Holdings Corporation
Hess Corporation	United States Steel Corporation
Honeywell International Inc.	United Technologies Corporation
Illinois Tool Works Inc.	Valero Energy Corporation
Ingersoll Rand PLC	Whirlpool Corporation
International Paper Company	

While these peer groups had not been adopted at the time the Compensation Committee approved the previously discussed changes effective July 1, 2011, Pay Governance presented an assessment of our executive compensation against these peer groups in October 2011. That assessment concluded that the majority of our NEOs compensation was at or below the median total direct compensation of these peer companies.

Analysis of 2011 Compensation Decisions and Actions

Marathon Oil was responsible for all compensation decisions relating to our executive officers prior to July 1, 2011 based on its philosophy and the responsibilities of our executive officers as part of that integrated company. Compensation actions taken effective April 1, 2011 regarding our anticipated NEOs were disclosed in the Form 10.

As a result of the Spinoff, our Compensation Committee reviewed market data presented by Pay Governance. Based on this review, the subjective placement of each NEO consistent with our overall compensation philosophy, the increased responsibilities of Messrs. Heminger, Peiffer and Wilder and the leadership of Mr. Kenney and the strong financial performance of Speedway over the past two years, the Committee made compensation adjustments to remain competitive from a total direct compensation perspective.

The following adjustments were made to the base salary and bonus target levels of our NEOs in 2011:

Name	Position	Previous Base Salary ($)	Base Salary effective April 2011 ($)	Base Salary effective July 2011 ($)	Previous Bonus Target	Bonus Target effective July 2011*
G. R. Heminger	President and CEO	925,000	1,000,000	1,100,000	95%	125%
G. L. Peiffer	Executive Vice President	400,000	500,000	600,000	70%	90%
A. R. Kenney	President, Speedway LLC	400,000	450,000	No Change	70%	75%
J. M. Wilder	Vice President, General Counsel and Secretary	360,000	390,000	425,000	60%	70%

* Bonus targets and the annualized base salary in effect at the end of 2011 were used for the calculation of each NEO s full 2011 bonus award.

Mr. Templin s offer of employment contemplated his responsibilities as CFO of Marathon Petroleum as a standalone company. As a result, he was not considered for an increase as a result of the Spinoff.

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Allocation of Compensation for our CEO and CFO Positions

The following charts reflect direct peer group allocation of the targeted total compensation (base salary, annual bonus at target and long-term incentive) for our CEO and CFO. This analysis demonstrates that the Company s compensation mix remains competitive with current market practices. The Compensation Committee excludes ExxonMobil Corporation and BP plc from the direct company peer group when determining total compensation for these positions.

Base Salary

Base salary is a fixed compensation component intended to provide a minimum level of compensation upon which our executive officers may rely. Our Compensation Committee reviews base salary annually and makes adjustments at its discretion. In setting each NEOs base salary, the Committee considers factors including, but not limited to, the responsibility level for the position held, the competitive peer group, internal equity, individual performance and business results. Actions taken with respect to base salary during 2011 are summarized on pages 42 and 49.

Annual Cash Bonus Program

The ACB program is intended to motivate and reward executive officers for achieving short-term (annual) business objectives that drive overall shareholder value while encouraging responsible risk taking and accountability. Our Compensation Committee approves the establishment of a qualified Section 162(m) funding pool for the ACB program in the first quarter of each year to maximize the tax deductibility to the Company for executive officers whose Section 162(m) compensation might otherwise exceed $1 million. The funding metrics for the 2011 pool were established by Marathon Oil based on the greater of 6% of net income or achieving 75% of our threshold mechanical availability. Mechanical availability, as a performance metric, is a significant indicator of the success of our operations because it measures the availability of the processing equipment in our refineries, but also includes critical equipment in our pipeline, terminal and marine operations. Mechanical availability is essential to achieving our financial and operational objectives. All incentive payments made to our Section 162(m) officers in 2012 for 2011 performance were covered within the pool and the Committee exercised negative discretion in approving the incentive payments at levels less than what the pool would have otherwise permitted. As a result, we believe that all 2011 ACB payments made in 2012 were fully tax-deductible.

