

MPLX LP  
Form 424B5  
March 13, 2018  
Table of Contents

**Filed Pursuant to Rule 424(b)(5)**  
**Registration No. 333-219795**

**PROSPECTUS SUPPLEMENT**

**(To Prospectus Dated October 12, 2017)**

**Common Units Representing Limited Partner Interests**

**Having an Aggregate Offering Price of Up to \$1,740,959,652**

**MPLX LP**

This prospectus supplement and the accompanying prospectus relate to the issuance and sale from time to time by us of common units representing limited partner interests in us, which we refer to as our common units, having an aggregate offering price of up to \$1,740,959,652. The issuance and sale of common units under this prospectus supplement by us, if any, will be made through one or more of J.P. Morgan Securities LLC, Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., RBC Capital Markets, LLC, UBS Securities LLC and Wells Fargo Securities, LLC, which we refer to collectively as the sales agents.

The issuance and sale of common units under this prospectus supplement, if any, will be made pursuant to a third amended and restated distribution agreement, between us and the sales agents, which we refer to as the distribution agreement. Subject to the terms of the distribution agreement, at our request, the sales agents will use their reasonable efforts, as our agents, to sell the common units offered pursuant to this prospectus supplement on a daily basis or as otherwise agreed upon by us and any sales agent. The distribution agreement provides for sales of common units by us by means of ordinary brokers' transactions through the New York Stock Exchange, or the NYSE, any other national securities exchange or facility thereof, a trading facility of a national securities association or an alternate trading system, to or through a market maker or directly on or through an electronic communication network, a dark pool or any similar market venue or in negotiated transactions, in each case, at market prices or at negotiated prices, in block transactions or as otherwise agreed between us and any sales agent. Under the terms of the distribution agreement, we may sell common units to any sales agent as principal for its own account at a price agreed upon at the time of the sale. If we sell common units to any such sales agent as principal, we will enter into a separate terms agreement on our behalf with such sales agent and, if required, we will describe that agreement in a separate prospectus supplement or pricing supplement.

The compensation of the sales agents for sales of common units shall be at a fixed commission rate of up to 2.0% of the gross sales price per unit. The net proceeds from any sales and issuance by us of common units under this prospectus supplement will be used as described under "Use of Proceeds" in this prospectus supplement.

Our common units trade on NYSE under the symbol MPLX. On March 12, 2018, the last reported sale price of our common units on NYSE was \$35.48 per unit.

**Investing in our common units involves risks. Limited partnerships are inherently different from corporations. You should carefully consider the risk factors on page S-4 of this prospectus supplement and in the accompanying base prospectus before you make an investment in our common units.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**J.P. Morgan  
RBC Capital Markets**

**Barclays**

**BofA Merrill Lynch**

**UBS Investment Bank**

**Citigroup**

**Wells Fargo Securities**

The date of this prospectus supplement is March 13, 2018.

**Table of Contents**

**TABLES OF CONTENTS**

**Prospectus Supplement**

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-i
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-i
<u>INFORMATION WE INCORPORATE BY REFERENCE</u>	S-i
<u>DISCLOSURES REGARDING FORWARD-LOOKING STATEMENTS</u>	S-ii
<u>SUMMARY</u>	S-1
<u>RISK FACTORS</u>	S-4
<u>USE OF PROCEEDS</u>	S-4
<u>SUPPLEMENTAL INFORMATION REGARDING DESCRIPTION OF CAPITALIZATION</u>	S-4
<u>SUPPLEMENTAL INFORMATION REGARDING OUR PARTNERSHIP AGREEMENT</u>	S-4
<u>SUPPLEMENTAL INFORMATION REGARDING PROVISIONS OF OUR PARTNERSHIP AGREEMENT RELATING TO CASH DISTRIBUTIONS</u>	S-5
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	S-5
<u>STATE, LOCAL, FOREIGN AND OTHER TAX CONSIDERATIONS</u>	S-23
<u>PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)</u>	S-24
<u>LEGAL MATTERS</u>	S-26
<u>EXPERTS</u>	S-26

**Prospectus**

<u>ABOUT THIS PROSPECTUS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	1
<u>INFORMATION WE INCORPORATE BY REFERENCE</u>	1
<u>DISCLOSURES REGARDING FORWARD-LOOKING STATEMENTS</u>	2
<u>THE COMPANY</u>	6
<u>RISK FACTORS</u>	6
<u>USE OF PROCEEDS</u>	6
<u>DESCRIPTION OF CAPITALIZATION</u>	7
<u>PROVISIONS OF OUR PARTNERSHIP AGREEMENT RELATING TO CASH DISTRIBUTIONS</u>	10

<u>OUR PARTNERSHIP AGREEMENT</u>	22
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	36
<u>STATE, LOCAL, FOREIGN AND OTHER TAX CONSIDERATIONS</u>	53
<u>INVESTMENT IN MPLX LP BY EMPLOYEE BENEFIT PLANS</u>	54
<u>PLAN OF DISTRIBUTION</u>	56
<u>LEGAL MATTERS</u>	59
<u>EXPERTS</u>	59

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

We provide information to you about this offering in two separate documents. The accompanying base prospectus provides general information about us and the securities we may offer from time to time, some of which may not apply to this offering. This prospectus supplement further describes the specific details regarding the offering contemplated herein. Additional information is incorporated by reference in this prospectus supplement. This prospectus supplement should be read in conjunction with the accompanying base prospectus. If information in this prospectus supplement is inconsistent with the accompanying base prospectus, you should rely on this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, in the accompanying base prospectus, or in any free writing prospectus that we may provide to you. We have not, and the sales agents have not, authorized anyone to provide you with different information. You should not assume that the information contained in this prospectus supplement, the accompanying base prospectus, or any document incorporated by reference is accurate as of any date other than the date mentioned on the cover page thereof. Our business, financial condition, results of operations and prospects may have changed since those respective dates. We are not, and the sales agents are not, making offers to sell the common units in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

Except as otherwise indicated, references in this prospectus supplement to **MPLX LP**, **MPLX**, **we**, **us** and **our** refer to **MPLX LP** and its consolidated subsidiaries. References to **MarkWest** refer to our wholly-owned subsidiary **MarkWest Energy Partners, L.P.** and its subsidiaries. References to **MPC** refer to **Marathon Petroleum Corporation** and its consolidated subsidiaries other than **MPLX**.

**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act. We file annual, quarterly and current reports and other information with the Securities and Exchange Commission, or the SEC. You can read and copy these materials at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains information MPLX has filed electronically with the SEC, which you can access over the Internet at <http://www.sec.gov>. You can also obtain information about MPLX at our website at <http://www.mplx.com>. We do not intend for information contained on our website to be part of this prospectus supplement or the accompanying base prospectus, other than documents that we file with the SEC that are incorporated by reference in this prospectus supplement or the accompanying base prospectus.

**INFORMATION WE INCORPORATE BY REFERENCE**

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying base prospectus the information in documents we have filed with it, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is considered to be a part of this prospectus supplement and the accompanying base prospectus, and information that we file later with the SEC will automatically update and supersede this information. Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying base prospectus to the extent that a statement contained in or omitted from this prospectus supplement or the accompanying base prospectus, or in any other subsequently filed document

that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying base prospectus.

S-i

**Table of Contents**

We incorporate by reference the following documents into this prospectus supplement:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2017;

our Current Reports on Form 8-K filed on September 1, 2017, January 4, 2018, January 8, 2018 (Items 5.03 and 9.01 only), February 2, 2018, February 8, 2018 and March 5, 2018;

the description of the common units representing limited partner interests in MPLX as set forth in MPLX's Registration Statement on Form 8-A (Registration No. 001-35714), filed with the SEC on October 23, 2012 under the Exchange Act, and all amendments or reports filed with the SEC for the purpose of updating such description;

Item 8 of MarkWest's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (SEC File No. 001-31239); and

Part 1, Item 1 of MarkWest's Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2015, June 30, 2015 and September 30, 2015 (SEC File No. 001-31239).

We also incorporate by reference any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding information deemed to be furnished and not filed with the SEC) until the termination of this offering. We do not and will not, however, incorporate by reference in this prospectus supplement any documents or portions thereof that are not deemed filed with the SEC, including any information furnished pursuant to Item 2.02 or Item 7.01 of our Current Reports on Form 8-K unless, and except to the extent, specified in such current reports.

You may request a copy of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, at no cost, by writing or telephoning MPLX at the following address:

MPLX LP

200 E. Hardin Street

Findlay, Ohio 45840

Attention: Investor Relations

Telephone: (419) 421-2414

**DISCLOSURES REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, including the documents incorporated herein by reference, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, which we refer to as the Securities Act, and Section 21E of the Exchange Act. You can identify our forward-looking statements by words such as anticipate, believe, design, estimate, objective, expect, forecast, goal, guidance, imply, intend, opportunity,

position, potential, predict, project, prospective, pursue, seek, strategy, target, could, may, sh  
similar expressions that convey the uncertainty of future events or outcomes. When considering these forward-looking  
statements, you should keep in mind the risk factors and other cautionary statements contained in this prospectus  
supplement and the documents we have incorporated by reference.

Forward-looking statements include, but are not limited to, statements that relate to, or statements that are subject to  
risks, contingencies or uncertainties that relate to:

future levels of revenues and other income, income from operations, net income attributable to MPLX,  
earnings per unit, adjusted EBITDA or distributable cash flow;

S-ii



**Table of Contents**

anticipated levels of regional, national and worldwide prices of crude oil, natural gas, natural gas liquids, which we refer to as NGLs, and refined products;

anticipated levels of drilling activity, production rates and volumes of throughput of crude oil, natural gas, NGLs, refined products or other hydrocarbon-based products;

future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses;

the success or timing of completion of ongoing or anticipated capital or maintenance projects;

expectations regarding joint venture arrangements and other acquisitions, including the dropdowns completed by MPC, or divestitures of assets;

business strategies, growth opportunities and expected investments;

the effect of restructuring or reorganization of business components;

the potential effects of judicial or other proceedings on our business, financial condition, results of operations and cash flows;

the potential effects of changes in tariff rates on our business, financial condition, results of operations and cash flows;

the adequacy of our capital resources and liquidity, including, but not limited to, availability of sufficient cash flow to pay distributions and execute our business plan;

our ability to successfully implement our growth strategy, whether through organic growth or acquisitions;

capital market conditions, including the cost of capital, and our ability to raise adequate capital to execute our business plan and implement our growth strategy; and

the anticipated effects of actions of third parties such as competitors, or federal, foreign, state or local regulatory authorities, or plaintiffs in litigation.

We have based our forward-looking statements on our current expectations, estimates and projections about our industry and our partnership. We caution that these statements are not guarantees of future performance, and you

should not unduly rely on them, as they involve risks, uncertainties, and assumptions that we cannot predict. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. While our management considers these assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Accordingly, our actual results may differ materially from the future performance that we have expressed or forecast in our forward-looking statements. Differences between actual results and any future performance suggested in our forward-looking statements could result from a variety of factors, including the following:

changes in general economic, market or business conditions;

changes in the economic and financial condition of MPLX;

risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges;

S-iii

**Table of Contents**

changes in producer customers drilling plans or in volumes of throughput of crude oil, natural gas, NGLs, refined products or other hydrocarbon-based products

changes in regional, national and worldwide prices of crude oil, natural gas, NGLs and refined products;

domestic and foreign supplies of crude oil and other feedstocks, natural gas, NGLs and refined products such as gasoline, diesel fuel, jet fuel, home heating oil and petrochemicals;

foreign imports and exports of crude oil, refined products, natural gas and NGLs;

midstream and refining industry overcapacity or undercapacity;

changes in the cost or availability of third-party vessels, pipelines, railcars and other means of transportation for crude oil, natural gas, NGLs, feedstocks and refined products;

price, availability and acceptance of alternative fuels and alternative-fuel vehicles and laws mandating such fuels or vehicles;

fluctuations in consumer demand for refined products, natural gas and NGLs, including seasonal fluctuations;

changes in our capital budget, maintenance capital expenditure requirements or changes in costs of planned capital projects;

political and economic conditions in nations that consume refined products, natural gas and NGLs, including the United States, and in crude oil producing regions, including the Middle East, Africa, Canada and South America;

actions taken by our competitors and the expansion and retirement of pipeline, processing, fractionation and treating capacity in response to market conditions;

changes in fuel and utility costs for our facilities;

failure to realize the benefits projected for capital projects, or cost overruns associated with such projects;

the ability to successfully implement growth strategies, whether through organic growth or acquisitions;

accidents or other unscheduled shutdowns affecting our pipelines, processing, fractionation and treating facilities or equipment, or those of our suppliers or customers or facilities upstream or downstream of our facilities;

unusual weather conditions and natural disasters;

disruptions due to equipment interruption or failure;

acts of war, terrorism or civil unrest that could impair our ability to gather, process, fractionate or transport crude oil, natural gas, NGLs or refined products;

legislative or regulatory action, which may adversely affect our business or operations;

S-iv

**Table of Contents**

rulings, judgments or settlements in litigation or other legal, tax or regulatory matters, including unexpected environmental remediation costs, in excess of any reserves or insurance coverage;

political pressure and influence of environmental groups upon policies and decisions related to the production, gathering, processing, fractionation, refining, transportation and marketing of natural gas, oil, NGLs or other carbon-based fuels;

labor and material shortages;

the ability and willingness of parties with whom we have material relationships to perform their obligations to us;

capital market conditions, including an increase of the current yield on MPLX common units, adversely affecting MPLX's ability to meet its distribution growth guidance;

increases in and availability of equity capital, changes in the availability of unsecured credit, changes affecting the credit markets generally and our ability to manage such changes; and

the other factors described in Item 1A. Risk Factors of our most recent Annual Report on Form 10-K and our other filings with the SEC.

We do not undertake any obligation to update the forward-looking statements included or incorporated by reference in this prospectus supplement, unless we are required by applicable securities laws to do so.

S-v

**Table of Contents****SUMMARY**

*The following summary information is qualified in its entirety by the information contained elsewhere in this prospectus supplement and the accompanying base prospectus, including the documents we have incorporated by reference herein and therein. Because this is a summary, it does not contain all the information that may be important to you. We urge you to read this entire prospectus supplement and accompanying base prospectus and the other documents incorporated by reference herein, carefully, including the Risk Factors sections and our consolidated financial statements and the related notes.*

**Partnership Information**

We are a diversified, growth-oriented master limited partnership formed in 2012 by MPC to own, operate, develop and acquire midstream energy infrastructure assets. We are engaged in the gathering, processing and transportation of natural gas; the gathering, transportation, fractionation, storage and marketing of NGLs; and the transportation, storage and distribution of crude oil and refined petroleum products.

As of December 31, 2017, our assets included 1,613 miles and 2,360 miles of owned or leased and operated crude oil and product pipelines, respectively, and partial ownership in 2,194 miles and 1,917 miles of crude oil and products pipelines, respectively, which span 17 states; a barge dock facility with approximately 78 thousand barrels per day, or mbpd, of crude oil throughput capacity; crude oil and product storage facilities (tank farms) with approximately 18.6 thousand barrels, or mbbls, of available storage capacity; nine butane and propane storage caverns with approximately 2,755 mbbls of NGL storage capacity; 59 light products terminal facilities, one leased terminal and partial ownership in two terminals, with a combined total shell capacity of approximately 23.8 million barrels; an inland marine business, comprised of 18 tow boats and 232 barges; and gathering and processing infrastructure, with approximately 5.9 billion cubic feet per day, or bcf/d, of gathering capacity, 8.0 bcf/d of natural gas processing capacity and approximately 610 mbpd of fractionation capacity, acquired as a result of the December 4, 2015 merger with MarkWest, which we refer to as the MarkWest Merger, one of the largest processors of natural gas in the United States and the largest processor and fractionator in the Marcellus and Utica shale plays.

In addition, following the dropdown acquisition from MPC completed on February 1, 2018, we provide fuels distribution services to MPC and own refining logistics assets consisting of tanks with storage capacity of approximately 56 million barrels as well as refinery docks, loading racks and associated piping.

All of our operations and assets are located in the United States. Our principal executive offices are located at 200 E. Hardin Street, Findlay, Ohio 45840, and our telephone number at that location is (419) 421-2414.

**The Offering**

<b>Issuer</b>	MPLX LP, a Delaware limited partnership
<b>Securities Offered by MPLX</b>	Common units having an aggregate offering price of up to \$1,740,959,652 are being offered by us, at such prices as further described below in Plan of Distribution (Conflicts of Interest).
<b>New York Stock Exchange Symbol</b>	MPLX
<b>Manner of Offerings</b>	

At-the-market offering that may be made from time to time through the sales agents. See Plan of Distribution (Conflicts of Interest).

**Use of Proceeds**

We intend to use the net proceeds from this offering for general partnership purposes, including repayment or refinancing of debt and funding for acquisitions, working capital requirements and capital expenditures.

S-1

**Table of Contents**

**Series A Preferred Units**

The Series A Preferred units rank senior to common units with respect to distribution rights and rights upon liquidation and are entitled to receive cumulative quarterly distributions. See Supplemental Information Regarding Description of Capitalization.

**Limited Voting Rights**

Our general partner manages and operates us. Unlike the holders of common stock in a corporation, you will have only limited voting rights on matters affecting our business. You will have no right to elect our general partner or its directors on an annual or other continuing basis. Our general partner may not be removed except by a vote of the holders of at least 66 2/3% of the outstanding common units and Series A Preferred units (on an as-converted basis), including common units owned by MPC, voting together as a single class.

**Limited Call Right**

If at any time our general partner and its affiliates own more than 85.0% of the outstanding common units, our general partner has the right, but not the obligation, to purchase all of the remaining common units at a price equal to the greater of (1) the average daily closing price of our common units over the 20 trading days preceding the date that is three business days before notice of exercise of the call right is first mailed and (2) the highest per-unit price paid by our general partner or any of its affiliates for common units during the 90-day period preceding the date such notice is first mailed.

**Redemption of Ineligible Holders**

Common units held by persons who our general partner determines are not citizenship eligible holders or rate eligible holders will be subject to redemption. Citizenship eligible holders are individuals or entities whose nationality, citizenship or other related status does not create a substantial risk of cancellation or forfeiture of any property, including any governmental permit, endorsement or other authorization, in which we have an interest, and will generally include individuals and entities who are U.S. citizens. Rate eligible holders are:

individuals or entities subject to U.S. federal income taxation on the income generated by us; or

entities not subject to U.S. federal income taxation on the income generated by us, so long as all of the entity's beneficial owners are subject to such taxation.

We have the right, which we may assign to any of our affiliates, but not the obligation, to redeem all of the common units of any holder that is not a citizenship eligible holder or a rate eligible holder or that has failed to



certify or has falsely certified that such holder is a citizenship eligible holder or a rate eligible holder. The redemption price will be equal to the market price of the common units as of the date three days before the date the notice of redemption is mailed. The redemption price will be paid in cash or by delivery of a promissory note, as determined by our general partner. The units held by any person the general partner determines is not a citizenship eligible holder will not be entitled to voting rights.

S-2

**Table of Contents**

<b>Material U.S. Federal Income Tax Consequences</b>	For a discussion of the material U.S. federal income tax consequences that may be relevant to prospective unitholders who are individual citizens or residents of the United States, please read <b>Material U.S. Federal Income Tax Consequences</b> in this prospectus supplement.
<b>Risk Factors</b>	Investing in our common units involves risks. Limited partnerships are inherently different from corporations. You should carefully consider the information referenced under <b>Risk Factors</b> on page S-4 of this prospectus supplement and in the accompanying base prospectus before you make an investment in our common units.
<b>Conflicts of Interest</b>	Affiliates of certain of the sales agents are lenders under our \$2.25 billion unsecured revolving credit facility, which we refer to as our credit facility. Because more than 5% of the net proceeds of the common units may be paid to those affiliates, this offering will be conducted in compliance with the applicable requirements of FINRA Rule 5121. See <b>Plan of Distribution (Conflicts of Interest) Conflicts of Interest</b> .

---

**Table of Contents**

**RISK FACTORS**

*You should carefully consider any specific risks set forth under the caption **Risk Factors** in the accompanying base prospectus and under the caption **Risk Factors** included in our most recent Annual Report on Form 10-K and our other filings with the SEC before making an investment decision. For more information, see **Where You Can Find More Information** and **Information We Incorporate by Reference**. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties that are not yet identified may also materially harm our business, operating results and financial condition and could result in a complete loss of your investment.*

**USE OF PROCEEDS**

We intend to use the net proceeds from the issuance and sale of common units by us under this prospectus supplement for general partnership purposes, including repayment or refinancing of debt and funding for acquisitions, working capital requirements and capital expenditures. Pending any specific application, we may initially invest funds in short-term marketable securities or apply them to the reduction of short-term indebtedness.

Affiliates of the sales agents are lenders under our credit facility and, accordingly, if any of the net proceeds of the issuance and sale of common units by us are used to repay indebtedness under our credit facility, such affiliates of the sales agents will receive a portion of the net proceeds of this offering. For a more complete description of our indebtedness, please see our most recent Annual Report on Form 10-K and other filings with the SEC for more information, which are incorporated into this prospectus supplement by reference.

**SUPPLEMENTAL INFORMATION REGARDING DESCRIPTION OF CAPITALIZATION**

This section titled **Supplemental Information Regarding Description of Capitalization** should be read together with the section titled **Description of Capitalization** in the accompanying base prospectus.

As of March 2, 2018, we had 793,880,364 common units outstanding, of which 289,178,430 were held by the public and 504,701,934 were held by affiliates of MPC (excluding common units held by officers and directors of our general partner or MPC). As of March 2, 2018, we had 30,769,232 Series A Preferred units outstanding. The Series A Preferred units are not deemed to represent any percentage interest in the Partnership unless or until they are converted into common units under in accordance with their terms. As of February 28, 2018, on an as-converted basis and assuming a one-to-one conversion ratio, the Series A Preferred units constituted an approximate 3.7% limited partner interest in the Partnership. In addition, our general partner holds a non-economic general partner interest in us, which gives it the right to manage and control our business and affairs.

**SUPPLEMENTAL INFORMATION REGARDING OUR PARTNERSHIP AGREEMENT**

This section titled **Supplemental Information Regarding Our Partnership Agreement** should be read together with the section titled **Our Partnership Agreement** in the accompanying base prospectus.

In February 2018, we completed a restructuring of our previously outstanding general partner interest and incentive distribution rights, which we refer to as the GP/IDR Restructuring. In connection with the GP/IDR Restructuring our general partner amended and restated our partnership agreement by entering into a Fourth Amended and Restated Agreement of Limited Partnership of MPLX LP, dated as of February 1, 2018, which we refer to as the amended and restated partnership agreement. The amended and restated partnership agreement reflects the cancellation of previously outstanding incentive distribution rights in us and the conversion of our general partner's economic general partner interest in us into a non-economic general partner interest in the GP/IDR Restructuring. In addition, the

amended and restated partnership agreement reflects the conversion of the last remaining outstanding Class B units into common units effective on July 1, 2017.

S-4

## **Table of Contents**

The foregoing summary of the changes effected in our amended and restated partnership agreement may not contain all the information that is important to you and is qualified by reference to the full text of the amended and restated partnership agreement.

### **SUPPLEMENTAL INFORMATION REGARDING PROVISIONS OF OUR PARTNERSHIP AGREEMENT RELATING TO CASH DISTRIBUTIONS**

This section titled Supplemental Information Regarding Provisions of our Partnership Agreement Relating to Cash Distributions should be read together with the section titled Provisions of our Partnership Agreement Relating to Cash Distributions in the accompanying base prospectus.

The amended and restated partnership agreement revised the provisions of the previously effective partnership agreement relating to cash distributions by removing provisions providing for distributions of available cash to the holders of incentive distribution rights and to our general partner on its general partner interest. Except as otherwise provided under the amended and restated partnership agreement, we will distribute available cash as of the end of each quarter, after payment of distributions to the holders of Series A Preferred units, pro rata to our limited partners (excluding the holders of Series A Preferred units) as of the record date selected by our general partner.

### **MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES**

This section titled Material U.S. Federal Income Tax Consequences restates and supersedes the section in its entirety titled Material U.S. Federal Income Tax Consequences in the accompanying base prospectus.

This section is a summary of certain of the material U.S. federal income tax considerations that may be relevant to prospective common unitholders who are individual citizens or residents of the U.S. and, unless otherwise noted in the following discussion, is the opinion of Jones Day, counsel to our general partner and us, insofar as it relates to legal conclusions with respect to matters of U.S. federal income tax law. This section is based upon current provisions of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), existing and proposed Treasury regulations promulgated under the Internal Revenue Code (the Treasury Regulations) and current administrative rulings and court decisions, all of which are subject to change, possibly with retroactive effect. Later changes in these authorities may cause the tax consequences to vary substantially from the consequences described below. Unless the context otherwise requires, references in this section to us or we are references to MPLX LP and our operating subsidiaries and references in this section to units or unitholders are references to only our common units and common unitholders.

The following discussion does not comment on all U.S. federal income tax matters affecting us or our common unitholders. Moreover, the discussion focuses on common unitholders who are individual citizens or residents of the U.S. and has only limited application to corporations, estates, entities treated as partnerships for U.S. federal income tax purposes, trusts, nonresident aliens, U.S. expatriates and former citizens or long-term residents of the United States or other common unitholders subject to specialized tax treatment, such as banks, insurance companies and other financial institutions, tax-exempt institutions, foreign persons (including, without limitation, controlled foreign corporations, passive foreign investment companies and non-U.S. persons eligible for the benefits of an applicable income tax treaty with the United States), IRAs, real estate investment trusts (REITs) or mutual funds, dealers in securities or currencies, traders in securities, U.S. persons whose functional currency is not the U.S. dollar, persons holding their units as part of a straddle, hedge, conversion transaction or other risk reduction transaction, and persons deemed to sell their units under the constructive sale provisions of the Internal Revenue Code. In addition, the discussion only comments to a limited extent on state, local and foreign tax consequences. Accordingly, we encourage each prospective unitholder to consult his or her own tax advisor in analyzing the state, local and foreign tax

consequences particular to him or her of the ownership or disposition of common units and potential changes in applicable tax laws.

The Internal Revenue Service, which we refer to as the IRS, has issued us private letter rulings confirming that a portion of our operations generates qualifying income under Section 7704 of the Internal Revenue Code.

S-5

---

**Table of Contents**

Otherwise, the IRS has made no determination as to our status or the status of our operating subsidiaries for U.S. federal income tax purposes or whether our operations generate qualifying income under Section 7704 of the Internal Revenue Code. Instead, we will rely on opinions of Jones Day. Unlike a ruling, an opinion of counsel represents only that counsel's best legal judgment and does not bind the IRS or the courts. Accordingly, the opinions and statements made herein may not be sustained by a court if contested by the IRS. Any contest of this sort with the IRS may materially and adversely impact the market for the common units and the prices at which common units trade. In addition, the costs of any contest with the IRS, principally legal, accounting and related fees, will result in a reduction in cash available for distribution to our common unitholders and our general partner and thus will be borne indirectly by our common unitholders and our general partner. Furthermore, the tax treatment of us, or of an investment in us, may be significantly modified by future legislative or administrative changes or court decisions. Any modifications may or may not be retroactively applied.

All statements as to matters of U.S. federal income tax law and legal conclusions with respect thereto, but not as to factual matters, contained in this section, unless otherwise noted, are the opinion of Jones Day and are based on the accuracy of the representations made by us.

For the reasons described below, Jones Day has not rendered an opinion with respect to the following specific U.S. federal income tax issues: (i) the treatment of a unitholder whose common units are loaned to a short seller to cover a short sale of common units (please read [Tax Consequences of Unit Ownership Treatment of Short Sales](#)); (ii) whether our monthly convention for allocating taxable income and losses is permitted by existing Treasury Regulations (please read [Disposition of Common Units Allocations Between Transferors and Transferees](#)); and (iii) whether our method for taking into account Section 743 adjustments is sustainable in certain cases (please read [Tax Consequences of Unit Ownership Section 754 Election](#) and [Disposition of Common Units Uniformity of Units](#)).

**Partnership Status**

A partnership is not a taxable entity and incurs no U.S. federal income tax liability. Instead, each partner of a partnership is required to take into account his or her share of items of income, gain, loss and deduction of the partnership in computing his or her U.S. federal income tax liability, regardless of whether cash distributions are made to him or her by the partnership. Distributions by a partnership to a partner are generally not taxable to the partnership or the partner unless the amount of cash distributed to him or her is in excess of the partner's adjusted tax basis in his or her partnership interest. Section 7704 of the Internal Revenue Code provides that publicly traded partnerships will, as a general rule, be taxed as corporations. However, an exception, referred to as the [Qualifying Income Exception](#), exists with respect to publicly traded partnerships of which 90.0% or more of the gross income for every taxable year consists of [qualifying income](#). [Qualifying income](#) includes income and gains derived from the transportation, processing, storage and marketing of crude oil, natural gas and products thereof. Other types of [qualifying income](#) include interest (other than from a financial business), dividends, gains from the sale of real property and gains from the sale or other disposition of capital assets held for the production of income that otherwise constitutes [qualifying income](#). Based on estimates consistent with our latest quarterly earnings disclosure and our expectations about changes in relative income sources, we estimate that less than 2.0% of our current gross income on a pro forma basis is not [qualifying income](#); however, this estimate could change from time to time. Based upon and subject to this estimate, the factual representations made by us and our general partner and a review of the applicable legal authorities, Jones Day is of the opinion that at least 90.0% of our current gross income constitutes [qualifying income](#). The portion of our income that is [qualifying income](#) may change from time to time.

The IRS has issued us private letter rulings confirming that a portion of our operations generates [qualifying income](#) under Section 7704 of the Internal Revenue Code. Otherwise, the IRS has made no determination as to our status or the status of our operating subsidiaries for U.S. federal income tax purposes or whether our operations generate

qualifying income under Section 7704 of the Internal Revenue Code. Instead, we will rely

S-6



**Table of Contents**

on the opinion of Jones Day on such matters. It is the opinion of Jones Day that, based upon the Internal Revenue Code, its regulations, published revenue rulings and court decisions, on our private letter ruling, and on the representations described below that:

We will be classified as a partnership for U.S. federal income tax purposes; and

Each of our operating subsidiaries will be treated as a partnership or will be disregarded as an entity separate from us for U.S. federal income tax purposes.

In rendering its opinion, Jones Day has relied on factual representations made by us and our general partner. The representations made by us and our general partner upon which Jones Day has relied include:

Neither we nor any of the operating subsidiaries has elected or will elect to be treated as a corporation; and

For each taxable year, more than 90.0% of our gross income has been and will be income of the type that Jones Day has opined or will opine is qualifying income within the meaning of Section 7704(d) of the Internal Revenue Code.

We believe that these representations have been true in the past and expect that these representations will continue to be true in the future.

On January 24, 2017, final regulations regarding which activities give rise to qualifying income within the meaning of Section 7704 of the Internal Revenue Code were published in the Federal Register. We do not believe these final regulations affect our ability to be treated as a partnership for U.S. federal income tax purposes.

If we fail to meet the Qualifying Income Exception, other than a failure that is determined by the IRS to be inadvertent and that is cured within a reasonable time after discovery (in which case the IRS may also require us to make adjustments with respect to our unitholders or pay other amounts), we will be treated as if we had transferred all of our assets, subject to liabilities, to a newly formed corporation, on the first day of the year in which we fail to meet the Qualifying Income Exception, in return for stock in that corporation, and then distributed that stock to the unitholders in liquidation of their interests in us. This deemed contribution and liquidation should be tax-free to unitholders and us so long as we, at that time, do not have liabilities in excess of the tax basis of our assets. Thereafter, we would be treated as a corporation for U.S. federal income tax purposes.

If we were treated as a corporation for U.S. federal income tax purposes in any taxable year, either as a result of a failure to meet the Qualifying Income Exception or otherwise, our items of income, gain, loss and deduction would be reflected only on our corporate income tax return rather than being passed through to our unitholders, and our net income would be taxed to us at corporate rates. In addition, any distribution made to a unitholder would be treated as taxable dividend income, to the extent of our current and accumulated earnings and profits, or, in the absence of earnings and profits, a nontaxable return of capital, to the extent of the unitholder's tax basis in his or her common units, or taxable capital gain, after the unitholder's tax basis in his or her common units is reduced to zero. Accordingly, taxation as a corporation would result in a material reduction in any unitholder's cash flow and after-tax return and thus would likely result in a substantial reduction of the value of the units.

**The discussion below is based on Jones Day's opinion that we will be classified as a partnership for U.S. federal income tax purposes.**

**Limited Partner Status**

Unitholders of MPLX LP will be treated as partners of MPLX LP for U.S. federal income tax purposes. Also, unitholders whose common units are held in street name or by a nominee and who have the right to direct the nominee in the exercise of all substantive rights attendant to the ownership of their common units will be treated as partners of MPLX LP for U.S. federal income tax purposes.

S-7

---

## **Table of Contents**

A beneficial owner of common units whose units have been transferred to a short seller to complete a short sale would appear to lose his or her status as a partner with respect to those units for U.S. federal income tax purposes. Please read [Tax Consequences of Unit Ownership](#) [Treatment of Short Sales](#).

Income, gain, deductions or losses would not appear to be reportable by any unitholder who is not a partner for U.S. federal income tax purposes, and any cash distributions received by any unitholder who is not a partner for U.S. federal income tax purposes would therefore appear to be fully taxable as ordinary income. These holders are urged to consult their tax advisors with respect to their tax consequences of holding common units in MPLX LP. The references to [unitholders](#) in the discussion that follows are to persons who are treated as partners in MPLX LP for U.S. federal income tax purposes.

## **Tax Consequences of Unit Ownership**

### *Flow-Through of Taxable Income*

Subject to the discussion below under [Tax Consequences of Unit Ownership](#) [Entity-Level Collections](#) we will not pay any U.S. federal income tax. Instead, each unitholder will be required to report on his or her income tax return his or her share of our income, gains, losses and deductions without regard to whether we make cash distributions to him or her. Consequently, we may allocate income to a unitholder even if he or she has not received a cash distribution. Each unitholder will be required to include in income his or her allocable share of our income, gains, losses and deductions for our taxable year ending with or within his or her taxable year. Our taxable year ends on December 31.

### *Treatment of Distributions*

Distributions by us to any unitholder generally will not be taxable to the unitholder for U.S. federal income tax purposes, except to the extent that the amount of any such cash distribution exceeds his or her tax basis in his or her common units immediately before the distribution. Our cash distributions in excess of any unitholder's tax basis generally will be considered to be gain from the sale or exchange of the common units, taxable in accordance with the rules described under [Disposition of Common Units](#). Any reduction in any unitholder's share of our liabilities for which no partner, including the general partner, bears the economic risk of loss, known as [nonrecourse liabilities](#), will be treated as a distribution by us of cash to that unitholder. To the extent that our distributions cause any unitholder's [at-risk](#) amount to be less than zero at the end of any taxable year, he or she must recapture any losses deducted in previous years. Please read [Tax Consequences of Unit Ownership](#) [Limitations on Deductibility of Losses](#).

A decrease in any unitholder's percentage interest in us because of our issuance of additional common units will decrease his or her share of our nonrecourse liabilities, and thus will result in a corresponding deemed distribution of cash. This deemed distribution may constitute a non-pro rata distribution. A non-pro rata distribution of money or property may result in ordinary income to any unitholder, regardless of his or her tax basis in his or her common units, if the distribution reduces the unitholder's share of our [unrealized receivables](#), including depreciation recapture and/or substantially appreciated [inventory items](#), each as defined in the Internal Revenue Code, and collectively, [Section 751 Assets](#). To that extent, the unitholder will be treated as having been distributed his or her proportionate share of the [Section 751 Assets](#) and then having exchanged those assets with us in return for the non-pro rata portion of the actual distribution made to him. This latter deemed exchange will generally result in the unitholder's realization of ordinary income, which will equal the excess of (i) the non-pro rata portion of that distribution over (ii) the unitholder's tax basis (often zero) for the share of [Section 751 Assets](#) deemed relinquished in the exchange.

### *Tax Basis of Common Units*

A unitholder's initial tax basis for his or her common units will be the amount he or she paid for the common units plus his or her share of our nonrecourse liabilities. That tax basis will be increased by his or her share of our

S-8

---

**Table of Contents**

income and by any increases in his or her share of our nonrecourse liabilities. That tax basis will be decreased, but not below zero, by distributions from us, by the unitholder's share of our losses, by any decreases in his or her share of our nonrecourse liabilities and by his or her share of our expenditures that are not deductible in computing taxable income and are not required to be capitalized. A unitholder will have no share of our debt that is recourse to our general partner to the extent of the general partner's net value as defined in regulations under Section 752 of the Internal Revenue Code, but will have a share, generally based on his or her share of profits, of our nonrecourse liabilities. Please read "Disposition of Common Units" "Recognition of Gain or Loss."

*Limitations on Deductibility of Losses*

The deduction by any unitholder of his or her share of our losses will be limited to the tax basis in his or her units and, in the case of an individual unitholder, any unitholder that is an estate or trust, or a corporate unitholder (if more than 50.0% of the value of the corporate unitholder's stock is owned directly or indirectly by or for five or fewer individuals or some tax-exempt organizations) to the amount for which the unitholder is considered to be at risk with respect to our activities, if that is less than his or her tax basis. A unitholder subject to these limitations must recapture losses deducted in previous years to the extent that distributions cause his or her at-risk amount to be less than zero at the end of any taxable year. Losses disallowed to any unitholder or recaptured as a result of these limitations will carry forward and will be allowable as a deduction to the extent that his or her at-risk amount is subsequently increased, provided such losses do not exceed such unitholder's tax basis in his or her common units. Upon the taxable disposition of a unit, any gain recognized by any unitholder can be offset by losses that were previously suspended by the at-risk limitation but may not be offset by losses suspended by the tax basis limitation. Any loss previously suspended by the at-risk limitation in excess of that gain would no longer be utilizable.

In general, any unitholder will be at risk to the extent of the tax basis of his or her units, excluding any portion of that tax basis attributable to his or her share of our nonrecourse liabilities, reduced by (i) any portion of that tax basis representing amounts otherwise protected against loss because of a guarantee, stop loss agreement or other similar arrangement and (ii) any amount of money he or she borrows to acquire or hold his or her units, if the lender of those borrowed funds owns an interest in us, is related to the unitholder or can look only to the units for repayment. A unitholder's at-risk amount will increase or decrease as the tax basis of the unitholder's units increases or decreases, other than tax basis increases or decreases attributable to increases or decreases in his or her share of our nonrecourse liabilities.

In addition to the tax basis and at-risk limitations on the deductibility of losses, the passive loss limitations generally provide that individuals, estates, trusts and some closely-held corporations and personal service corporations can deduct losses from passive activities, which are generally trade or business activities in which the taxpayer does not materially participate, only to the extent of the taxpayer's income from those passive activities. The passive loss limitations are applied separately with respect to each publicly traded partnership. Consequently, any passive losses we generate will only be available to offset our passive income generated in the future and will not be available to offset income from other passive activities or investments, including our investments or any unitholder's investments in other publicly traded partnerships, or the unitholder's salary, active business or other income. Passive losses that are not deductible because they exceed any unitholder's share of income we generate may be deducted in full when he or she disposes of his or her entire investment in us in a fully taxable transaction with an unrelated party. The passive loss limitations are applied after other applicable limitations on deductions, including the at-risk rules and the tax basis limitation.