Bonus opportunities for NEOs under the ACB program are communicated as a target percentage of annualized base salary. Our Compensation Committee reviews annual market data provided by Pay Governance with respect to competitive pay levels and sets specific bonus opportunities for each of our NEOs. Each NEO can earn a maximum of 200% of the target or as little as no payment at all, depending on overall Company performance and their individual results. Half (50%) of the target payout is based on previously identified business goals and the remaining half (50%) is determined based on the subjective evaluation of each NEO s organizational and individual performance, as determined by our CEO with regard to all other NEOs and by the Committee with input from the full Board with regard to the CEO. This allocation is driven by a number of factors, including the volatility in petroleum related commodity prices throughout the year, which makes it difficult to establish reliable pre-determined goals. Regardless of the funding generated by the operational pool, the Compensation Committee has the discretion to award an NEO the maximum bonus at 200% of the target.

None of our NEOs have received a guarantee of minimum bonus payments. Actions taken with respect to 2011 bonus opportunities are summarized on pages 42 and 49.

Since the Marathon Oil ACB program as it related to our NEOs was not terminated or paid out as a result of the Spinoff, its metrics were reviewed by our Compensation Committee and found to be appropriate for the remainder of 2011. The metrics used for the 2011 ACB program were:

Performance Metric	**Description**	**Type of Measure**
Operating Income	Measures domestic operating income per barrel of crude oil throughput[(a)], adjusted for unusual business items and accounting changes. This metric compares a group of eight integrated or downstream companies, including Marathon Petroleum.	Financial (relative)
Mechanical Availability[(b)]	Measures the mechanical availability of the processing equipment in our refineries, but also includes critical equipment in our pipeline, terminal and marine operations.	Operational (absolute)

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Performance Metric	Description	Type of Measure
Process Safety	Measures the success of Marathon Petroleum s ability to identify, understand and control process hazards, which can be defined as unplanned or uncontrolled releases of highly hazardous chemicals or materials that have the potential to cause catastrophic fires, explosions, injury, plant damage and high-potential near misses or toxic exposures.	Operational (absolute)
Quality	Measures the impact of product quality incidents and cumulative costs to Marathon Petroleum (no Category 4 Incident, and costs of Category 3 Incidents).(c)	Operational (absolute)
OSHA Recordable Incident Rate(d)	Measurement of Marathon Petroleum s success and commitment to employee safety. Goals are set annually at best in class industry performance, focusing on continual improvement.	Operational (absolute)
Designated Environmental Incidents	Measures environmental performance and consists of certain: releases of hazardous substances into air, water or land; permit exceedences; and government agency enforcement actions.	Operational (absolute)
DHOUP Progress	An evaluation of our $2.2 billion Detroit refinery expansion project, focusing on timely completion of construction.	Operational (absolute)

(a) This is a per barrel measure of throughput U.S. downstream segment income adjusted for special items metric and includes a total of eight comparator companies (including Marathon Petroleum). Comparator company income is adjusted for special items or other like items as adjusted by Marathon Petroleum. Comparator companies are: BP plc; Chevron Corporation; ConocoPhillips; ExxonMobil Corporation; Sunoco, Inc; Tesoro Corporation; and Valero Energy Corporation. This is a non-GAAP metric and is calculated as income before taxes, as presented in audited consolidated financial statements, divided by the total number of barrels of crude oil throughput at the peer s respective U.S. refinery operations. To ensure consistency of this metric when comparing to the comparator companies, adjustments to comparator company segment income before taxes are sometimes necessary to reflect certain unusual items reflected in their results.

(b) Mechanical availability represents the percentage of capacity available for critical downstream equipment to perform its primary function for the full year.