A unitholder's share of our net income may be offset by any of our suspended passive losses, but it may not be offset by any other current or carryover losses from other passive activities, including those attributable to other publicly traded partnerships.

Edgar Filing: MPLX LP - Form 424B5

For taxpayers other than corporations in taxable years beginning after December 31, 2017, and before January 1, 2026, an excess business loss limitation further limits the deductibility of losses by such taxpayers. An excess business loss is the excess (if any) of a taxpayer's aggregate deductions for the taxable year that are attributable

S-9

---

**Table of Contents**

to the trades or businesses of such taxpayer (determined without regard to the excess business loss limitation) over the aggregate gross income or gain of such taxpayer for the taxable year that is attributable to such trades or businesses plus a threshold amount. The threshold amount is equal to \$250,000 or \$500,000 for taxpayers filing a joint return. Disallowed excess business losses are treated as a net operating loss carryover to the following tax year. Any losses we generate that are allocated to a unitholder and not otherwise limited by the basis, at risk or passive loss limitations will be included in the determination of such unitholder's aggregate trade or business deductions. Consequently, any losses we generate that are not otherwise limited will only be available to offset a unitholder's other trade or business income plus an amount of non-trade or business income equal to the applicable threshold amount. Thus, except to the extent of the threshold amount, our losses that are not otherwise limited may not offset a unitholder's non-trade or business income (such as salaries, fees, interest, dividends and capital gains). This excess business loss limitation will be applied after the passive activity loss limitation.

*Limitations on Interest Deductions*

In general, we are entitled to a deduction for interest paid or accrued on indebtedness properly allocable to our trade or business during our taxable year. However, our deduction for this business interest is limited to the sum of our business interest income and 30% of our adjusted taxable income. For the purposes of this limitation, our adjusted taxable income is computed without regard to any business interest or business interest income, without any deduction for depreciation, amortization or depletion (for taxable years beginning before January 1, 2022) and without any adjustments for taxes. This limitation is first applied at the partnership level and any deduction for business interest is taken into account in determining our non-separately stated taxable income or loss. Then, in applying this business interest limitation at the partner level, the adjusted taxable income of each of our unitholders is determined without regard to such unitholder's distributive share of any of our items of income, gain, deduction or loss and is increased by such unitholder's distributive share of our excess taxable income, which is generally equal to the excess of 30% of our adjusted taxable income over the amount of our deduction for business interest for a taxable year.

To the extent our deduction for business interest is not limited, we will allocate the full amount of our deduction for business interest among our unitholders in accordance with their percentage interests in us. To the extent our deduction for business interest is limited, the amount of any disallowed deduction for business interest will also be allocated to each unitholder in accordance with their percentage interest in us, but such amount of excess business interest will not be currently deductible. Subject to certain limitations and adjustments to a unitholder's basis in its units, this excess business interest may be carried forward and deducted by a unitholder in a future taxable year.

In addition to this limitation on the deductibility of a partnership's business interest, the deductibility of a non-corporate taxpayer's investment interest expense is generally limited to the amount of that taxpayer's net investment income. Investment interest expense includes:

interest on indebtedness properly allocable to property held for investment;

our interest expense attributed to portfolio income; and

the portion of interest expense incurred to purchase or carry an interest in a passive activity to the extent attributable to portfolio income.

The computation of any unitholder's investment interest expense will take into account interest on any margin account borrowing or other loan incurred to purchase or carry a unit. Net investment income includes gross income from property held for investment and amounts treated as portfolio income under the passive loss rules, less deductible expenses, other than interest, directly connected with the production of investment income, but generally does not include gains attributable to the disposition of property held for investment or (if applicable) qualified dividend income. The IRS has indicated that the net passive income earned by a publicly traded partnership will be treated as investment income to its unitholders. In addition, the unitholders' share of our portfolio income will be treated as investment income.

S-10



---

**Table of Contents**
*Entity-Level Collections*

If we are required or elect under applicable law to pay any U.S. federal, state, local or foreign income tax on behalf of any unitholder or our general partner or any former unitholder, we are authorized to pay those taxes from our funds. That payment, if made, will be treated as a distribution of cash to the unitholder on whose behalf the payment was made. If the payment is made on behalf of a person whose identity cannot be determined, we are authorized to treat the payment as a distribution to all current unitholders. We are authorized to amend the Partnership Agreement in the manner necessary to maintain uniformity of intrinsic tax characteristics of units and to adjust later distributions, so that after giving effect to these distributions, the priority and characterization of distributions otherwise applicable under the Partnership Agreement is maintained as nearly as is practicable. Payments by us as described above could give rise to an overpayment of tax on behalf of an individual unitholder in which event the unitholder would be required to file a claim in order to obtain a credit or refund.

*Allocation of Income, Gain, Loss and Deduction*

In general, if we have a net profit, our items of income, gain, loss and deduction will be allocated among our general partner and the unitholders in accordance with their percentage interests in us. If we have a net loss, that loss will be allocated first to our general partner and the unitholders in accordance with their percentage interests in us to the extent of their positive capital accounts and, second, to our general partner.

Specified items of our income, gain, loss and deduction will be allocated to account for (i) any difference between the tax basis and fair market value of our assets at the time of an offering and (ii) any difference between the tax basis and fair market value of any property contributed to us by the general partner and its affiliates (or by a third party) that exists at the time of such contribution, together referred to in this discussion as the *Contributed Property*. The effect of these allocations, referred to as *Section 704(c) Allocations*, to any unitholder purchasing common units in an offering of securities hereunder will be essentially the same as if the tax bases of our assets were equal to their fair market values at the time of an offering of securities hereunder. In the event we issue additional common units or engage in certain other transactions in the future, *reverse Section 704(c) Allocations*, similar to the *Section 704(c) Allocations* described above, will be made to the general partner and all of our unitholders immediately prior to such issuance or other transactions to account for the difference between the *book basis* for purposes of maintaining capital accounts and the fair market value of all property held by us at the time of such issuance or future transaction. In addition, items of recapture income will be allocated to the extent possible to the unitholder who was allocated the deduction giving rise to the treatment of that gain as recapture income in order to minimize the recognition of ordinary income by some unitholders. Finally, although we do not expect that our operations will result in the creation of negative capital accounts, if negative capital accounts nevertheless result, items of our income and gain will be allocated in an amount and manner sufficient to eliminate the negative balance as quickly as possible.

An allocation of items of our income, gain, loss or deduction, other than an allocation required by the Internal Revenue Code to eliminate the difference between a partner's *book capital account*, credited with the fair market value of *Contributed Property*, and *tax capital account*, credited with the tax basis of *Contributed Property*, referred to in this discussion as the *Book-Tax Disparity*, will generally be given effect for U.S. federal income tax purposes in determining a partner's share of an item of income, gain, loss or deduction only if the allocation has *substantial economic effect*. In any other case, a partner's share of an item will be determined on the basis of his or her interest in us, which will be determined by taking into account all the facts and circumstances, including:

his or her relative contributions to us;

the interests of all the partners in profits and losses;

the interest of all the partners in cash flow; and

S-11

## Table of Contents

the rights of all the partners to distributions of capital upon liquidation. Jones Day is of the opinion that, with the exception of the issues described in Tax Consequences of Unit Ownership Section 754 Election and Disposition of Common Units Allocations Between Transferors and Transferees, allocations under the Partnership Agreement will be given effect for U.S. federal income tax purposes in determining a partner's share of an item of income, gain, loss or deduction.

### *Treatment of Short Sales*

A unitholder whose units are loaned to a short seller to cover a short sale of units may be considered as having disposed of those units. If so, he or she would no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and may recognize gain or loss from the disposition. As a result, during this period:

any of our income, gain, loss or deduction with respect to those units would not be reportable by the unitholder;

any cash distributions received by the unitholder as to those units would be fully taxable; and

while not entirely free from doubt, all of these distributions would appear to be ordinary income. Because there is no direct or indirect controlling authority on the issue relating to partnership interests, Jones Day has not rendered an opinion regarding the tax treatment of any unitholder whose common units are loaned to a short seller to cover a short sale of common units; therefore, unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a loan to a short seller are urged to consult a tax advisor to discuss whether it is advisable to modify any applicable brokerage account agreements to prohibit their brokers from borrowing and loaning their units. The IRS has previously announced that it is studying issues relating to the tax treatment of short sales of partnership interests. Please also read Disposition of Common Units Recognition of Gain or Loss.

### *Alternative Minimum Tax*

Each noncorporate unitholder will be required to take into account his or her distributive share of any items of our income, gain, loss or deduction for purposes of the alternative minimum tax. The current minimum tax rate for noncorporate married taxpayers filing jointly in 2018 is 26.0% on the first \$187,800 of alternative minimum taxable income in excess of the exemption amount (which is phased out as a taxpayer's income increases) and 28.0% on any additional alternative minimum taxable income. For taxable years beginning after December 31, 2017, and before January 1, 2026, the exemption amount and exemption amount phaseout thresholds for the alternative minimum tax are temporarily increased. Prospective unitholders are urged to consult with their tax advisors as to the impact of an investment in units on their liability for the alternative minimum tax.

### *Tax Rates*

Under current law, the highest marginal U.S. federal income tax rate applicable to ordinary income of individuals is 37.0% and the highest marginal U.S. federal income tax rate applicable to long-term capital gains (generally, capital gains on certain assets held for more than 12 months) of individuals is 20.0%. Unless extended by legislation, the 37.0% rate applies only to taxable years beginning prior to December 31, 2025. Thereafter, the highest marginal U.S. federal income tax rate applicable to ordinary income of individuals is 39.6%. Such rates are subject to change by new

legislation at any time.

An additional 3.8% Medicare tax is imposed on certain net investment income earned by individuals, estates and trusts. For these purposes, net investment income generally includes any unitholder's allocable share of our income and gain realized by any unitholder from a sale of units. In the case of an individual, the tax will be imposed on the lesser of (1) the unitholder's net investment income and (2) the amount by which the unitholder's

S-12

**Table of Contents**

modified adjusted gross income exceeds \$250,000 (if the unitholder is married and filing jointly or a surviving spouse), \$125,000 (if the unitholder is married and filing separately) or \$200,000 (in any other case). In the case of an estate or trust, the tax will be imposed on the lesser of (1) undistributed net investment income and (2) the excess of adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins.

For taxable years beginning after December 31, 2017 and ending on or before December 31, 2025, an individual unitholder is entitled to a deduction equal to 20.0% of his or her allocable share of our qualified business income. For purposes of this deduction, our qualified business income is equal to the sum of:

the net amount of our U.S. items of income, gain, deduction and loss to the extent such items are included or allowed in the determination of taxable income for the year, excluding, however, certain specified types of passive investment income (such as capital gains and dividends, which are taxed at a rate of 20.0%); and

any gain recognized upon a disposition of our units to the extent such gain is attributable to Section 751 Assets, such as depreciation recapture and our inventory items, and is thus treated as ordinary income under Section 751 of the Internal Revenue Code.

*Section 754 Election*

We have made the election permitted by Section 754 of the Internal Revenue Code. That election is irrevocable without the consent of the IRS unless there is a constructive termination of the partnership. Please read [Disposition of Common Units Constructive Termination](#). The election will generally permit us to adjust a common unit purchaser's tax basis in our assets (inside basis) under Section 743(b) of the Internal Revenue Code to reflect his or her purchase price. This election does not apply with respect to a person who purchases common units directly from us. The Section 743(b) adjustment belongs to the purchaser and not to other unitholders. For purposes of this discussion, the inside basis in our assets with respect to any unitholder will be considered to have two components: (i) his or her share of our tax basis in our assets (common basis) and (ii) his or her Section 743(b) adjustment to that basis.

We have adopted the remedial allocation method as to all our properties. Where the remedial allocation method is adopted, the Treasury Regulations under Section 743 of the Internal Revenue Code require a portion of the Section 743(b) adjustment that is attributable to recovery property that is subject to depreciation under Section 168 of the Internal Revenue Code and whose book basis is in excess of its tax basis to be depreciated over the remaining cost recovery period for the property's unamortized Book-Tax Disparity. Under Treasury Regulation Section 1.167(c)-1(a)(6), a Section 743(b) adjustment attributable to property subject to depreciation under Section 167 of the Internal Revenue Code, rather than cost recovery deductions under Section 168, is generally required to be depreciated using either the straight-line method or the 150.0% declining balance method. Under the Partnership Agreement, our general partner is authorized to take a position to preserve the uniformity of units even if that position is not consistent with these and any other Treasury Regulations. Please read [Disposition of Common Units Uniformity of Units](#).

We are depreciating the portion of a Section 743(b) adjustment attributable to unrealized appreciation in the value of Contributed Property, to the extent of any unamortized Book-Tax Disparity, using a rate of depreciation or amortization derived from the depreciation or amortization method and useful life applied to the property's unamortized Book-Tax Disparity, or treating that portion as non-amortizable to the extent attributable to property which is not amortizable. This method is consistent with the methods employed by other publicly traded partnerships

but is arguably inconsistent with Treasury Regulation Section 1.167(c)-1(a)(6), which does not directly apply to a material portion of our assets. To the extent that this Section 743(b) adjustment is attributable to appreciation in value in excess of the unamortized Book-Tax Disparity, we have applied (and expect to continue to apply) the rules described in the Treasury Regulations and legislative history. If we determine that this position cannot reasonably be taken, we may take a depreciation or amortization position under which all

S-13

---

**Table of Contents**

purchasers acquiring units in the same month would receive depreciation or amortization, whether attributable to common basis or a Section 743(b) adjustment, based upon the same applicable rate as if they had purchased a direct interest in our assets. This kind of aggregate approach may result in lower annual depreciation or amortization deductions than would otherwise be allowable to some unitholders. Please read [Disposition of Common Units](#) [Uniformity of Units](#). Any unitholder's tax basis for his or her common units is reduced by his share of our deductions (whether or not such deductions were claimed on an individual's income tax return) so that any position we take that understates deductions will overstate the unitholder's tax basis in his or her common units, which may cause the unitholder to understate gain or overstate loss on any sale of such units. Please read [Disposition of Common Units](#) [Recognition of Gain or Loss](#). Jones Day is unable to opine as to whether our method for taking into account Section 743 adjustments is sustainable for property subject to depreciation under Section 167 of the Internal Revenue Code or if we use an aggregate approach as described above, as there is no direct or indirect controlling authority addressing the validity of these positions. Moreover, the IRS may challenge our position with respect to depreciating or amortizing the Section 743(b) adjustment we take to preserve the uniformity of the units. If such a challenge were sustained, the gain from the sale of units might be increased without the benefit of additional deductions.

A Section 754 election is advantageous if the transferee's tax basis in his or her units is higher than the units' share of the aggregate tax basis of our assets immediately prior to the transfer. In that case, as a result of the election, the transferee would have, among other items, a greater amount of depreciation deductions and his or her share of any gain or loss on a sale of our assets would be less. Conversely, a Section 754 election is disadvantageous if the transferee's tax basis in his or her units is lower than those units' share of the aggregate tax basis of our assets immediately prior to the transfer. Thus, the fair market value of the units may be affected either favorably or unfavorably by the election. A tax basis adjustment is required regardless of whether a Section 754 election is made in the case of a transfer of an interest in us if we have a substantial built-in loss immediately after the transfer, or if we distribute property and have a substantial tax basis reduction. Generally, a built-in loss or a tax basis reduction is substantial if it exceeds \$250,000.

The calculations involved in the Section 754 election are complex and are made on the basis of assumptions as to the value of our assets and other matters. For example, the allocation of the Section 743(b) adjustment among our assets must be made in accordance with the Internal Revenue Code. The IRS could seek to reallocate some or all of any Section 743(b) adjustment allocated by us to our tangible assets to goodwill instead. Goodwill, as an intangible asset, is generally nonamortizable or amortizable over a longer period of time or under a less accelerated method than our tangible assets. We cannot assure you that the determinations we make will not be successfully challenged by the IRS and that the deductions resulting from them will not be reduced or disallowed altogether. Should the IRS require a different tax basis adjustment to be made, and should, in our opinion, the expense of compliance exceed the benefit of the election, we may seek permission from the IRS to revoke our Section 754 election. If permission is granted, a subsequent purchaser of units may be allocated more income than he or she would have been allocated had the election not been revoked.

**Tax Treatment of Operations***Accounting Method and Taxable Year*

We use the year ending December 31 as our taxable year and the accrual method of accounting for U.S. federal income tax purposes. Each unitholder will be required to include in income his or her share of our income, gain, loss and deduction for our taxable year ending within or with his or her taxable year. In addition, any unitholder who has a taxable year ending on a date other than December 31 and who disposes of all of his or her units following the close of our taxable year but before the close of his or her taxable year must include his or her share of our income, gain, loss and deduction in income for his or her taxable year, with the result that he or she will be required to include in income

for his or her taxable year his or her share of more than 12 months of our income, gain, loss and deduction. Please read **Disposition of Common Units Allocations Between Transferors and Transferees**.

S-14



## **Table of Contents**

### *Initial Tax Basis, Depreciation and Amortization*

The tax basis of our assets will be used for purposes of computing depreciation and cost recovery deductions and, ultimately, gain or loss on the disposition of these assets. The U.S. federal income tax burden associated with the difference between the fair market value of our assets and their tax basis immediately prior to an offering of securities hereunder will be borne by our general partner and all of our unitholders as of that time. Please read [Tax Consequences of Unit Ownership](#) [Allocation of Income, Gain, Loss and Deduction](#).

To the extent allowable, we may elect to use the depreciation and cost recovery methods, including bonus depreciation to the extent available, that will result in the largest deductions being taken in the early years after assets subject to these allowances are placed in service. Please read [Disposition of Common Units](#) [Uniformity of Units](#). Property we subsequently acquire or construct may be depreciated using accelerated methods permitted by the Internal Revenue Code.

If we dispose of depreciable property by sale, foreclosure or otherwise, all or a portion of any gain, determined by reference to the amount of depreciation previously deducted and the nature of the property, may be subject to the recapture rules and taxed as ordinary income rather than capital gain. Similarly, any unitholder who has taken cost recovery or depreciation deductions with respect to property we own will likely be required to recapture some or all of those deductions as ordinary income upon a sale of his or her interest in us. Please read [Tax Consequences of Unit Ownership](#) [Allocation of Income, Gain, Loss and Deduction](#) and [Disposition of Common Units](#) [Recognition of Gain or Loss](#).

The costs we incur in selling our units (called [syndication expenses](#) ) must be capitalized and cannot be deducted currently, ratably or upon our termination. There are uncertainties regarding the classification of costs as organization expenses, which may be amortized by us, and as syndication expenses, which may not be amortized by us. The underwriting discounts and commissions we incur will be treated as syndication expenses.

### *Valuation and Tax Basis of Our Properties*

The U.S. federal income tax consequences of the ownership and disposition of units will depend in part on our estimates of the relative fair market values, and the initial tax bases, of our assets. Although we may from time to time consult with professional appraisers regarding valuation matters, we will make many of the relative fair market value estimates ourselves. These estimates and determinations of tax basis are subject to challenge and will not be binding on the IRS or the courts. If the estimates of fair market value or determination of tax basis are later found to be incorrect, the character and amount of items of income, gain, loss or deductions previously reported by unitholders might change, and unitholders might be required to adjust their tax liability for prior years and incur interest and penalties with respect to those adjustments.

## **Disposition of Common Units**

### *Recognition of Gain or Loss*

Gain or loss will be recognized on a sale of units equal to the difference between the amount realized and the unitholder's tax basis for the units sold. Any unitholder's amount realized will be measured by the sum of the cash or the fair market value of other property received by him or her plus his or her share of our nonrecourse liabilities. Because the amount realized includes any unitholder's share of our nonrecourse liabilities, the gain recognized on the sale of units could result in a tax liability in excess of any cash received from the sale.

Prior distributions from us that in the aggregate were in excess of cumulative net taxable income attributable to a common unit and, therefore, decreased any unitholder's tax basis in that common unit will, in effect, become taxable income if the common unit is sold at a price greater than the unitholder's tax basis in that common unit, even if the price received is less than his or her original cost.

S-15

---

**Table of Contents**

Except as noted below, gain or loss recognized by any unitholder, other than a dealer in units, on the sale or exchange of a unit will generally be taxable as capital gain or loss. Capital gain recognized by an individual on the sale of units held for more than 12 months will generally be taxed at the U.S. federal income tax rate applicable to long-term capital gains. However, a portion of this gain or loss, which will likely be substantial, will be separately computed and taxed as ordinary income or loss under Section 751 of the Internal Revenue Code to the extent attributable to Section 751 Assets that we own. The term unrealized receivables includes potential recapture items, including depreciation recapture. Ordinary income attributable to unrealized receivables, inventory items and depreciation recapture may exceed net taxable gain realized upon the sale of a unit and may be recognized even if there is a net taxable loss realized on the sale of a unit. Thus, any unitholder may recognize both ordinary income and a capital loss upon a sale of units. Capital losses may offset capital gains and no more than \$3,000 of ordinary income, in the case of individuals, and may only be used to offset capital gains in the case of corporations.

The IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted tax basis for all those interests. Upon a sale or other disposition of less than all of those interests, a portion of that tax basis must be allocated to the interests sold using an equitable apportionment method, which generally means that the tax basis allocated to the interest sold equals an amount that bears the same relation to the partner's tax basis in his or her entire interest in the partnership as the value of the interest sold bears to the value of the partner's entire interest in the partnership. Treasury Regulations under Section 1223 of the Internal Revenue Code allow a selling unitholder who can identify common units transferred with an ascertainable holding period to elect to use the actual holding period of the common units transferred. Thus, according to the ruling discussed above, any unitholder will be unable to select high or low tax basis common units to sell as would be the case with corporate stock, but, according to the Treasury Regulations, he or she may designate specific common units sold for purposes of determining the holding period of units transferred. Any unitholder electing to use the actual holding period of common units transferred must consistently use that identification method for all subsequent sales or exchanges of common units. Any unitholder considering the purchase of additional units or a sale of common units purchased in separate transactions is urged to consult his or her tax advisor as to the possible consequences of this ruling and application of the Treasury Regulations.

Specific provisions of the Internal Revenue Code affect the taxation of some financial products and securities, including partnership interests, by treating a taxpayer as having sold an appreciated partnership interest, one in which gain would be recognized if it were sold, assigned or terminated at its fair market value, if the taxpayer or related persons enter(s) into:

a short sale;

an offsetting notional principal contract; or

a futures or forward contract;

in each case, with respect to the partnership interest or substantially identical property.

Moreover, if a taxpayer has previously entered into a short sale, an offsetting notional principal contract or a futures or forward contract with respect to the partnership interest, the taxpayer will be treated as having sold that position if the taxpayer or a related person then acquires the partnership interest or substantially identical property. The Secretary of the Treasury is also authorized to issue regulations that treat a taxpayer that enters into transactions or positions that

have substantially the same effect as the preceding transactions as having constructively sold the financial position.

*Allocations Between Transferors and Transferees*

In general, our taxable income and losses will be determined for each taxable period, will be prorated on a monthly basis and will be subsequently apportioned among our unitholders in proportion to the number of units

---

**Table of Contents**

owned by each of them as of the opening of the applicable exchange on the first business day of the month, which we refer to in this prospectus as the Allocation Date. However, gain or loss realized on a sale or other disposition of our assets other than in the ordinary course of business will be allocated among our unitholders on the Allocation Date in the month in which that gain or loss is recognized. As a result, any unitholder transferring units may be allocated income, gain, loss and deduction realized after the date of transfer.

The U.S. Department of the Treasury and the IRS have issued Treasury Regulations that permit publicly traded partnerships to use a monthly simplifying convention that is similar to ours, but they do not specifically authorize all aspects of the proration method we have adopted. Accordingly, Jones Day is unable to opine on the validity of this method of allocating income and deductions between transferor and transferee unitholders. If our method were found to be inappropriate by the IRS or a court of law, our taxable income or losses might be reallocated among the unitholders.

We are authorized to revise our method of allocation between transferor and transferee unitholders, as well as unitholders whose interests vary during a taxable year. We do not currently plan to change our method of allocation.

Any unitholder who owns units at any time during a quarter and who disposes of them prior to the record date set for a cash distribution for that quarter will be allocated items of our income, gain, loss and deductions attributable to that quarter but will not be entitled to receive that cash distribution.

*Notification Requirements*

Any unitholder who sells any of his or her units is generally required to notify us in writing of that sale within 30 days after the sale (or, if earlier, January 15 of the year following the sale). A purchaser of units who purchases units from another unitholder is also generally required to notify us in writing of that purchase within 30 days after the purchase. Upon receiving such notifications, we are required to notify the IRS of that transaction and to furnish specified information to the transferor and transferee. Failure to notify us of a purchase may, in some cases, lead to the imposition of penalties. However, these reporting requirements do not apply to a sale by an individual who is a citizen of the U.S. and who effects the sale or exchange through a broker who will satisfy such requirements.

*Uniformity of Units*

Because we cannot match transferors and transferees of units, we must maintain uniformity of the economic and tax characteristics of the units to a purchaser of these units. In the absence of uniformity, we may be unable to completely comply with a number of U.S. federal income tax requirements, both statutory and regulatory. A lack of uniformity can result from a literal application of Treasury Regulation Section 1.167(c)-1(a)(6). Any non-uniformity could have a negative impact on the value of the units. Please read *Tax Consequences of Unit Ownership Section 754 Election*. We intend to depreciate the portion of a Section 743(b) adjustment attributable to unrealized appreciation in the value of Contributed Property, to the extent of any unamortized Book-Tax Disparity, using a rate of depreciation or amortization derived from the depreciation or amortization method and useful life applied to the property's unamortized Book-Tax Disparity, or treat that portion as nonamortizable, to the extent attributable to property the common basis of which is not amortizable, consistent with the regulations under Section 743 of the Internal Revenue Code, even though that position may be inconsistent with Treasury Regulation Section 1.167(c)-1(a)(6), which is not expected to directly apply to a material portion of our assets.

Please read *Tax Consequences of Unit Ownership Section 754 Election*. To the extent that the Section 743(b) adjustment is attributable to appreciation in value in excess of the unamortized Book-Tax Disparity, we will apply the rules described in the Treasury Regulations and legislative history. If we determine that this position cannot

reasonably be taken, we may adopt a depreciation and amortization position under which all purchasers acquiring units in the same month would receive depreciation and amortization deductions,

S-17

**Table of Contents**

whether attributable to common basis or a Section 743(b) adjustment, based upon the same applicable rate as if they had purchased a direct interest in our assets. If this position is adopted, it may result in lower annual depreciation and amortization deductions than would otherwise be allowable to some unitholders and risk the loss of depreciation and amortization deductions not taken in the year that these deductions are otherwise allowable. This position will not be adopted if we determine that the loss of depreciation and amortization deductions will have a material adverse effect on the unitholders. If we choose not to utilize this aggregate method, we may use any other reasonable depreciation and amortization method to preserve the uniformity of the intrinsic tax characteristics of any units that would not have a material adverse effect on the unitholders. In either case, and as stated above under Tax Consequences of Unit Ownership Section 754 Election, Jones Day has not rendered an opinion with respect to these methods. Moreover, the IRS may challenge any method of depreciating the Section 743(b) adjustment described in this paragraph. If this challenge were sustained, the uniformity of units might be affected, and the gain from the sale of units might be increased without the benefit of additional deductions. Please read Disposition of Common Units Recognition of Gain or Loss.

**Tax-Exempt Organizations and Other Investors**

Ownership of units by employee benefit plans, other tax-exempt organizations, non-resident aliens, foreign corporations and other foreign persons raises issues unique to those investors and, as described below to a limited extent, may have substantially adverse tax consequences to them. If you are a tax-exempt entity or a non-U.S. person, you should consult your tax advisor before investing in our common units. Employee benefit plans and most other organizations exempt from U.S. federal income tax, including individual retirement accounts and other retirement plans, are subject to U.S. federal income tax on unrelated business taxable income. Virtually all of our income allocated to any unitholder that is a tax-exempt organization will be unrelated business taxable income and will be taxable to it.

Non-resident aliens and foreign corporations, trusts or estates that own units will be considered to be engaged in business in the U.S. because of the ownership of units. As a consequence, they will be required to file U.S. federal income tax returns to report their share of our income, gain, loss or deduction and pay U.S. federal income tax at regular rates on their share of our net income or gain. Moreover, under rules applicable to publicly traded partnerships, our quarterly distribution to foreign unitholders will be subject to withholding at the highest applicable effective tax rate. Each foreign unitholder must obtain a taxpayer identification number from the IRS and submit that number to our transfer agent on a Form W-8BEN, Form W-8BEN-E or applicable substitute form in order to obtain credit for these withholding taxes. A change in applicable law may require us to change these procedures.

In addition, because a foreign corporation that owns units will be treated as engaged in a U.S. trade or business, that corporation may be subject to the U.S. branch profits tax at a rate of 30.0%, in addition to regular U.S. federal income tax, on its share of our earnings and profits, as adjusted for changes in the foreign corporation's U.S. net equity, (as defined in Section 884(c) of the Internal Revenue Code) that is effectively connected with the conduct of a U.S. trade or business. That tax may be reduced or eliminated by an income tax treaty between the U.S. and the country in which the foreign corporate unitholder is a qualified resident. In addition, this type of unitholder is subject to special information reporting requirements under Section 6038C of the Internal Revenue Code.

A foreign unitholder who sells or otherwise disposes of a common unit will be subject to U.S. federal income tax on gain realized from the sale or disposition of that unit to the extent that the gain is effectively connected with a U.S. trade or business of the foreign unitholder. While a 2017 decision by the United States Tax Court held that gain from the sale of a partnership interest is not, solely as a result of the U.S. trade or business activities of the partnership, treated as effectively connected with a U.S. trade or business of a non-U.S. partner, legislation recently passed by Congress as part of the budget reconciliation act commonly referred to as the Tax Cuts and Jobs Act effectively

overturns this decision for dispositions occurring after November 27, 2017. The new law also imposes a 10% withholding tax on the amount realized on the disposition of a partnership interest by a

S-18



---

**Table of Contents**

foreign partner. Because the amount realized includes a partner's share of partnership liabilities, 10% of the amount realized could exceed the total cash purchase price for the units. Such withholding tax obligation is currently suspended in the case of a disposition of certain publicly traded partnership interests until further guidance is provided. Moreover, under the Foreign Investment in Real Property Tax Act, a foreign unitholder generally will be subject to U.S. federal income tax upon the sale or disposition of a common unit if (i) he or she owned (directly or constructively applying certain attribution rules) more than 5.0% of our common units at any time during the five-year period ending on the date of such disposition and (ii) 50.0% or more of the fair market value of all of our assets consisted of U.S. real property interests at any time during the shorter of the period during which such unitholder held the units or the five-year period ending on the date of disposition. Currently, more than 50.0% of our assets consist of U.S. real property interests and we do not expect that to change in the foreseeable future. Therefore, foreign unitholders may be subject to U.S. federal income tax on gain from the sale or disposition of their units.

**Administrative Matters***Information Returns and Audit Procedures*

We intend to furnish to each unitholder, within 90 days after the close of each calendar year, specific tax information, including a Schedule K-1, which describes his or her share of our income, gain, loss and deduction for our preceding taxable year. In preparing this information, which will not be reviewed by counsel, we will take various accounting and reporting positions, some of which have been mentioned earlier, to determine each unitholder's share of income, gain, loss and deduction. We cannot assure you that those positions will yield a result that conforms to the requirements of the Internal Revenue Code, Treasury Regulations or administrative interpretations of the IRS. Neither we nor Jones Day can assure prospective unitholders that the IRS will not successfully contend in court that those positions are impermissible. Any challenge by the IRS could negatively affect the value of the units.

The IRS may audit our U.S. federal income tax returns. Adjustments resulting from an IRS audit may require each unitholder to adjust a prior year's tax liability, and possibly may result in an audit of his or her U.S. federal income tax return. Any audit of any unitholder's U.S. federal income tax return could result in adjustments not related to our U.S. federal income tax returns in addition to those related to our U.S. federal income tax returns.

Partnerships generally are treated as separate entities for purposes of U.S. federal tax audits, judicial review of administrative adjustments by the IRS and tax settlement proceedings. The tax treatment of partnership items of income, gain, loss and deduction are determined in a partnership proceeding rather than in separate proceedings with the partners. For taxable years beginning prior to January 1, 2018, the Internal Revenue Code requires that one partner be designated as the Tax Matters Partner for these purposes. The Partnership Agreement names our general partner as our Tax Matters Partner.

The Tax Matters Partner has made and will make some elections on our behalf and on behalf of unitholders. In addition, the Tax Matters Partner can extend the statute of limitations for assessment of tax deficiencies against unitholders for items in our U.S. federal income tax returns. The Tax Matters Partner may bind any unitholder with less than a 1.0% profits interest in us to a settlement with the IRS unless that unitholder elects, by filing a statement with the IRS, not to give that authority to the Tax Matters Partner. The Tax Matters Partner may seek judicial review, by which all the unitholders are bound, of a final partnership administrative adjustment and, if the Tax Matters Partner fails to seek judicial review, judicial review may be sought by any unitholder having at least a 1.0% interest in profits or by any group of unitholders having in the aggregate at least a 5.0% interest in profits. However, only one action for judicial review will go forward, and each unitholder with an interest in the outcome may participate. The Tax Matters Partner may select the forum for judicial review, and if the Tax Matters Partner selects the Court of Federal Claims or a District Court, rather than the Tax Court, partners may be required to pay any deficiency asserted by the IRS before

judicial review is available.

S-19

---

## **Table of Contents**

Any unitholder must file a statement with the IRS identifying the treatment of any item on his or her U.S. federal income tax return that is not consistent with the treatment of the item on our U.S. federal income tax return. Intentional or negligent disregard of this consistency requirement may subject any unitholder to substantial penalties.

For taxable years beginning after December 31, 2017, the above set of rules no longer apply to U.S. federal income tax audits of us and other partners. Under the new rules, there no longer is a Tax Matters Partner, but rather a partner or other person with a substantial presence in the United States is designated as the partnership representative ( Partnership Representative ). The Partnership Representative has the sole authority to act on our behalf for purposes of, among other things, U.S. federal income tax audits and judicial review of administrative adjustments by the IRS. Actions taken by us or by the Partnership Representative on our behalf with respect to such matters will be binding on us and all of our unitholders. Our general partner has been designated as the Partnership Representative. Some details of these rules are not yet clear. Each prospective unitholder should consult his or her own tax advisor regarding this new system for partnership audits.

In addition, if the IRS makes audit adjustments to our income tax returns for tax years beginning after December 31, 2017, the IRS may collect any resulting taxes (including any applicable penalties and interest) directly from us. We will generally have certain limited rights to shift any such tax liability to our general partner and our unitholders in accordance with their interests in us during the year under audit, but there can be no assurance that we will be able to do so (or choose to do so) under all circumstances. If we are required to make payments of taxes, penalties and interest resulting from audit adjustments, our cash available for distribution to our general partner and our unitholders might be substantially reduced.

### *Additional Withholding Requirements*

Additional withholding taxes may apply to certain types of payments made to foreign financial institutions (as specially defined in the Internal Revenue Code) and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on interest, dividends and other fixed or determinable annual or periodical gains, profits and income from sources within the United States ( FDAP Income ), or gross proceeds from the sale or other disposition of any property of a type which can produce interest or dividends from sources within the United States paid to a foreign financial institution or to a non-financial foreign entity, unless (i) the foreign financial institution undertakes certain diligence and reporting, (ii) the non-financial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (i) above, it must enter into an agreement with the U.S. Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to noncompliant foreign financial institutions and certain other account holders.

Pursuant to Treasury Regulations and other guidance, the withholding provisions described above will generally apply to all payments of FDAP Income and to payments of relevant gross proceeds made on or after January 1, 2019. Each prospective unitholder should consult his or her own tax advisor regarding the applicability of these withholding provisions to an investment in our common units.

### *Nominee Reporting*

Persons who hold an interest in us as a nominee for another person are required to furnish to us:

the name, address and taxpayer identification number of the beneficial owner and the nominee;

information about whether the beneficial owner is:

S-20

**Table of Contents**

a person that is not a U.S. person;

a foreign government, an international organization or any wholly owned agency or instrumentality of either of the foregoing; or

a tax-exempt entity;

the amount and description of units held, acquired or transferred for the beneficial owner; and

specific information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from dispositions.

Brokers and financial institutions are required to furnish additional information, including whether they are U.S. persons and specific information on units they acquire, hold or transfer for their own account. A penalty of \$260 per failure, up to a maximum of \$3,218,500 per calendar year, is imposed by the Internal Revenue Code for failure to report that information to us. The nominee is required to supply the beneficial owner of the units with the information furnished to us.

*Accuracy-Related Penalties*

A penalty equal to 20.0% of the amount of any portion of an underpayment of tax that is attributable to one or more specified causes, including negligence or disregard of rules or regulations, substantial understatements of income tax and substantial valuation misstatements, is imposed by the Internal Revenue Code. No penalty will be imposed, however, for any portion of an underpayment if it is shown that there was a reasonable cause for that portion and that the taxpayer acted in good faith regarding that portion.

For individuals, a substantial understatement of income tax in any taxable year generally exists if the amount of the understatement exceeds the greater of 10.0% of the tax required to be shown on the U.S. federal income tax return for the taxable year or \$5,000 (\$10,000 for most corporations). The amount of any understatement subject to penalty generally is reduced if any portion is attributable to a position adopted on the tax return:

for which there is, or was, substantial authority ; or

as to which there is a reasonable basis and the pertinent facts of that position are disclosed on the tax return. If any item of income, gain, loss or deduction included in the distributive shares of unitholders might result in that kind of an understatement of income for which no substantial authority exists, we must disclose the pertinent facts on our U.S. federal income tax return. In addition, we will make a reasonable effort to furnish sufficient information for unitholders to make adequate disclosure on their U.S. federal income tax returns and to take other actions as may be appropriate to permit unitholders to avoid liability for this penalty. More stringent rules apply to tax shelters, which we do not believe includes us, or any of our investments, plans or arrangements.

A substantial valuation misstatement exists if (a) the value of any property, or the adjusted tax basis of any property, claimed on a tax return is 150.0% or more of the amount determined to be the correct amount of the valuation or adjusted tax basis, (b) the price for any property or services (or for the use of property) claimed on any such tax return with respect to any transaction between persons described in Internal Revenue Code Section 482 is 200.0% or more (or 50.0% or less) of the amount determined under Section 482 to be the correct amount of such price, or (c) the net Internal Revenue Code Section 482 transfer price adjustment for the taxable year exceeds the lesser of \$5 million or 10.0% of the taxpayer's gross receipts. No penalty is imposed unless the portion of the underpayment attributable to a substantial valuation misstatement exceeds \$5,000 (\$10,000 for most corporations). If the valuation claimed on a tax return is 200.0% or more than the correct valuation or certain other thresholds are met, the penalty imposed increases to 40.0%. We do not anticipate making any valuation misstatements.

S-21

## **Table of Contents**

In addition, the 20.0% accuracy-related penalty also applies to any portion of an underpayment of tax that is attributable to transactions lacking economic substance. To the extent that such transactions are not disclosed, the penalty imposed is increased to 40.0%. Additionally, there is no reasonable cause defense to the imposition of this penalty to such transactions.