(c) A Category 4 Incident is one that involves a fatality. Category 3 Incidents include those where: out-of-pocket costs to mitigate customer claims or regulatory penalties associated with the incident are greater than $50,000; a media advisory is issued; or the extenuating circumstances are deemed to be of such severity by the Company s Quality Committee that a recommendation for this category is made to the Marathon Petroleum Steering Committee, and is subsequently approved.

(d) This metric excludes Speedway. In the event of a fatality, payout is determined by the Compensation Committee. The Occupational Safety and Health Administration (or OSHA) Recordable Incident Rate is calculated by taking the total number of OSHA recordable incidents, multiplied by 200,000 and divided by the total number of hours worked.

Marathon Oil determined the threshold, target and maximum level of performance for each metric by evaluating factors such as performance achieved in the prior year, anticipated challenges for the year, business plan and Company strategy. At the time the performance levels were set for 2011, the threshold levels were viewed as very likely achievable, the target levels were viewed as challenging but achievable and the maximum levels were viewed as extremely difficult to achieve.

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The table below shows both the targets for each metric and our performance achieved during 2011. The metrics are described more fully in the footnotes to the table.

Performance Metric	Threshold Level	Target Level	Maximum Level	Performance Achieved	Target Weighting	Performance Achieved*
Operating Income	4th Position	3rd Position	1st or 2nd Position	1st Position (200% of target)	15%	30.0%
Mechanical Availability	95%	96%	97%	96.77% (177% of target)	10%	17.7%
Process Safety	12	10	8	11 (75% of target)	5%	3.8%
Quality	$750,000	$500,000	$250,000	$0 (200% of target)	5%	10.0%
OSHA Recordable Incident Rate	0.60	0.50	0.40	0.45 (150% of target)	5%	7.5%
Designated Environmental Incidents	42	35	28	41 (57% of target)	5%	2.9%
DHOUP Progress	73%	75%	77%	77.20% (200% of target)	5%	10.0%

*For 2011, the Company achieved approximately 164% of target for its previously established performance metrics.

Individual Performance for 2011 Annual Cash Bonus Program

Our CEO evaluates the individual performance of the other NEOs and makes bonus recommendations to the Compensation Committee. The Committee then discusses this information with the CEO and makes final bonus decisions. The Committee evaluates the individual performance of the CEO and determines the CEO s bonus with input from the full Board.

Organizational Performance Achievements for the 2011 Annual Cash Bonus Program

In evaluating the contributions made by our NEOs, our Compensation Committee and our CEO considered the following 2011 achievements:

- our successful completion of the Spinoff, including related financing;

- Speedway® being named best gasoline brand in the nation in its category for the third consecutive year in the 2011 EquiTrend Brand Study;

- on-time and on-budget progress on construction of our DHOUP, which was approximately 77% complete at year-end;

annual records set for gasoline and distillate production and total crude throughput, while operating one less refinery than in previous years;

development and roll out of new Safety 1 program in our pipeline, terminal and transport and marine organizations;

our achievement of company-wide safety performance that ties our record, as well as new environmental and return on capital employed records at Speedway;

our established strong balance sheet; and

our ability to generate free cash flow.

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After certification of the results of our performance metrics for our 2011 ACB program, the Compensation Committee approved the following payments for our NEOs:

Name	Year End Salary ($)	Bonus Target as a % of Base Salary	Target Bonus ($)	Performance on Established Metrics	Established Metrics Value (50%) ($)	Individual Performance Award % Awarded	Discretionary Award Value (50%) ($)	Total Award ($)	Total Award % of Target
G. R. Heminger	1,100,000	125%	1,375,000	82.0%	1,127,500	98.0%	1,347,500	2,475,000	180.0%
D. C. Templin	278,846*	90%	250,961	82.0%	205,788	117.2%	294,212	500,000	199.2%
A. R. Kenney	450,000	75%	337,500	82.0%	276,750	103.2%	348,250	625,000	185.2%
G. L. Peiffer	600,000	90%	540,000	82.0%	442,800	97.6%	527,200	970,000	179.6%
J. M. Wilder	425,000	70%	297,500	82.0%	243,950	52.5%	156,050	400,000	134.5%

* The salary shown in this column for Mr. Templin reflects amounts paid during calendar year 2011.