### *Reportable Transactions*

If we were to engage in a reportable transaction, we (and possibly you and others) would be required to make a detailed disclosure of the transaction to the IRS. A transaction may be a reportable transaction based upon any of several factors, including the fact that it is a type of tax avoidance transaction publicly identified by the IRS as a listed transaction or that it produces certain kinds of losses for partnerships, individuals, S corporations, and trusts above certain thresholds (generally in excess of \$2.0 million in any single year, or \$4.0 million in a combination of years). Our participation in a reportable transaction could increase the likelihood that our U.S. federal income tax information return (and possibly your tax return) would be audited by the IRS. Please read [Administrative Matters Information Returns and Audit Procedures](#).

Moreover, if we were to participate in a reportable transaction with a significant purpose to avoid or evade tax, or in any listed transaction, you may be subject to the following additional consequences:

accuracy-related penalties with a broader scope, significantly narrower exceptions, and potentially greater amounts than described above at [Administrative Matters Accuracy-Related Penalties](#) ;

for those persons otherwise entitled to deduct interest on U.S. federal tax deficiencies, nondeductibility of interest on any resulting tax liability; and

in the case of a listed transaction, an extended statute of limitations.

We do not expect to engage in any reportable transactions.

## **Legislative Developments**

The present U.S. federal income tax treatment of publicly traded partnerships, including us, or an investment in our common units may be modified by administrative, legislative or judicial interpretation at any time. For example, from time to time, members of Congress propose and consider substantive changes to the existing U.S. federal income tax laws that affect publicly traded partnerships. Any modification to the U.S. federal income tax laws and interpretations thereof may or may not be retroactively applied, and could make it more difficult or impossible to meet the exception for us to be treated as a partnership for U.S. federal income tax purposes. Please read [Partnership Status](#). We are unable to predict whether any such changes will ultimately be enacted by Congress or promulgated by the IRS and the U.S. Department of the Treasury. However, it is possible that a change in law could affect us and may be applied retroactively. Any such changes could negatively impact the value of an investment in our units.

---

Table of Contents

**STATE, LOCAL, FOREIGN AND OTHER TAX CONSIDERATIONS**

This section titled "State, Local, Foreign and Other Tax Considerations" restates and supersedes the section in its entirety titled "State, Local, Foreign and Other Tax Considerations" in the accompanying base prospectus.

In addition to U.S. federal income taxes, you likely will be subject to other taxes, such as state, local and foreign income taxes, unincorporated business taxes, and estate, inheritance or intangible taxes that may be imposed by the various jurisdictions in which we do business or own property or in which you are a resident. Although an analysis of those various taxes is not presented here, each prospective common unitholder should consider their potential impact on his or her investment in us. We currently conduct and/or are registered to transact business in approximately 31 states. Many of these states currently impose an income tax on corporations and other entities. Many of these states also impose a personal income tax on individuals. We may also own property or do business in other jurisdictions in the future. Although you may not be required to file an income tax return and pay income taxes in some jurisdictions because your income from that jurisdiction falls below the applicable threshold to trigger a filing and payment requirement, you will be required to file income tax returns and to pay income taxes in many of these jurisdictions in which we do business or own property and may be subject to penalties for failure to comply with those requirements. In some jurisdictions, tax losses may not produce a tax benefit in the year incurred and may not be available to offset income in subsequent taxable years. Some of the jurisdictions may require us, or we may elect, to withhold an amount equal to a percentage of income from amounts distributed to a common unitholder who is not a resident of the jurisdiction. Our withholding, whether in an amount which is greater or less than a particular common unitholder's income tax liability to the jurisdiction, generally does not relieve a nonresident common unitholder from the obligation to file an income tax return in such jurisdiction. Amounts withheld will be treated as if distributed to common unitholders for purposes of determining the amounts distributed by us. Please read "Material U.S. Federal Income Tax Consequences" Tax Consequences of Unit Ownership Entity-Level Collections. Based on current law and our estimate of our future operations, our general partner anticipates that any amounts required to be withheld will not be material.

**It is the responsibility of each common unitholder to investigate the legal and tax consequences, under the laws of pertinent states, localities and foreign jurisdictions, of his or her investment in us. Accordingly, each prospective common unitholder is urged to consult his or her own tax counsel or other advisor with regard to those matters. Further, it is the responsibility of each common unitholder to file all state, local and foreign, as well as U.S. federal income tax returns, that may be required of him or her. Jones Day has not rendered an opinion on the state, local or foreign tax consequences of an investment in us.**



**Table of Contents**

**PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)**

We and the have entered into the distribution agreement with the sales agents under which we may offer and sell, from time to time, common units having an aggregate offering price of up to \$1,740,959,652. Subject to the terms of the distribution agreement, at our request, the sales agents will use their reasonable efforts, as our agents, to sell the common units offered pursuant to this prospectus supplement on a daily basis or as otherwise agreed upon by us and any sales agent.

Sales of the common units, if any, will be made by means of ordinary brokers transactions through the NYSE, any other national securities exchange or facility thereof, a trading facility of a national securities association or an alternate trading system, to or through a market maker or directly on or through an electronic communication network, a dark pool or any similar market venue or in negotiated transactions, in each case, at market prices or at negotiated prices, in block transactions or as otherwise agreed between us and any sales agent. The sales agents, as our agents, will not engage in any prohibited stabilizing transactions.

Under the terms of the distribution agreement, we may sell common units to any sales agent as principal for its own account at a price agreed upon at the time of the sale. If we sell common units to any such sales agent as principal, we will enter into a separate terms agreement on our behalf with such sales agent and, if required, will describe that agreement in a separate prospectus supplement or pricing supplement.

We will designate the maximum number of common units to be sold through each sales agent, on a daily basis or otherwise as we and such sales agent agree. Subject to the terms and conditions of the distribution agreement, each sales agent will use its reasonable efforts, to sell, on our behalf, all of the designated common units. We may instruct the sales agents not to sell common units if the sales cannot be effected at or above the price designated by us in any such instruction. We or the sales agents may suspend the offering of common units pursuant to the distribution agreement by notifying the other party.

We will report in a prospectus supplement and/or our filings under the Exchange Act at least quarterly the number of common units sold on our behalf through the sales agents under the distribution agreement and the net proceeds to us in connection with the sales of our common units.

The commission to be paid to each sales agent for units sold through it pursuant to the distribution agreement shall be at a fixed rate of up to 2.0% of the gross sales price per unit. We have agreed to pay for certain of the sales agents expenses in certain circumstances. The remaining proceeds for sales on our behalf, after deducting the applicable commission and any expenses payable by us and any transaction fees imposed by any governmental or self regulatory organization in connection with the sales, will equal our net proceeds from the sale of the common units.

Settlement for sales of common units are expected to occur on the second business day following the date on which any sales were made in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

In connection with the sale of the common units on our behalf or on behalf, the sales agents may be deemed to be underwriters within the meaning of the Securities Act, and the compensation paid to the sales agents may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to the sales agents against certain liabilities, including civil liabilities under the Securities Act. We have also agreed to reimburse the sales agents for certain of their expenses.

Edgar Filing: MPLX LP - Form 424B5

Because the Financial Industry Regulatory Authority, Inc., or FINRA, views the common units offered hereby as interests in a direct participation program, this offering is being made in compliance with FINRA Rule 2310.

If we or any sales agent has reason to believe that our common units are no longer an actively-traded security as defined under Rule 101(c)(1) of Regulation M under the Securities Exchange Act, that party will promptly

S-24

## **Table of Contents**

notify the other and sales of common units pursuant the distribution agreement or any terms agreement will be suspended until in our collective judgment that or other exemptive provisions have been satisfied.

The offering of common units pursuant to the distribution agreement will terminate upon the earlier of (1) the sale by us of all common units subject to the distribution agreement or (2) the termination of the distribution agreement by us or by the sales agent.

## **Other Relationships**

Some of the sales agents and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, Wells Fargo Securities, LLC, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, Barclays Bank PLC, an affiliate of Barclays Capital Inc., Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Royal Bank of Canada, an affiliate of RBC Capital Markets, LLC, are joint lead arrangers and joint bookrunners under our credit facility. Wells Fargo, National Association, an affiliate of Wells Fargo Securities, LLC is administrative agent under our credit facility. Each of Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Barclays Bank PLC and Royal Bank of Canada are documentation agents under our credit facility. JPMorgan Chase Bank, N.A. is a syndication agent under our credit facility. Additionally, affiliates of certain of the sales agents are lenders, and in some cases agents or managers for the lenders, under certain credit facilities of MPC.

In addition, in the ordinary course of their business activities, the sales agents and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The sales agents and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Table of Contents**

**LEGAL MATTERS**

The validity of the securities offered in this prospectus supplement have been passed upon for us by Jones Day. Jones Day has also rendered an opinion on the material U.S. federal income tax considerations regarding the common units. The sales agents have been represented in connection with this offering by Cravath, Swaine & Moore LLP, New York, New York.

**EXPERTS**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K of MPLX LP for the year ended December 31, 2017 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements, incorporated in this prospectus supplement by reference from the MarkWest Energy Partners, L.P.'s Annual Report on Form 10-K for the year ended December 31, 2014, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The audited financial statements of Explorer Pipeline Company as of December 31, 2016 and 2015 included in Exhibit 99.1 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 and incorporated by reference in this prospectus supplement have been so incorporated by reference in reliance upon the report of Grant Thornton LLP, independent certified public accountants, upon the authority of said firm as experts in accounting and auditing.

The audited consolidated statements of income and retained earnings, comprehensive income and cash flows of Explorer Pipeline Company for the year ended December 31, 2014 included in Exhibit 99.1 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated herein in reliance on the report dated February 13, 2015 of KPMG LLP, independent auditors, incorporated by reference herein on the authority of said firm as experts in accounting and auditing.

The audited financial statements of Illinois Extension Pipeline Company, L.L.C. included in Exhibit 99.3 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated herein in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, on the authority of said firm as experts in auditing and accounting.

The audited historical financial statements of LOOP LLC as of December 31, 2016 and for the year then ended included in Exhibit 99.5 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated herein in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, on the authority of said firm as experts in auditing and accounting.

The financial statements of LOOP LLC as of December 31, 2015 and for each of the years in the two-year period ended December 31, 2015 included in Exhibit 99.5 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated by reference herein in reliance upon the report of KPMG LLP, independent accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

Edgar Filing: MPLX LP - Form 424B5

The audited historical financial statements of LOCAP LLC as of December 31, 2016 and for the year then ended included in Exhibit 99.7 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated herein in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, on the authority of said firm as experts in auditing and accounting.

S-26

**Table of Contents**

The financial statements of LOCAP LLC as of December 31, 2015 and for each of the years in the two-year period ended December 31, 2015 included in Exhibit 99.7 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated by reference herein in reliance upon the report of KPMG LLP, independent accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

S-27

**Table of Contents**

**PROSPECTUS**

**Common Units Representing Limited Partner Interests**

**MPLX LP**

We may from time to time, in one or more offerings, offer and sell common units representing limited partner interests (which we refer to as common units or securities in this prospectus). The aggregate initial offering price of all common units we may sell under this prospectus will not exceed \$1,740,959,652.

We may offer and sell the common units in amounts, at prices and on terms to be determined by market conditions and other factors at the time of the offering. We will provide specific terms of any offering in one or more supplements to this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest in the common units.

The common units are listed on the New York Stock Exchange under the symbol MPLX.

If any offering involves underwriters, dealers or agents, arrangements with them will be described in the prospectus supplement that relates to that offering.

**Investing in our common units involves risks. Limited partnerships are inherently different from corporations. You should carefully consider the risk factors on page 6 of this prospectus and in the applicable prospectus supplement before you make an investment in our common units.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is October 12, 2017.**

Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	1
<u>INFORMATION WE INCORPORATE BY REFERENCE</u>	1
<u>DISCLOSURES REGARDING FORWARD-LOOKING STATEMENTS</u>	2
<u>THE COMPANY</u>	6
<u>RISK FACTORS</u>	6
<u>USE OF PROCEEDS</u>	6
<u>DESCRIPTION OF CAPITALIZATION</u>	7
<u>PROVISIONS OF OUR PARTNERSHIP AGREEMENT RELATING TO CASH DISTRIBUTIONS</u>	10
<u>OUR PARTNERSHIP AGREEMENT</u>	22
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	36
<u>STATE, LOCAL, FOREIGN AND OTHER TAX CONSIDERATIONS</u>	53
<u>INVESTMENT IN MPLX LP BY EMPLOYEE BENEFIT PLANS</u>	54
<u>PLAN OF DISTRIBUTION</u>	56
<u>LEGAL MATTERS</u>	59
<u>EXPERTS</u>	59



**Table of Contents**

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Using this shelf registration process, we may offer, at any time and from time to time, in one or more offerings, the securities that this prospectus describes. This prospectus provides you with a general description of the securities that we may offer. Each time we use this prospectus to offer securities, we will provide a prospectus supplement that will describe the specific terms of the offering. The prospectus supplement may also add to, update or change the information contained in this prospectus. Please carefully read this prospectus and any prospectus supplement in addition to the information contained in the documents we refer to under the headings **Where You Can Find More Information** and **Information We Incorporate by Reference**.

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement or in any free writing prospectus that we may provide you. We have not authorized anyone to provide you with different information. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information contained in this prospectus, any prospectus supplement, any document incorporated by reference or any free writing prospectus is accurate as of any date, other than the date mentioned on the cover page of these documents. We are not making offers to sell securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

Except as otherwise indicated, references in this prospectus to **MPLX LP**, **MPLX**, the **Partnership**, **we**, **us** and **our** refer to **MPLX LP** and its consolidated subsidiaries. References in this prospectus to **Marathon Petroleum Corporation**, **Marathon Petroleum** or **MPC** refer to **Marathon Petroleum Corporation** and its consolidated subsidiaries other than **MPLX**.

**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act. We file annual, quarterly and current reports and other information with the SEC. You can read and copy these materials at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains information MPLX has filed electronically with the SEC, which you can access over the Internet at <http://www.sec.gov>. You can also obtain information about MPLX at our website at <http://www.mplx.com>. We do not intend for information contained on our website to be part of this prospectus, other than documents that we file with the SEC that are incorporated by reference in this prospectus.

This prospectus is part of a registration statement we have filed with the SEC relating to the securities we may offer. As permitted by SEC rules, this prospectus does not contain all the information we have included in the registration statement and the accompanying exhibits and schedules we have filed with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and the securities. The registration statement, exhibits and schedules are available at the SEC's public reference room or through its Internet site.

**INFORMATION WE INCORPORATE BY REFERENCE**

The SEC allows us to incorporate by reference into this prospectus the information in documents we have filed with it, which means that we can disclose important information to you by referring you to those documents. The



**Table of Contents**

information we incorporate by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in or omitted from this prospectus or any accompanying prospectus supplement, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus. We incorporate by reference the following documents into this prospectus:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (Part II, Item 6, Part II, Item 7 and Part II, Item 8 have been superseded by recasted information filed by MPLX on a Current Report on Form 8-K on May 1, 2017);

our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2017 and June 30, 2017;

our Current Reports on Form 8-K filed on January 5, 2017, February 10, 2017, March 2, 2017, April 3, 2017, May 1, 2017 (SEC Film No. 17801592), June 5, 2017, July 6, 2017, July 27, 2017 (SEC Film No. 17984405), August 4, 2017, August 29, 2017 and September 1, 2017;

the description of the common units representing limited partner interests in MPLX as set forth in MPLX's Registration Statement on Form 8-A (Registration No. 001-35714), filed with the SEC on October 23, 2012 under the Exchange Act, and all amendments or reports filed with the SEC for the purpose of updating such description;

Item 8 of MarkWest's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (SEC File No. 001-31239); and

Part 1, Item 1 of MarkWest's Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2015, June 30, 2015 and September 30, 2015 (SEC File No. 001-31239).

We also incorporate by reference any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding information deemed to be furnished and not filed with the SEC) until the termination of this offering. We do not and will not, however, incorporate by reference in this prospectus any documents or portions thereof that are not deemed filed with the SEC, including any information furnished pursuant to Item 2.02 or Item 7.01 of our Current Reports on Form 8-K unless, and except to the extent, specified in such current reports.

You may request a copy of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, at no cost, by writing or telephoning MPLX at the following address:

MPLX LP

200 E. Hardin Street

Edgar Filing: MPLX LP - Form 424B5

Findlay, Ohio 45840

Attention: Investor Relations

Telephone: (419) 421-2414

### **DISCLOSURES REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus, including the documents incorporated herein by reference, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, which we refer to as the Securities Act, and Section 21E of the Exchange Act. You can identify our forward-looking statements by words such as anticipate, believe, design, estimate, objective, expect, forecast, goal, guidance, imply, intend, opportunity, position, potential, predict, project, prospective, pursue, seek, strategy, target, could, may, sh similar expressions that convey

- 2 -

**Table of Contents**

the uncertainty of future events or outcomes. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements contained in this prospectus and the documents we have incorporated by reference.

Forward-looking statements include, but are not limited to, statements that relate to, or statements that are subject to risks, contingencies or uncertainties that relate to:

future levels of revenues and other income, income from operations, net income attributable to MPLX, earnings per unit, adjusted EBITDA or distributable cash flow;

anticipated levels of regional, national and worldwide prices of crude oil, natural gas, natural gas liquids, which we refer to as NGLs, and refined products;

anticipated levels of drilling activity, production rates and volumes of throughput of crude oil, natural gas, NGLs, refined products or other hydrocarbon-based products;

future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses;

the success or timing of completion of ongoing or anticipated capital or maintenance projects;

expectations regarding our merger with MarkWest Energy Partners, L.P., which we refer to as MarkWest, joint venture arrangements and other acquisitions, including acquisitions from MPC;

business strategies, growth opportunities and capital investments;

the effect of restructuring or reorganization of business components;

the potential effects of judicial or other proceedings on our business, financial condition, results of operations and cash flows;

the potential effects of changes in tariff rates on our business, financial condition, results of operations and cash flows;

the adequacy of our capital resources and liquidity, including, but not limited to, availability of sufficient cash flow to pay distributions and execute our business plan;

our ability to successfully implement our growth strategy, whether through organic growth or acquisitions;

capital market conditions, including the cost of capital, and our ability to raise adequate capital to execute our business plan and implement our growth strategy; and

the anticipated effects of actions of third parties such as competitors, or federal, foreign, state or local regulatory authorities, or plaintiffs in litigation.

We have based our forward-looking statements on our current expectations, estimates and projections about our industry and our partnership. We caution that these statements are not guarantees of future performance, and you should not unduly rely on them, as they involve risks, uncertainties, and assumptions that we cannot predict. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. While our management considers these assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Accordingly, our actual results may differ materially from the future performance that we have expressed or forecast in our forward-looking statements. Differences between actual results and any future performance suggested in our forward-looking statements could result from a variety of factors, including the following:

changes in general economic, market or business conditions;

**Table of Contents**

changes in the economic and financial condition of MPLX;

risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges;

changes in producer customers' drilling plans or in volumes of throughput of crude oil, natural gas, NGLs, refined products or other hydrocarbon-based products;

changes in regional, national and worldwide prices of crude oil, natural gas, NGLs and refined products;

domestic and foreign supplies of crude oil and other feedstocks, natural gas, NGLs and refined products such as gasoline, diesel fuel, jet fuel, home heating oil and petrochemicals;

foreign imports and exports of crude oil, refined products, natural gas and NGLs;

midstream and refining industry overcapacity or undercapacity;

changes in the cost or availability of third-party vessels, pipelines, railcars and other means of transportation for crude oil, natural gas, NGLs, feedstocks and refined products;

price, availability and acceptance of alternative fuels and alternative-fuel vehicles and laws mandating such fuels or vehicles;

fluctuations in consumer demand for refined products, natural gas and NGLs, including seasonal fluctuations;

changes in maintenance capital expenditure requirements or changes in costs of planned capital projects;

political and economic conditions in nations that consume refined products, natural gas and NGLs, including the United States, and in crude oil producing regions, including the Middle East, Africa, Canada and South America;

actions taken by our competitors and the expansion and retirement of pipeline, processing, fractionation and treating capacity in response to market conditions;

changes in fuel and utility costs for our facilities;

failure to realize the benefits projected for capital projects, or cost overruns associated with such projects;

the ability to successfully implement growth strategies, whether through organic growth or acquisitions;

the time, costs and ability to obtain regulatory and other approvals, waivers or consents required to consummate strategic initiatives;

accidents or other unscheduled shutdowns affecting our pipelines, processing, fractionation and treating facilities or equipment, or those of our suppliers or customers or facilities upstream or downstream of our facilities;

unusual weather conditions and natural disasters;

disruptions due to equipment interruption or failure;

acts of war, terrorism or civil unrest that could impair our ability to gather, process, fractionate or transport crude oil, natural gas, NGLs or refined products;

legislative or regulatory action, which may adversely affect our business or operations;

rulings, judgments or settlements in litigation or other legal, tax or regulatory matters, including unexpected environmental remediation costs, in excess of any reserves or insurance coverage;



**Table of Contents**

political pressure and influence of environmental groups upon policies and decisions related to the production, gathering, processing, fractionation, refining, transportation and marketing of natural gas, oil, NGLs or other carbon-based fuels;

labor and material shortages;

the ability and willingness of parties with whom we have material relationships to perform their obligations to us;

capital market conditions, including a persistence or increase of the current yield on MPLX common units, adversely affecting MPLX's ability to meet its distribution growth guidance;

increases in and availability of equity capital, changes in the availability of unsecured credit and changes affecting the credit markets generally; and

the other factors described in Item 1A. Risk Factors of our most recent Annual Report on Form 10-K and our other filings with the SEC.

We undertake no obligation to update the forward-looking statements included or incorporated by reference in this prospectus except to the extent required by applicable law.

**Table of Contents**

**THE COMPANY**

We are a diversified, growth-oriented master limited partnership formed in 2012 by Marathon Petroleum to own, operate, develop and acquire midstream energy infrastructure assets. We are engaged in the gathering, processing and transportation of natural gas; the gathering, transportation, fractionation, storage and marketing of NGLs; and the transportation, storage and distribution of crude oil and refined petroleum products. As of June 30, 2017, our assets consisted of a network of crude oil and products pipeline assets located in the Midwest and Gulf Coast regions of the United States; 62 light-product terminals with approximately 24 million barrels of storage capacity; an inland marine business; storage caverns with approximately 2.8 million barrels of storage capacity; crude oil and product storage facilities (tank farms) with approximately 5 million barrels of available storage capacity; a barge dock facility with approximately 78,000 barrels per day of crude oil and product throughput capacity; and gathering and processing assets that include approximately 5.6 billion cubic feet per day of gathering capacity, 7.8 billion cubic feet per day of natural gas processing capacity and 570,000 barrels per day of fractionation capacity.

All of our operations and assets are located in the United States. Our principal executive offices are located at 200 E. Hardin Street, Findlay, Ohio 45840, and our telephone number at that location is (419) 421-2414.

**RISK FACTORS**

You should carefully consider any specific risks set forth under the caption **Risk Factors** in the applicable prospectus supplement and under the caption **Risk Factors** included in our most recent Annual Report on Form 10-K filed with the SEC, in each case as these risk factors are amended or supplemented by subsequent Quarterly Reports on Form 10-Q that are incorporated by reference in this prospectus, before making an investment decision. For more information, see **Where You Can Find More Information** and **Information We Incorporate by Reference**. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties that are not yet identified may also materially harm our business, operating results and financial condition and could result in a complete loss of your investment.

**USE OF PROCEEDS**

Unless we inform you otherwise in the applicable prospectus supplement, the net proceeds from the sale of securities will be used for general partnership purposes, including repayment or refinancing of debt and funding for acquisitions, working capital requirements and capital expenditures. Pending any specific application, we may initially invest funds in short-term marketable securities or apply them to the reduction of short-term indebtedness.

---

**Table of Contents**

**DESCRIPTION OF CAPITALIZATION**

The common units represent limited partner interests in us. The holders of common units are entitled to participate in partnership distributions and are entitled to exercise the rights and privileges available to limited partners under our Third Amended and Restated Agreement of Limited Partnership, dated as of October 31, 2016 and amended as of February 23, 2017, which we refer to as the Partnership Agreement, filed as an exhibit to the Form S-3 registration statement, of which this prospectus forms a part. On May 13, 2016, we issued 30,769,232 newly created Series A Convertible Preferred Units representing limited partnership interests in us, which we refer to in this prospectus supplement as the Series A Preferred units.

For a description of the relative rights and preferences of holders of common units and Series A Preferred units in and to partnership distributions, please read this section and Provisions of our Partnership Agreement Relating To Cash Distributions. For a description of the rights and privileges of holders of common units and Series A Preferred units under the Partnership Agreement, including voting rights, please read Our Partnership Agreement. In addition, we urge you to read the full text of the Partnership Agreement, as the Partnership Agreement, and not this prospectus, governs the Partnership, the Series A Preferred units and the common units. References in the Description of Capitalization to we, our, us, MPLX and the Partnership are to MPLX LP only and not any of its subsidiaries.

**Units Outstanding**

As of September 30, 2017, we had 407,045,362 common units outstanding, of which 288,954,539 were held by the public and 118,090,823 were held by affiliates of MPC (excluding common units held by officers and directors of our general partner or MPC). As of September 30, 2017, the common units represented an aggregate 98.0% limited partner interest in us and the 8,307,046 general partner units held by our general partner represented a 2.0% general partner interest in us. In addition, as of September 30, 2017, we had 30,769,232 Series A Preferred units outstanding, which were held by private investors. The Series A Preferred units are not deemed to represent any percentage interest in the Partnership unless or until they are converted into common units under certain circumstances described below. As of September 30, 2017, on an as-converted basis and assuming a one-to-one conversion ratio, the Series A Preferred units constituted an approximate 6.9% limited partner interest in the Partnership.

**Exchange Listing**

Our common units are listed on the New York Stock Exchange under the symbol MPLX.

**Transfer Agent and Registrar**

Computershare Trust Company, N.A. serves as the registrar and transfer agent for our common units. We will pay all fees charged by the transfer agent for transfers of common units, except the following that must be paid by our unitholders:

surety bond premiums to replace lost or stolen certificates, or to cover taxes and other governmental charges in connection therewith;

special charges for services requested by a holder of a common unit; and

other similar fees or charges.

There will be no charge to our unitholders for disbursements of our cash distributions. We will indemnify the transfer agent, its agents and each of their respective stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

## **Table of Contents**

The transfer agent may resign, by notice to us, or be removed by us. The resignation or removal of the transfer agent will become effective upon our appointment of a successor transfer agent and registrar and its acceptance of the appointment. If no successor has been appointed and has accepted the appointment within 30 days after notice of the resignation or removal, our general partner may act as the transfer agent and registrar until a successor is appointed.

### **Transfer of Common Units**

By transfer of common units in accordance with the Partnership Agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission are reflected in our books and records. Each transferee:

automatically agrees to be bound by the terms and conditions of, and is deemed to have executed, the Partnership Agreement;

represents and warrants that the transferee has the right, power, authority and capacity to enter into the Partnership Agreement; and

gives the consents, waivers and approvals contained in the Partnership Agreement.

Our general partner will cause any transfers to be recorded on our books and records no less frequently than quarterly.

We may, at our discretion, treat the nominee holder of a common unit as the absolute owner. In that case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Common units are securities and transferable according to the laws governing the transfer of securities. In addition to other rights acquired upon transfer, the transferor gives the transferee the right to become a substituted limited partner in our partnership for the transferred common units.

Until a common unit has been transferred on our books, we and the transfer agent may treat the record holder of the common unit as the absolute owner for all purposes, except as otherwise required by law or stock exchange regulations.

### **Series A Preferred Units**

The Series A Preferred units rank senior to all other classes or series of limited partner interests of the Partnership with respect to distribution rights and rights upon liquidation. The Series A Preferred units are entitled to receive cumulative quarterly distributions as described below under Provisions of our Partnership Agreement Relating To Cash Distributions Series A Preferred Unit Distributions. The Series A Preferred units are entitled to vote on an as-converted basis with the common units, voting together as a single class, on all matters on which the common units are entitled to vote, and have certain other rights to vote as a separate class with respect to any amendment to the Partnership Agreement or the Partnership's certificate of limited partnership that would be materially adverse to any of the rights, preferences or privileges of the Series A Preferred units and certain other matters.

Each holder of the Series A Preferred units may elect to convert all or any portion of the Series A Preferred units owned by it into common units initially on a one-for-one basis, subject to customary anti-dilution adjustments and an adjustment for any distributions that have accrued but not been paid when due (which we refer to as the Series A conversion rate), at any time (but not more often than once per quarter) after May 13, 2019 (or earlier liquidation, dissolution or winding up of the Partnership), provided that any conversion is for at least

**Table of Contents**

\$100 million (calculated based on the closing price of the common units on the trading day immediately prior to the notice of conversion) or such lesser amount if such conversion is of all of a holder's remaining Series A Preferred units.

The Partnership may elect to convert all or any portion of the Series A Preferred units into common units based on the then-applicable Series A conversion rate at any time (but not more often than once per quarter) after May 13, 2020 if (i) the closing price of the common units is greater than 150% of the per unit purchase price for the Series A Preferred units in the private placement described above (or \$32.50, as adjusted to reflect splits, combinations or similar events) for the preceding 20 trading days, (ii) the average daily trading volume of the common units is equal to or exceeded one million (as adjusted to reflect splits, combinations or similar events) for the preceding 20 trading days and (iii) the Partnership has an effective registration statement on file covering resales of the common units into which the Series A Preferred units are convertible, provided that the conversion is for at least \$100 million (calculated based on the closing trading price of common units on the trading day immediately prior to the notice of conversion) or such lesser amount if such conversion is of all of the then outstanding Series A Preferred units.

In addition, the Series A Preferred units are convertible at certain conversion premiums, either at our election or the election of the holders, upon the occurrence of certain transactions, including certain transactions constituting a change in control of us or an acquisition by MPC or any of its affiliates of all of the outstanding common units or substantially all of our assets.

The Series A Preferred units are transferable, subject to certain restrictions and the satisfaction of certain conditions on transfer set forth in the Partnership Agreement, in increments of not less than \$50 million (based on the per unit purchase price of the Series A Preferred units) or such lesser amount if it constitutes the remaining number of Series A Preferred units owned by such investor.

The Partnership has entered into a Registration Rights Agreement with the purchasers of the Series A Preferred units pursuant to which, among other things, the Partnership has agreed to file and maintain a registration statement with respect to the re-sale of the Series A Preferred units and the common units that are issuable upon conversion of the Series A Preferred units. If the Partnership fails to cause such registration statement to become effective by a specified date, the Partnership will be required to pay certain amounts to the holders of the Series A Preferred units and any common units issued upon conversion of the Series A Preferred units as liquidated damages. In addition, subject to certain customary limitations and qualifications, the Series A Preferred holders may require the Partnership to initiate underwritten offerings for the common units that are issuable upon conversion of the Series A Preferred units.

**Table of Contents**

**PROVISIONS OF OUR PARTNERSHIP AGREEMENT RELATING TO CASH DISTRIBUTIONS**

Set forth below is a summary of the significant provisions of the Partnership Agreement that relate to cash distributions.

**Distributions of Available Cash**

*General*

The Partnership Agreement requires that, within 60 days after the end of each quarter, we distribute all of our available cash to unitholders of record on the applicable record date.

*Definition of Available Cash*

Available cash generally means, for any quarter, all cash and cash equivalents on hand at the end of that quarter:

*less*, the amount of cash reserves established by our general partner to:

provide for the proper conduct of our business (including reserves for our future capital expenditures, anticipated future debt service requirements and refunds of collected rates reasonably likely to be refunded as a result of a settlement or hearing related to Federal Energy Regulatory Commission, or FERC, rate proceedings or rate proceedings under applicable law subsequent to that quarter);

comply with applicable law, any of our debt instruments or other agreements; or

provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters (provided that our general partner may not establish cash reserves for distributions if the effect of the establishment of such reserves will prevent us from distributing the minimum quarterly distribution on all common units and any cumulative arrearages on such common units for the current quarter);

*plus*, if our general partner so determines, all or any portion of the cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made subsequent to the end of such quarter.

The purpose and effect of the last bullet point above is to allow our general partner, if it so decides, to use cash from working capital borrowings made after the end of the quarter to pay distributions to unitholders. Under the Partnership Agreement, working capital borrowings are generally borrowings that are made under a credit facility, commercial paper facility or similar financing arrangement, and in all cases are used solely for working capital purposes or to pay distributions to partners and with the intent of the borrower to repay such borrowings within 12 months with funds other than from additional working capital borrowings.

**Intent to Distribute the Minimum Quarterly Distribution**



Under our current cash distribution policy, we intend to make a minimum quarterly distribution to the holders of our common units of \$0.2625 per unit, or \$1.05 per unit on an annualized basis, to the extent we have sufficient cash from our operations after the establishment of cash reserves and the payment of costs and expenses, including reimbursements of expenses to our general partner. However, there is no guarantee that we will pay the minimum quarterly distribution on our units in any quarter. The amount of distributions paid under our policy and the decision to make any distribution is determined by our general partner, taking into consideration the terms of the Partnership Agreement.

## **Table of Contents**

### **General Partner Interest and Incentive Distribution Rights**

Our general partner is entitled to 2.0% of all quarterly distributions that we make prior to our liquidation based on its 2.0% general partner interest in us, which was represented by 8,307,046 general partner units as of September 30, 2017. Our general partner has the right, but not the obligation, to contribute a proportionate amount of capital to us to maintain its current general partner interest. The general partner's 2.0% interest in these distributions will be reduced if we issue additional units in the future and our general partner does not contribute a proportionate amount of capital to us to maintain its 2.0% general partner interest.

Our general partner also currently holds incentive distribution rights that entitle it to receive increasing percentages, up to a maximum of 48.0%, of the cash we distribute from operating surplus (as defined below) in excess of \$0.301875 per unit per quarter. The maximum distribution of 48.0% does not include any distributions that our general partner and its affiliates may receive on the common units and general partner units that they own.

### **Series A Preferred Unit Distributions**

The holders of the Series A Preferred units are entitled to receive cumulative quarterly distributions equal to \$0.528125 per unit for any quarter ending on or before May 13, 2018, and thereafter the quarterly distributions on each Series A Preferred unit will equal the greater of \$0.528125 per unit or the amount that each Series A Preferred unit would have otherwise received if it had been converted into common units at the then-applicable Series A conversion rate. The Partnership may not pay any distributions for any quarter on any junior securities, including any of the common units and the incentive distribution rights, unless the distribution payable to the Series A Preferred units with respect to such quarter, together with any previously accrued and unpaid distributions to the Series A Preferred units, have been paid in full.

### **Operating Surplus and Capital Surplus**

#### *General*

All cash distributed to unitholders will be characterized as either being paid from operating surplus or capital surplus. We treat distributions of available cash from operating surplus differently than distributions of available cash from capital surplus.

#### *Operating Surplus*

We define operating surplus as:

\$60.0 million (as described below); *plus*

all of our cash receipts after October 31, 2012, the closing of our initial public offering, which we refer to as our Initial Public Offering, excluding cash from interim capital transactions (as defined below), provided that cash receipts from the termination of a commodity hedge or interest rate hedge prior to its specified termination date shall be included in operating surplus in equal quarterly installments over the remaining scheduled life of such commodity hedge or interest rate hedge; *plus*

working capital borrowings made after the end of a quarter but on or before the date of determination of operating surplus for that quarter; *plus*

cash distributions (including incremental distributions on incentive distribution rights) paid in respect of equity issued, other than equity issued in the Initial Public Offering, to finance all or a portion of expansion capital expenditures in respect of the period from the date that we enter into a binding obligation to commence the construction, development, replacement, improvement or expansion of a capital asset and ending on the earlier to occur of the date the capital asset commences commercial service and the date that it is abandoned or disposed of; *less*

**Table of Contents**

all of our operating expenditures (as defined below) after the closing of the Initial Public Offering; *less*

the amount of cash reserves established by our general partner to provide funds for future operating expenditures; *less*

all working capital borrowings not repaid within twelve months after having been incurred, or repaid within such 12-month period with the proceeds of additional working capital borrowings.

As described above, operating surplus does not reflect actual cash on hand that is available for distribution to our unitholders and is not limited to cash generated by operations. For example, it includes a provision that will enable us, if we choose, to distribute as operating surplus up to \$60.0 million of cash we receive in the future from non-operating sources such as asset sales, issuances of securities and long-term borrowings that would otherwise be distributed as capital surplus. In addition, the effect of including, as described above, certain cash distributions on equity interests in operating surplus will be to increase operating surplus by the amount of any such cash distributions. As a result, we may also distribute as operating surplus up to the amount of any such cash that we receive from non-operating sources.

The proceeds of working capital borrowings increase operating surplus and repayments of working capital borrowings are generally operating expenditures (as described below) and thus reduce operating surplus when repayments are made. However, if working capital borrowings, which increase operating surplus, are not repaid during the 12-month period following the borrowing, they will be deemed repaid at the end of such period, thus decreasing operating surplus at such time. When such working capital borrowings are in fact repaid, they will not be treated as a further reduction in operating surplus because operating surplus will have been previously reduced by the deemed repayment.

We define interim capital transactions as (i) borrowings, refinancings or refundings of indebtedness (other than working capital borrowings and items purchased on open account or for a deferred purchase price in the ordinary course of business) and sales of debt securities, (ii) sales of equity securities, and (iii) sales or other dispositions of assets, other than sales or other dispositions of inventory, accounts receivable and other assets in the ordinary course of business and sales or other dispositions of assets as part of normal asset retirements or replacements.

We define operating expenditures as all of our cash expenditures, including, but not limited to, taxes, reimbursements of expenses of our general partner and its affiliates, officer, director and employee compensation, debt service payments, payments made in the ordinary course of business under interest rate hedge contracts and commodity hedge contracts (provided that payments made in connection with the termination of any interest rate hedge contract or commodity hedge contract prior to the expiration of its settlement or termination date specified therein will be included in operating expenditures in equal quarterly installments over the remaining scheduled life of such interest rate hedge contract or commodity hedge contract and amounts paid in connection with the initial purchase of a rate hedge contract or a commodity hedge contract will be amortized at the life of such rate hedge contract or commodity hedge contract), maintenance capital expenditures (as discussed in further detail below), and repayment of working capital borrowings; *provided, however*, that operating expenditures do not include:

repayments of working capital borrowings where such borrowings have previously been deemed to have been repaid (as described above);

payments (including prepayments and prepayment penalties) of principal of and premium on indebtedness other than working capital borrowings;

expansion capital expenditures;

payment of transaction expenses (including taxes) relating to interim capital transactions;

distributions to our partners;

## **Table of Contents**

repurchases of partnership interests (excluding repurchases we make to satisfy obligations under employee benefit plans); or

any other expenditures or payments using the proceeds of the Initial Public Offering or subsequent offerings that are described in the Use of Proceeds section of the prospectus relating to the Initial Public Offering or such subsequent offerings.

### *Capital Surplus*

Capital surplus is defined in the Partnership Agreement as any distribution of available cash in excess of our cumulative operating surplus. Accordingly, except as described above, capital surplus would generally be generated by:

borrowings other than working capital borrowings;

sales of our equity and debt securities;

sales or other dispositions of assets, other than inventory, accounts receivable and other assets sold in the ordinary course of business or as part of ordinary course retirement or replacement of assets; and

capital contributions received.