Long-Term Incentive Compensation Program

Annual awards of long-term incentives (or LTIs) were granted in the form of performance units, stock options and restricted stock. While each long-term incentive award type generally rewards performance over a multi-year period, the primary purpose of equity grants is to motivate executive officers to achieve our long-term business objectives and strengthen the alignment between the interests of our executive officers and our shareholders. The award types differ as illustrated below:

Long-Term Incentive Award Type	Form of Settlement	Compensation Realized
Performance Units	Cash	$0.00 to $2.00 per unit based on our relative ranking among a group of peer companies
Stock Options	Options may be exercised and the purchased stock held as stock or sold for cash	Stock price appreciation from date of grant to date of exercise
Restricted Stock	Stock	Value of stock upon vesting

Due to the nature of LTI awards, the actual long-term compensation value realized by each NEO will depend on the price of the underlying stock at the time of vesting or exercise. LTI award grants were made in 2011 based on intended dollar value rather than a specific number of performance units, stock options or restricted shares.

The effective date for grants of awards is the date the Compensation Committee meets to approve the awards; provided, however, if the Committee grants awards after the market has closed, the grant date is the next trading day. The grant price for stock options is equal to the closing price of a share of MPC common stock on the grant date. Each of our long-term incentive award types is discussed in more detail below.

Performance Units

The Compensation Committee believes that a performance unit program based on MPC TSR performance relative to a peer group serves as a complement to stock options and restricted stock because the performance unit program provides an incentive to both increase our shareholder return and outperform our peers. The peer group for performance unit awards granted in 2011 in replacement of performance units previously granted by Marathon Oil, consists of:

Chevron Corporation	HollyFrontier Corporation	Tesoro Corporation

ConocoPhillips	Murphy Oil Corporation	Valero Energy Corporation
Hess Corporation	Sunoco, Inc.	S&P 500 Index

The Marathon Petroleum performance unit program determines TSR by taking the sum of stock price appreciation or reduction, plus cumulative dividends, for a three-year measurement period and dividing that total by the beginning stock price. For purposes of this calculation, the beginning and ending stock prices are the average of daily MPC stock closing prices for the month immediately preceding the beginning or ending date of the measurement period.

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Our Compensation Committee believes that the performance unit program does not encourage excessive or inappropriate risk-taking, as it caps the maximum payout at $2.00 per unit. The target value of each performance unit is $1.00, with the actual payout varying from $0.00 to $2.00 (0 to 200% of target) based on MPC s relative TSR ranking for the measurement period. For example, a fiftieth percentile TSR ranking would provide for a 100% payout at $1.00 per unit.

The following table illustrates the performance unit payout percentage based on the peer group used for the 2011 performance unit awards.

Performance Unit TSR Ranking vs. Payout

MPC TSR Ranking	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
TSR Percentile	100%	88.89%	77.78%	66.67%	55.56%	44.44%	33.33%	22.22%	11.11%	0.00%
Payout (% of Target)	200%	177.78%	155.56%	133.33%	111.11%	88.89%	66.67%	44.44%	0.00%	0.00%

Stock Options

Stock options provide a direct link between executive officer compensation and the value delivered to shareholders. Our Compensation Committee believes that stock options are inherently performance-based, as option holders only realize benefits if the value of our stock increases following the date of grant. The grant price of our stock options is equal to the closing price per share of MPC common stock on the grant date. Stock options have a three-year pro-rata vesting period and a maximum term of ten years.

Restricted Stock

Grants of restricted stock provide diversification of the mix of long-term incentive awards and promote retention. Restricted stock grants are also intended to help NEOs increase their holdings in MPC common stock, consistent with established ownership guidelines. Restricted stock awards vest in full on the third anniversary of the date of grant and prior to vesting, recipients have the right to vote and receive dividends on the restricted shares.