### **Characterization of Cash Distributions**

All available cash distributed by us on any date from any source will be treated as distributed from operating surplus until the sum of all available cash distributed by us since October 31, 2012, the closing of our initial public offering, equals the operating surplus from such date through the end of the quarter immediately preceding that distribution. We anticipate that distributions from operating surplus will generally not represent a return of capital. However, operating surplus, as defined in the Partnership Agreement, includes certain components, including a \$60.0 million cash basket, that represent non-operating sources of cash. Consequently, it is possible that all or a portion of specific distributions from operating surplus may represent a return of capital. Any available cash distributed by us in excess of our cumulative operating surplus will be deemed to be capital surplus under the Partnership Agreement. The Partnership Agreement treats a distribution of capital surplus as the repayment of the initial unit price from the Initial Public Offering and as a return of capital. We do not anticipate that we will make any distributions from capital surplus.

### **Capital Expenditures**

Maintenance capital expenditures are cash expenditures (including expenditures for the construction or development of new capital assets or the replacement, improvement or expansion of existing capital assets) made to maintain, over the long term, our operating capacity or operating income. Examples of maintenance capital expenditures are expenditures to repair, refurbish and replace pipelines and storage facilities, to maintain equipment reliability, integrity and safety and to address environmental laws and regulations.

Expansion capital expenditures are cash expenditures incurred for acquisitions or capital improvements that we expect will increase our operating capacity or operating income over the long term. Examples of expansion capital expenditures include the acquisition of equipment, or the construction, development or acquisition of additional pipeline or storage capacity, to the extent such capital expenditures are expected to expand our long-term operating capacity or operating income. Expansion capital expenditures include interest payments (and related fees) on debt incurred to finance all or a portion of expansion capital expenditures in respect of the period from the date that we enter into a binding obligation to commence the construction, development, replacement, improvement or expansion of a capital asset and ending on the earlier to occur of the date that such capital improvement commences commercial service and the date that such capital improvement is abandoned or disposed of. Capital expenditures that are made in part for maintenance capital purposes and in part for expansion capital purposes will be allocated as maintenance capital expenditures or expansion capital expenditures by our general partner.

## **Table of Contents**

### **Adjusted Operating Surplus**

Adjusted operating surplus is intended to reflect the cash generated from operations during a particular period and therefore excludes net drawdowns of reserves of cash established in prior periods. Adjusted operating surplus for a period consists of:

operating surplus generated with respect to that period (excluding any amount attributable to the item described in the first bullet of the definition of operating surplus); *less*

any net increase in working capital borrowings with respect to that period; *less*

any net decrease in cash reserves for operating expenditures with respect to that period not relating to an operating expenditure made with respect to that period; *plus*

any net decrease in working capital borrowings with respect to that period; *plus*

any net decrease made in subsequent periods to cash reserves for operating expenditures initially established with respect to that period to the extent such decrease results in a reduction in adjusted operating surplus in subsequent periods; *plus*

any net increase in cash reserves for operating expenditures with respect to that period required by any debt instrument for the repayment of principal, interest or premium.

### **Distributions of Available Cash from Operating Surplus**

After payment of the cumulative quarterly distributions on the Series A Preferred units, we will make distributions of available cash from operating surplus for any quarter in the following manner:

*first*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until we distribute for each outstanding unit an amount equal to the minimum quarterly distribution for that quarter; and

*thereafter*, in the manner described in General Partner Interest and Incentive Distribution Rights. The preceding discussion is based on the assumptions that our general partner maintains its 2.0% general partner interest and that we do not issue additional classes of equity securities.

### **General Partnership Interest and Incentive Distribution Rights**

The Partnership Agreement provides that our general partner is entitled to a percentage of all distributions that we make prior to our liquidation equal to its general partner interest in us, which was 2.0% as of September 30, 2017. Our



general partner has the right, but not the obligation, to contribute a proportionate amount of capital to us in order to maintain its 2.0% general partner interest if we issue additional units. Our general partner's 2.0% interest, and the percentage of our cash distributions to which it is entitled from such 2.0% interest, will be proportionately reduced if we issue additional units in the future (other than the issuance of common units upon a reset of the incentive distribution rights) and our general partner does not contribute a proportionate amount of capital to us in order to maintain its 2.0% general partner interest. The Partnership Agreement does not require that our general partner fund its capital contribution with cash. Our general partner may instead fund its capital contribution by the contribution to us of common units or other property.

Incentive distribution rights represent the right to receive an increasing percentage (13.0%, 23.0% and 48.0%) of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Our general partner currently holds the incentive distribution rights, but may transfer these rights separately from its general partner interest, subject to restrictions in the Partnership Agreement.

**Table of Contents**

The following discussion assumes that our general partner maintains its 2.0% general partner interest, and that our general partner continues to own the incentive distribution rights.

If for any quarter we have paid the cumulative quarterly distributions on the Series A Preferred units and distributed available cash from operating surplus to the common unitholders in an amount equal to the minimum quarterly distribution, then, we will distribute any additional available cash from operating surplus for that quarter among the unitholders and our general partner in the following manner:

*first*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until each unitholder receives a total of \$0.301875 per unit for that quarter, which we refer to as the first target distribution;

*second*, 85.0% to all unitholders, pro rata, and 15.0% to our general partner, until each unitholder receives a total of \$0.328125 per unit for that quarter, which we refer to as the second target distribution;

*third*, 75.0% to all unitholders, pro rata, and 25.0% to our general partner, until each unitholder receives a total of \$0.393750 per unit for that quarter, which we refer to as the third target distribution; and

*thereafter*, 50.0% to all unitholders, pro rata, and 50.0% to our general partner.

**Percentage Allocations of Available Cash from Operating Surplus**

The following table illustrates the percentage allocations of available cash from operating surplus between the unitholders and our general partner based on the specified target distribution levels. The amounts set forth under *Marginal percentage interest in distributions* are the percentage interests of our general partner and the unitholders in any available cash from operating surplus we distribute per outstanding common unit to common unitholders up to and including the corresponding amount in the column *Total quarterly distribution per unit target amount*. The percentage interests shown for our unitholders and our general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for our general partner include its 2.0% general partner interest and assume that our general partner has contributed any additional capital necessary to maintain its 2.0% general partner interest, that we have not issued any new classes of partnership interests, our general partner has not transferred its incentive distribution rights and that the cumulative distributions on the Series A Preferred units have been paid in full.

	<b>Total quarterly distribution per unit target amount</b>		<b>Marginal percentage interest in distributions</b>	
			<b>Unit holders</b>	<b>General Partner</b>
Minimum Quarterly Distribution	\$0.2625		98.0%	2.0%
First Target Distribution	above \$ 0.2625	up to \$ 0.301875	98.0%	2.0%
Second Target Distribution	above \$ 0.301875	up to \$ 0.328125	85.0%	15.0%
Third Target Distribution	above \$ 0.328125	up to \$ 0.393750	75.0%	25.0%

Thereafter	above \$ 0.393750	50.0%	50.0%
------------	-------------------	-------	-------

**General Partner's Right to Reset Incentive Distribution Levels**

Our general partner, as the initial holder of our incentive distribution rights, has the right under the Partnership Agreement, subject to certain conditions, to elect to relinquish the right to receive incentive distribution payments based on the initial target distribution levels and to reset, at higher levels, the minimum quarterly distribution amount and target distribution levels upon which the incentive distribution payments to our general partner would be set. If our general partner transfers all or a portion of the incentive distribution rights in the future, then the holder or holders of a majority of our incentive distribution rights will be entitled to exercise this

---

**Table of Contents**

right. The following discussion assumes that our general partner holds all of the incentive distribution rights at the time that a reset election is made. Our general partner's right to reset the minimum quarterly distribution amount and the target distribution levels upon which the incentive distributions payable to our general partner are based may be exercised, without approval of our unitholders or the conflicts committee, at any time we have made cash distributions to the holders of the incentive distribution rights at the highest level of incentive distribution for each of the four consecutive fiscal quarters immediately preceding such time and the amount of each such distribution did not exceed adjusted operating surplus for such quarter, respectively. If our general partner and its affiliates are not the holders of a majority of the incentive distribution rights at the time an election is made to reset the minimum quarterly distribution amount and the target distribution levels, then the proposed reset will be subject to the prior written concurrence of the general partner that the conditions described above have been satisfied. The reset minimum quarterly distribution amount and target distribution levels will be higher than the minimum quarterly distribution amount and the target distribution levels prior to the reset such that our general partner will not receive any incentive distributions under the reset target distribution levels until cash distributions per unit following this event increase as described below. We anticipate that our general partner would exercise this reset right in order to facilitate acquisitions or internal growth projects that would otherwise not be sufficiently accretive to cash distributions per common unit, taking into account the existing levels of incentive distribution payments being made to our general partner.

In connection with the resetting of the minimum quarterly distribution amount and the target distribution levels and the corresponding relinquishment by our general partner of incentive distribution payments based on the target distributions prior to the reset, our general partner will be entitled to receive a number of newly issued common units based on a predetermined formula described below that takes into account the cash parity value of the average cash distributions related to the incentive distribution rights received by our general partner for the two quarters immediately preceding the reset event as compared to the average cash distributions per common unit during that two-quarter period. In addition, our general partner will be issued the number of general partner units necessary to maintain our general partner's interest in us immediately prior to the reset election.

The number of common units that our general partner would be entitled to receive from us in connection with a resetting of the minimum quarterly distribution amount and the target distribution levels then in effect would be equal to the quotient determined by dividing (x) the average aggregate amount of cash distributions received by our general partner in respect of its incentive distribution rights during the two consecutive fiscal quarters ended immediately prior to the date of such reset election by (y) the average of the aggregate amount of cash distributed per common unit during each of these two quarters.

Following a reset election, the minimum quarterly distribution amount will be reset to an amount equal to the average cash distribution amount per common unit for the two fiscal quarters immediately preceding the reset election, which amount we refer to as the reset minimum quarterly distribution, and the target distribution levels will be reset to be correspondingly higher such that, after paying the cumulative quarterly distributions on the Series A Preferred units, we would distribute all of our available cash from operating surplus for each quarter thereafter as follows:

*first*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until each unitholder receives an amount equal to 115.0% of the reset minimum quarterly distribution for that quarter;

*second*, 85.0% to all unitholders, pro rata, and 15.0% to our general partner, until each unitholder receives an amount per unit equal to 125.0% of the reset minimum quarterly distribution for the quarter;

*third* , 75.0% to all unitholders, pro rata, and 25.0% to our general partner, until each unitholder receives an amount per unit equal to 150.0% of the reset minimum quarterly distribution for the quarter; and

*thereafter* , 50.0% to all unitholders, pro rata, and 50.0% to our general partner.

**Table of Contents**

The preceding discussion is based on the assumption that our general partner maintains its 2.0% general partner interest, that we do not issue any new classes of partnership interest and our general partner has not transferred its incentive distribution rights.

The following table illustrates the percentage allocations of available cash from operating surplus between the unitholders and our general partner at various cash distribution levels (i) pursuant to the cash distribution provisions of the Partnership Agreement and (ii) following a hypothetical reset of the minimum quarterly distribution and target distribution levels. The table assumes that the average quarterly cash distribution amount per common unit during the two fiscal quarters immediately preceding the reset election was \$0.50, our general partner's 2.0% interest has been maintained, we had not issued any new classes of partnership interests and our general partner has not transferred its incentive distribution rights.

Quarterly distribution per unit prior to reset	Marginal percentage interest in distributions			Quarterly distribution per unit following hypothetical reset	
	Common unitholders	General partner interest	Incentive distribution rights	Common unitholders	General partner interest
Minimum Quarterly Distribution	\$0.2625	98.0%	2.0%	\$0.500	
First Target Distribution	above \$0.2625 up to \$0.301875	98.0%	2.0%	above \$0.500	up to \$0.575 (1)
Second Target Distribution	above \$0.301875 up to \$0.328125	85.0%	2.0%	13.0%	above \$0.575 (1) up to \$0.625 (2)
Third Target Distribution	above \$0.328125 up to \$0.393750	75.0%	2.0%	23.0%	above \$0.625 (2) up to \$0.750 (3)
Thereafter	above \$0.393750	50.0%	2.0%	48.0%	above \$0.750 (3)

(1) This amount is 115.0% of the hypothetical reset minimum quarterly distribution.

(2) This amount is 125.0% of the hypothetical reset minimum quarterly distribution.

(3) This amount is 150.0% of the hypothetical reset minimum quarterly distribution.

The following table illustrates the total amount of available cash from operating surplus, after paying the cumulative quarterly distributions on Series A Preferred units, that would be distributed to the unitholders and our general partner, including in respect of incentive distribution rights, based on an average of the amounts distributed for the two quarters immediately prior to the reset. The table assumes that immediately prior to the reset there would be 332,000,000 common units outstanding, our general partner's 2.0% interest has been maintained, the average distribution to each common unit would be \$0.50 per quarter for the two consecutive non-overlapping quarters prior to the reset, we had not issued any new classes of partnership interests and our general partner has not transferred its incentive distribution rights. The table does not reflect cash distributions paid on any common units acquired by the general partner or any of its affiliates prior to the reset.

**Cash distribution to general partner prior to reset**

Quarterly distribution per unit prior to reset			Cash distributions to common unitholders prior to reset	2.0% General partner units interest	Incentive distribution rights	Total	Total Distributions
Minimum Quarterly Distribution			\$ 87,150,000	\$ 1,778,571		\$ 1,778,571	\$ 88,928,571
First Target Distribution			above \$0.2625 up to \$0.301875	13,072,500	266,786	266,786	13,339,286
Second Target Distribution			above \$0.301875 up to \$0.328125	8,715,000	205,059	1,332,882	1,537,941
Third Target Distribution			above \$0.328125 up to \$0.393750	21,787,500	581,000	6,681,500	7,262,500
Thereafter			above \$0.393750	35,275,000	1,411,000	33,864,000	35,275,000
			\$ 166,000,000	\$ 4,242,416	\$ 41,878,382	\$ 46,120,798	\$ 212,120,798

The following table illustrates the total amount of available cash from operating surplus after paying the cumulative quarterly distributions on Series A Preferred units that would be distributed to the common unitholders and the general partner, including in respect of incentive distribution rights, with respect to the quarter after the reset occurs. The table assumes that, as a result of the reset, there would be 415,756,764 common units outstanding, our general partner has maintained its 2.0% general partner interest, the average distribution to each common unit would be \$0.50, we had not

**Table of Contents**

issued any new classes of partnership interests and our general partner has not transferred its incentive distribution rights. The number of common units issued as a result of the reset was calculated by dividing (x) 41,878,382 as the average of the amounts received by the general partner in respect of its incentive distribution rights for the two consecutive non-overlapping quarters prior to the reset as shown in the table above, by (y) the average of the cash distributions made on each common unit per quarter for the two consecutive non-overlapping quarters prior to the reset as shown in the table above, or \$0.50. The table does not reflect cash distributions paid on any common units acquired by the general partner or any of its affiliates prior to the reset.

Quarterly distribution per unit after reset		Cash distribution to general partner after reset				
		Cash distributions to common unitholders after reset	Common units	2.0% General Incentive partnership interest rights	Total	Total Distributions
Minimum	\$0.500	\$ 166,000,000	\$ 41,878,382	\$ 4,242,416	\$ 46,120,798	\$ 212,120,798
Quarterly Distribution						
First Target Distribution	above \$0.500 up to \$0.575					
Second Target Distribution	above \$0.575 up to \$0.625					
Third Target Distribution	above \$0.625 up to \$0.750					
Thereafter	above \$0.750					
		\$ 166,000,000	\$ 41,878,382	\$ 4,242,416	\$ 46,120,798	\$ 212,120,798

Our general partner will be entitled to cause the minimum quarterly distribution amount and the target distribution levels to be reset on more than one occasion, provided that it may not make a reset election except at a time when it has received incentive distributions for the immediately preceding four consecutive fiscal quarters based on the highest level of incentive distributions that it is entitled to receive under the Partnership Agreement.

**Distributions from Capital Surplus***General*

We will make distributions of available cash from capital surplus, if any, in the following manner:

*first*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until we distribute for each common unit that was issued in our initial public offering, an amount of available cash from capital surplus equal to the initial public offering price;



*second* , 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until we distribute for each common unit, an amount of available cash from capital surplus equal to any unpaid arrearages in payment of the minimum quarterly distribution on the outstanding common units; and

*thereafter* , as if they were from operating surplus.

The preceding discussion is based on the assumptions that our general partner maintains its 2.0% general partner interest and that we do not issue any new classes of partnership interests.

*Effect of a Distribution from Capital Surplus*

The Partnership Agreement treats a distribution of capital surplus with respect to common units as the repayment of the initial unit price from our initial public offering, which is a return of capital. The Initial Public Offering price less any distributions of capital surplus per unit is referred to as the unrecovered initial unit price. Each time a distribution of capital surplus is made, the minimum quarterly distribution and the target distribution levels will be reduced in the same proportion as the corresponding reduction in the unrecovered initial unit price. Because distributions of capital surplus will reduce the minimum quarterly distribution after any of these distributions are made, it may be easier for our general partner to receive incentive distributions. However, any

## **Table of Contents**

distribution of capital surplus before the unrecovered initial unit price is reduced to zero cannot be applied to the payment of the minimum quarterly distribution or any arrearages.

Once we distribute capital surplus on a unit issued in our initial public offering in an amount equal to the initial unit price, we will reduce the minimum quarterly distribution and the target distribution levels to zero. We will then make all future distributions from operating surplus after paying the cumulative quarterly distributions on Series A Preferred units, with 50.0% being paid to the unitholders, pro rata, and 2.0% to our general partner and 48.0% to the holder of our incentive distribution rights, assuming that our general partner maintains its 2.0% general partner interest and that we do not issue any new classes of partnership interests.

### *Adjustment to the Minimum Quarterly Distribution and Target Distribution Levels*

In addition to adjusting the minimum quarterly distribution and target distribution levels to reflect a distribution of capital surplus, if we combine our units into fewer units or subdivide our units into a greater number of units, we will proportionately adjust:

the minimum quarterly distribution;

target distribution levels;

the unrecovered initial unit price;

the number of general partner units comprising the general partner interest; and

the arrearages in payment of the minimum quarterly distribution on the common units.

For example, if a two-for-one split of the common units should occur, the minimum quarterly distribution, the target distribution levels and the unrecovered initial unit price would each be reduced to 50.0% of its initial level. We will not make any adjustment by reason of the issuance of additional units for cash or property.

In addition, if legislation is enacted or if the official interpretation of existing law is modified by a governmental authority, so that we become taxable as a corporation or otherwise subject to taxation as an entity for federal, state or local income tax purposes, the Partnership Agreement specifies that the minimum quarterly distribution and the target distribution levels for each quarter may be reduced by multiplying each distribution level by a fraction, the numerator of which is available cash for that quarter (reduced by the amount of the estimated tax liability for such quarter payable by reason of such legislation or interpretation) and the denominator of which is the sum of available cash for that quarter (reduced by the amount of the estimated tax liability for such quarter payable by reason of such legislation or interpretation) plus our general partner's estimate of our aggregate liability for the quarter for such income taxes payable by reason of such legislation or interpretation. To the extent that the actual tax liability differs from the estimated tax liability for any quarter, the difference may be accounted for in subsequent quarters.

## **Distributions of Cash upon Liquidation**

*General*

If we dissolve in accordance with the Partnership Agreement, we will sell or otherwise dispose of our assets in a process called liquidation. We will first apply the proceeds of liquidation to the payment of our creditors. We will distribute any remaining proceeds to our unitholders and our general partner, in accordance with their capital account balances, as adjusted to reflect any gain or loss upon the sale or other disposition of our assets in liquidation.