Other Policies

Stock Ownership Guidelines

In October 2011, our Compensation Committee, with the recommendation of Pay Governance, approved revised Stock Ownership Guidelines for our executive officers, including all of our NEOs. The guidelines are intended to align the long-term interests of our executive officers and our shareholders. Under these guidelines, executive officers, including our NEOs, are expected to hold MPC common stock having a value that is a multiple of each executive officer s annualized base salary. The targeted multiples vary among the executives depending upon their position and responsibilities:

President and CEO six times annualized base salary;

Executive Vice President(s) four times annualized base salary;

Senior Vice President(s)/President Speedway three times annualized base salary; and

Vice President(s) two times annualized base salary.

Because the Stock Ownership Guidelines are a multiple of each executive officer s annualized salary, the value that must be maintained will increase proportionally as their salaries increase.

These revised guidelines increase the previous holding requirement for the CEO to six times base salary from five times base salary. Executive officers are not permitted to sell any shares received from the incentive compensation plan until their guideline ownership levels have been met. Additionally, a one year holding requirement was added effective January 2012 for all executive officers who receive full-value shares from the incentive compensation plan of the Company. This holding period prevents executive officers from selling any restricted stock or performance units settled in shares for twelve months from the time they are vested or earned. However, this only affects shares net of taxes at the time of vesting or distribution.

Prohibition on Derivatives and Hedging

In order to ensure that Marathon Petroleum executive officers, including our NEOs, bear the full risks of MPC common stock ownership, the Company has adopted a policy that prohibits hedging transactions related to our stock or pledging or creating a security interest in any MPC shares, including shares in excess of an ownership requirement.

Recoupment/Clawback Policy

Our executive officers are subject to recoupment provisions in the ACB and LTI programs in the case of certain forfeiture events. If the Company is required, pursuant to a determination made by the SEC or our Audit Committee, to prepare a material accounting restatement due to noncompliance of the Company with any financial reporting requirement under applicable securities laws as a result of misconduct, the Audit Committee may determine that a forfeiture event has occurred based on an assessment of whether an executive 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 a forfeiture event has occurred, the Company has the right to request and receive reimbursement of any portion of an executive officer s bonus from the ACB program that would not have been earned had the forfeiture event not have taken place. In addition, grants of stock options and restricted stock to such executive officer would be subject to immediate forfeiture, as would outstanding performance units. If a forfeiture event occurred either while the executive officer is employed or within three years after termination of employment and a payment has previously been made to the executive officer in settlement of performance units, the Company may recoup an amount in cash up to (but not in excess of) the amount paid in settlement of the performance units.

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 noncompliance with financial reporting requirements as a result of Company misconduct.

Perquisites

Marathon Petroleum offers limited perquisites to our NEOs consistent with our peer group. Our NEOs may seek reimbursement for certain tax, estate and financial planning services up to $15,000 per year while serving as an executive officer and $3,000 in the year following death or retirement. Our NEOs are also offered an enhanced annual physical examination. Covered services under the Company s Executive Tax, Estate and Financial Planning Program and the executive physical program are not eligible for income tax assistance or gross-ups.

The primary use of Marathon Petroleum s corporate aircraft is for business purposes and must be authorized by the CEO or another officer designated by the CEO. Occasionally spouses or other guests will accompany our NEOs on an aircraft or our NEOs may travel for personal purposes on the aircraft when space is available on business-related flights. When a spouse s or guest s travel does not meet the Internal Revenue Service standard for business use, the cost of that travel is imputed as income to the NEO, and no income tax assistance or gross-ups are provided by the Company for such travel.

The Board has authorized the personal use of Company aircraft for our CEO in order to promote his safety, security and productivity. The value of such personal use is periodically reported to the Compensation Committee and will be reported as taxable income to the CEO with no income tax assistance or gross-ups provided by the Company.

Reportable values for these programs based on the incremental costs to the Company are included in the All Other Compensation column of the 2011 Summary Compensation Table on page 59.

Tax Policy

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally limits the deductibility of compensation paid by a public company to any employee who on the last day of the year is the CEO or one of the three other most highly compensated officers (excluding the CFO) to $1 million. A very important exemption from this requirement is provided for compensation qualifying as qualified performance-based compensation.

The Compensation Committee considers the impact of this rule when developing and implementing the various elements of the Marathon Petroleum executive compensation program. The Committee seeks to maximize corporate tax deductibility under Section 162(m) to the extent we believe that the action is not in conflict with the best interests of shareholders. Accordingly, Marathon Petroleum has not adopted a policy that all compensation must qualify as deductible under Section 162(m) and some amounts paid through the various elements of our compensation program may be determined to not qualify.

The Compensation Committee approves the establishment of a qualified Section 162(m) funding pool for the ACB program in the first quarter of each year to maximize the tax deductibility to the Company for executive officers whose Section 162(m) compensation might otherwise exceed $1 million. The funding metrics for the pool for 2011 were established by Marathon Oil based on the greater of 6% of net income or achieving 75% of our target mechanical availability. As previously noted, mechanical availability is a significant indicator of the success of our operations that measures reliability in our refining, pipeline, terminal and marine businesses and is, therefore, essential to our achieving financial and operational objectives.

The metrics for the 2011 ACB program were set during the first quarter of 2011 by Marathon Oil. All 2011 incentive payments made to our Section 162(m) officers in 2012 were covered within the pool and the Compensation Committee exercised negative discretion in approving the incentive payments at levels less than what the pool would have otherwise permitted. As a result, all 2011 ACB payments made in 2012 were fully tax deductible.

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COMPENSATION-BASED RISK ASSESSMENT

In January 2012, our Board approved changes to the Compensation Committee Charter, which now directs the Committee to review, at least annually, the Company s policies and practices of compensating its employees (including non-executives) as they relate to the Company s risk management profile to determine whether such policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

The Compensation Committee completed this review of the Company s 2011 programs in January 2012. As a result of this review, the Committee concluded that any risks arising from the Company s compensation policies and practices for its employees were not reasonably likely to have a material adverse effect on the Company.

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EXECUTIVE COMPENSATION

2011 Summary Compensation Table

The following table summarizes the total compensation awarded to, earned by or paid to Mr. Heminger, our President and Chief Executive Officer, Mr. Templin, our Senior Vice President and Chief Financial Officer, and the other three most highly compensated executive officers of Marathon Petroleum who were serving as officers as of December 31, 2011 (collectively, our NEOs), for services rendered during 2011, 2010 and 2009.

Name and Principal Position	Year	Salary[(1)] ($)	Bonus[(2)] ($)	Stock Awards[(3)] ($)	Option Awards[(3)] ($)	Non-Equity Incentive Plan Compensation[(4)] ($)	Change in Pension Value and Non-qualified Deferred Compensation Earnings[(5)] ($)	All Other Compensation[(6)] ($)	Total ($)
Gary R. Heminger	2011	1,031,250	2,475,000	4,069,272	2,048,693	4,980,033	4,386,819	174,035	19,165,102
President and Chief	2010	918,750	1,200,000	554,230	1,113,088	0	2,159,968	144,492	6,090,528
Executive Officer	2009	900,000	950,000	619,320	797,088	0	3,609,445	156,399	7,032,252
Donald C. Templin	2011	278,846	1,000,000	1,250,091	1,250,017	0	0	156,225	3,935,179
Senior Vice President									
and Chief Financial Officer									
Garry L. Peiffer	2011	525,000	970,000	779,532	1,262,273	911,533	2,056,300	85,082	6,589,720
Executive Vice President,	2010	400,000	500,000	96,261	193,061	0	807,705	77,922	2,074,949
Corporate Planning and Investor & Government Relations	2009	400,000	365,000	100,044	128,309	0			