The allocations of gain and loss upon liquidation are intended, to the extent possible, to cause the capital accounts of the holders to reflect the different distributions intended for the different classes of units, and, in particular, to implement any intended preference in liquidation to the holders of Series A Preferred units over the

**Table of Contents**

capital accounts of holders of common units. However, there may not be sufficient gain upon our liquidation to enable the holders of common units or other partnership interests to fully recover all of these amounts, even though there may be cash available for distribution. Any further net gain recognized upon liquidation will be allocated in a manner that takes into account the incentive distribution rights of our general partner.

Any cash or cash equivalents available for distribution upon liquidation shall be distributed to the holders of the Series A Preferred units up to the positive balances in their capital accounts prior to any distribution of cash or cash equivalents to the holders of common units.

*Manner of Adjustments for Gain*

The manner of the adjustment for gain is set forth in the Partnership Agreement. Any gains upon the sale or other disposition of our assets in liquidation will be allocated to our partners in the following manner:

*first*, to our general partner to the extent of any negative balance in its capital account;

*second*, to the Series A Preferred unitholders, pro rata, until the capital account for each Series A Preferred unit is equal to the issue price of \$32.50 per Series A Preferred unit;

*third*, 98.0% to the common unitholders, pro rata, and 2.0% to our general partner, until the capital account for each common unit is equal to the sum of:

- (1) the unrecovered initial unit price;
- (2) the amount of the minimum quarterly distribution for the quarter during which our liquidation occurs; and
- (3) any unpaid arrearages in payment of the minimum quarterly distribution;

*fourth*, 98.0% to the common unitholders, pro rata, and 2.0% to our general partner, until we allocate under this paragraph an amount per unit equal to:

- (1) the sum of the excess of the first target distribution per unit over the minimum quarterly distribution per unit for each quarter of our existence; *less*
- (2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the minimum quarterly distribution per unit that we distributed 98.0% to the unitholders, pro rata, and 2.0% to our general partner, for each quarter of our existence;

*fifth*, 85.0% to the common unitholders, pro rata, and 15.0% to our general partner, until we allocate under this paragraph an amount per unit equal to:

- (1) the sum of the excess of the second target distribution per unit over the first target distribution per unit for each quarter of our existence; *less*
- (2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the first target distribution per unit that we distributed 85.0% to the unitholders, pro rata, and 15.0% to our general partner for each quarter of our existence;

*sixth*, 75.0% to the common unitholders, pro rata, and 25.0% to our general partner, until we allocate under this paragraph an amount per unit equal to:

- (1) the sum of the excess of the third target distribution per unit over the second target distribution per unit for each quarter of our existence; *less*
- (2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the second target distribution per unit that we distributed 75.0% to the unitholders, pro rata, and 25.0% to our general partner for each quarter of our existence;

*thereafter* , 50.0% to the common unitholders, pro rata, and 50.0% to our general partner.

## **Table of Contents**

The preceding discussion is based on the assumptions that our general partner maintains its 2.0% general partner interest, that our general partner has not transferred its incentive distribution rights and that we do not issue any new classes of partnership interests.

### *Manner of Adjustments for Losses*

After making allocations of loss to the general partner and the unitholders (other than the Series A Preferred unitholders) in a manner intended to offset in reverse order the allocations of gains that have previously been allocated, we will generally allocate any loss to our general partner and unitholders in the following manner:

*first*, 98.0% to all unitholders (other than the Series A Preferred unitholders) in proportion to the positive balances in their capital accounts and 2.0% to our general partner, until the capital accounts of all unitholders have been reduced to zero;

*second*, to the Series A Preferred unitholders, to the extent of and in proportion to the positive balances in their capital accounts; and

*thereafter*, 100.0% to our general partner.

The preceding discussion is based on the assumption that our general partner maintains its 2.0% general partner interest, that our general partner has not transferred its incentive distribution rights and that we do not issue any new classes of partnership interests.

### *Adjustments to Capital Accounts*

The Partnership Agreement requires that we make adjustments to capital accounts upon the issuance of additional units. In this regard, the Partnership Agreement specifies that we allocate any unrealized and, for tax purposes, unrecognized gain resulting from the adjustments to the unitholders and the general partner in the same manner as we allocate gain upon liquidation. In the event that we make positive adjustments to the capital accounts upon the issuance of additional units, the Partnership Agreement requires that we generally allocate any later negative adjustments to the capital accounts resulting from the issuance of additional units or upon our liquidation in a manner that results, to the extent possible, in the partners' capital account balances equaling the amount that they would have been if no earlier positive adjustments to the capital accounts had been made. In contrast to the allocations of gain, and except as provided above, we generally will allocate any unrealized and unrecognized loss resulting from the adjustments to capital accounts upon the issuance of additional units to the unitholders and our general partner based on their respective percentage ownership of us. If we make negative adjustments to the capital accounts as a result of such loss, future positive adjustments resulting from the issuance of additional units will be allocated in a manner designed to reverse the prior negative adjustments, and special allocations will be made upon liquidation in a manner that results, to the extent possible, in our unitholders' capital account balances equaling the amounts they would have been if no earlier adjustments for loss had been made.

### **Special Distributions in Consideration of Contributions by Partners**

Our general partner may, from time-to-time, cause the Partnership to make special distributions of cash to one or more of our partners in connection with, and in full or partial consideration of, the contribution, assignment, transfer or

conveyance of property, assets or rights or any interests therein by such partners to the Partnership.

**Table of Contents**

**OUR PARTNERSHIP AGREEMENT**

The following is a summary of the material provisions of the Partnership Agreement. The Partnership Agreement is filed with the SEC as an exhibit to the Form S-3 registration statement to which this prospectus relates. We will provide prospective investors with a copy of the Partnership Agreement upon request at no charge.

We summarize the following provisions of the Partnership Agreement elsewhere in this prospectus:

with regard to distributions of available cash, please read Provisions of Our Partnership Agreement Relating to Cash Distributions ;

with regard to the transfer of common units, please read Description of the Common Units Transfer of Common Units ; and

with regard to allocations of taxable income and taxable loss, please read Material U.S. Federal Income Tax Consequences.

**Organization and Duration**

Our partnership was organized on March 27, 2012, and will have a perpetual existence unless terminated pursuant to the terms of the Partnership Agreement.

**Purpose**

Our purpose under the partnership agreement is limited to any business activity that is approved by our general partner and that lawfully may be conducted by a limited partnership organized under Delaware law; provided that our general partner shall not cause us to engage, directly or indirectly, in any business activity that our general partner determines would be reasonably likely to cause us to be treated as an association taxable as a corporation or otherwise taxable as an entity for U.S. federal income tax purposes.

Although our general partner has the ability to cause us and our subsidiaries to engage in activities other than the business of owning, operating, developing and acquiring crude oil, refined product and other hydrocarbon-based product pipelines and other midstream assets, our general partner has no current plans to do so and may decline to do so free of any duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interests of our partnership or our limited partners, other than the implied contractual covenant of good faith and fair dealing. Our general partner is authorized in general to perform all acts it determines to be necessary or appropriate to carry out our purposes and to conduct our business.

**Capital Contributions**

Unitholders are not obligated to make additional capital contributions, except as described below under Limited Liability. For a discussion of our general partner's right to contribute capital to maintain its 2.0% general partner interest if we issue additional units, please read Issuance of Additional Securities; Preemptive Rights.

**Voting Rights**



The following is a summary of the unitholder vote required for the matters specified below. Matters that require the approval of a unit majority require the approval of holders of a majority of the outstanding common units, the outstanding Series A Preferred units (voting on an as-converted basis at the then-applicable Series A conversion rate) and a majority of any other class of units, if any, entitled to vote on the matter, voting as a single class. Matters that require the approval of the Series A required percentage require the affirmative vote of the record holders of 75% of outstanding Series A Preferred units, voting separately as a single class.

- 22 -

**Table of Contents**

In voting their common units, our general partner and its affiliates will have no duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interests of us or the limited partners, other than the implied contractual covenant of good faith and fair dealing.

Issuance of additional units	No common unitholders approval rights. The Series A required percentage is required for issuances of additional partnership interests that rank senior to or, subject to certain limitations, in parity with, the Series A Preferred units with respect to distributions on such partnership interests or distributions upon liquidation.
Amendment of the Partnership Agreement	Certain amendments may be made by the general partner without the approval of the unitholders. Other amendments generally require the approval of a unit majority. Amendments that would be materially adverse to the rights, preferences and privileges of the Series A Preferred units require the approval of the Series A required percentage. Please read Amendments of our Partnership Agreement.
Merger of our partnership or the sale of all or substantially all of our assets	Unit majority. Please read Merger, Consolidation, Conversion, Sale or Other Disposition of Assets.
Dissolution of our partnership	Unit majority. Please read Termination and Dissolution.
Continuation of our business upon dissolution	Unit majority. Please read Termination and Dissolution.
Withdrawal of the general partner	Under most circumstances, the approval of unitholders holding at least a majority of the outstanding common units and Series A Preferred units (on an as-converted basis at the then-applicable Series A conversion rate), excluding common units held by our general partner and its affiliates, is required for the withdrawal of the general partner prior to December 31, 2022 in a manner which would cause a dissolution of our partnership. Please read Withdrawal or Removal of our General Partner.
Removal of the general partner	Not less than 66 2/3% of the outstanding common and Series A Preferred units (on an as-converted basis at the then-applicable Series A conversion rate), voting as a single class, including units held by our general partner and its affiliates. Please read Withdrawal or Removal of our General Partner.
Transfer of the general partner interest	Our general partner may transfer all, but not less than all, of its general partner interest in us without a vote of

our unitholders to an affiliate or another person in connection with its merger or consolidation with or into, or sale of all or substantially all of its assets to, such person. The approval of a majority of the outstanding common units and Series A Preferred

**Table of Contents**

	units (on an as-converted basis at the then-applicable Series A conversion rate), excluding common units held by our general partner and its affiliates, is required in other circumstances for a transfer of the general partner interest to a third party prior to December 31, 2022. Please read <a href="#">Transfer of General Partner Interest</a> .
Transfer of incentive distribution rights	Our general partner may transfer any or all of its incentive distribution rights to an affiliate or another person without a vote of our unitholders. Please read <a href="#">Transfer of Incentive Distribution Rights</a> .
Reset of incentive distribution levels	No approval right.
Transfer of ownership interests in our general partner	No approval right. Please read <a href="#">Transfer of Ownership Interests in our General Partner</a> .
Declarations of payment of any distributions from capital surplus	Series A required percentage.

**Limited Liability**

Assuming that a limited partner does not participate in the control of our business within the meaning of the Delaware Revised Uniform Limited Partnership Act, as amended, supplemented or restated from time to time, and any successor to such statute, which we refer to as the Delaware Act, and that it otherwise acts in conformity with the provisions of the Partnership Agreement, its liability under the Delaware Act will be limited, subject to possible exceptions, to the amount of capital it is obligated to contribute to us for its common units plus its share of any undistributed profits and assets. If it were determined, however, that the right, or exercise of the right, by the limited partners as a group:

to remove or replace our general partner;

to approve some amendments to the Partnership Agreement; or

to take other action under the Partnership Agreement;

constituted participation in the control of our business for the purposes of the Delaware Act, then the limited partners could be held personally liable for our obligations under the laws of Delaware, to the same extent as our general partner. This liability would extend to persons who transact business with us who reasonably believe that a limited partner is a general partner. Neither the Partnership Agreement nor the Delaware Act specifically provides for legal recourse against our general partner if a limited partner were to lose limited liability through any fault of our general partner.

Under the Delaware Act, a limited partnership may not make a distribution to a partner if, after the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their limited partner interests and liabilities for which the recourse of creditors is limited to specific property of the partnership, would exceed the fair value of the assets of the limited partnership, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited is included in the assets of the limited partnership only to the extent that the fair value of that property exceeds that liability. For the purpose of determining the fair value of the assets of a limited

partnership, the Delaware Act provides that the fair value of property subject to liability for which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the nonrecourse liability. The Delaware Act provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware Act shall be liable to the limited partnership for the amount of the distribution for three years. Under the Delaware Act, a substituted limited partner of a limited partnership is liable for the obligations

## **Table of Contents**

of its assignor to make contributions to the partnership, except that such person is not obligated for liabilities unknown to it at the time it became a limited partner and that could not be ascertained from the partnership agreement.

Our subsidiaries conduct business in several states and we may have subsidiaries that conduct business in other states in the future. Maintenance of our limited liability as a member of our operating company may require compliance with legal requirements in the jurisdictions in which our operating company conducts business, including qualifying our subsidiaries to do business there.

Limitations on the liability of members or limited partners for the obligations of a limited liability company or limited partnership have not been clearly established in many jurisdictions. If, by virtue of our ownership interests in our operating subsidiaries or otherwise, it were determined that we were conducting business in any state without compliance with the applicable limited partnership or limited liability company statute, or that the right or exercise of the right by the limited partners as a group to remove or replace our general partner, to approve some amendments to the Partnership Agreement, or to take other action under the Partnership Agreement constituted participation in the control of our business for purposes of the statutes of any relevant jurisdiction, then the limited partners could be held personally liable for our obligations under the law of that jurisdiction to the same extent as our general partner under the circumstances. We will operate in a manner that our general partner considers reasonable and necessary or appropriate to preserve the limited liability of the limited partners.

## **Issuance of Additional Securities; Preemptive Rights**

The Partnership Agreement authorizes us to issue an unlimited number of additional partnership interests for the consideration and on the terms and conditions determined by our general partner without the approval of the unitholders, provided that the approval of the Series A required percentage is required for issuances of additional partnership interests that rank senior to or, subject to certain limitations, in parity with, the Series A Preferred units with respect to distributions on such partnership interests or distributions upon liquidation.

It is possible that we will fund acquisitions, distributions or our capital expenditures through the issuance of additional common units, preferred units, general partner units or other partnership interests. Holders of any additional common units we issue will be entitled to share equally with the then-existing holders of common units in our distributions of available cash. In addition, the issuance of additional common units, preferred units, general partner units or other partnership interests may dilute the value of the interests of the then-existing holders of common units in our net assets.

In accordance with Delaware law and the provisions of the Partnership Agreement, we may also issue additional partnership interests that, as determined by our general partner, may have special voting rights to which the common units are not entitled. In addition, the Partnership Agreement does not prohibit the issuance by our subsidiaries of equity interests, which may effectively rank senior to the common units.

Upon issuance of additional limited partner interests (other than the issuance of common units in connection with a reset of the incentive distribution target levels or the issuance of common units upon conversion of outstanding partnership interests), our general partner will be entitled, but not required, to make additional capital contributions to the extent necessary to maintain its 2.0% general partner interest in us. Our general partner's 2.0% interest in us will be reduced if we issue additional units in the future and our general partner does not contribute a proportionate amount of capital to us to maintain its 2.0% general partner interest. Moreover, our general partner will have the right, which it may from time to time assign in whole or in part to any of its affiliates, to purchase common units, or other partnership interests whenever, and on the same terms that, we issue those interests to persons other than our general partner and its affiliates, to the extent necessary to maintain the percentage interest of the general partner and its

affiliates, including such interest represented by common

- 25 -

## **Table of Contents**

units, that existed immediately prior to each issuance. The other holders of common units will not have preemptive rights to acquire additional common units or other partnership interests.

## **Amendments of Our Partnership Agreement**

### *General*

Amendments to the Partnership Agreement may be proposed only by our general partner. However, our general partner will have no duty or obligation to propose any amendment and may decline to do so free of any duty or obligation whatsoever to us or our limited partners, including any duty to act in the best interests of us or the limited partners, other than the implied contractual covenant of good faith and fair dealing. In order to adopt a proposed amendment, other than the amendments discussed below, our general partner is required to seek written approval of the holders of the number of units required to approve the amendment or call a meeting of the limited partners to consider and vote upon the proposed amendment. Except as described below, an amendment must be approved by a unit majority.

### *Prohibited Amendments*

No amendment may be made that would:

enlarge the obligations of any limited partner without its consent, unless such is deemed to have occurred as a result of an amendment approved by at least a majority of the type or class of limited partner interests so affected; or

enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by us to our general partner or any of its affiliates without its consent, which consent may be given or withheld at its option.

The provisions of the Partnership Agreement preventing the amendments having the effects described in any of the clauses above can be amended upon the approval of the holders of at least 90.0% of the outstanding common units and Series A Preferred units voting together as a single class (with the Series A Preferred units voting on an as-converted basis at the then-applicable Series A conversion rate), including units owned by our general partner and its affiliates. As of September 30, 2017, our general partner and its affiliates (excluding officers and directors of our general partner or MPC) collectively owned approximately 29.0% of the outstanding common units and approximately 27.0% of the combined number of outstanding common units and Series A Preferred units (on an as-converted basis at the then-applicable Series A conversion rate).

### *No Unitholder Approval*

Our general partner may generally make amendments to the Partnership Agreement without the approval of any limited partner to reflect:

a change in our name, the location of our principal office, our registered agent or our registered office;



the admission, substitution, withdrawal or removal of partners in accordance with the Partnership Agreement;

a change that our general partner determines to be necessary or appropriate to qualify or continue our qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any state or to ensure that neither we nor any of our subsidiaries will be treated as an association taxable as a corporation or otherwise taxed as an entity for U.S. federal income tax purposes;

an amendment that is necessary, in the opinion of our counsel, to prevent us or our general partner or its directors, officers, agents or trustees, from in any manner, being subjected to the provisions of the

**Table of Contents**

Investment Company Act of 1940, the Investment Advisors Act of 1940, or plan asset regulations adopted under the Employee Retirement Income Security Act of 1974 (ERISA), whether or not substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

an amendment that our general partner determines to be necessary or appropriate for the authorization or issuance of additional partnership interests;

any amendment expressly permitted in the Partnership Agreement to be made by our general partner acting alone;

an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of the Partnership Agreement;

any amendment that our general partner determines to be necessary or appropriate to reflect and account for the formation by us of, or our investment in, any corporation, partnership or other entity, in connection with our conduct of activities permitted by the Partnership Agreement;

a change in our fiscal year or taxable year and any other changes that our general partner determines to be necessary or appropriate as a result of such change;

mergers with, conveyances to or conversions into another limited liability entity that is newly formed and has no assets, liabilities or operations at the time of the merger, conveyance or conversion other than those it receives by way of the merger, conveyance or conversion; or

any other amendments substantially similar to any of the matters described in the clauses above.

In addition, our general partner may make amendments to the Partnership Agreement without the approval of any limited partner if our general partner determines that those amendments:

do not adversely affect in any material respect the limited partners considered as a whole or any particular class of partnership interests as compared to other classes of partnership interests;

are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;

are necessary or appropriate to facilitate the trading of limited partner interests or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the limited partner interests are or

will be listed or admitted to trading;

are necessary or appropriate for any action taken by our general partner relating to splits or combinations of units under the provisions of the Partnership Agreement; or

are required to effect the intent expressed in this prospectus or the intent of the provisions of the Partnership Agreement or are otherwise contemplated by the Partnership Agreement.

*Opinion of Counsel and Unitholder Approval*

For amendments of the type not requiring unitholder approval, our general partner will not be required to obtain an opinion of counsel to the effect that an amendment will not affect the limited liability of any limited partner under Delaware law. No other amendments to the Partnership Agreement will become effective without the approval of holders of at least 90.0% of the outstanding common units and Series A Preferred units voting together as a single class (with the Series A Preferred units voting on an as-converted basis at the then-applicable Series A conversion rate) unless we first obtain such an opinion of counsel.

In addition to the above restrictions, any amendment that would have a material adverse effect on the rights or preferences of any type or class of partnership interests in relation to other classes of partnership interests will

## **Table of Contents**

require the approval of at least a majority of the type or class of partnership interests so affected. Any amendment that would reduce the percentage of units required to take any action, other than to remove our general partner or call a meeting of unitholders, must be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute not less than the percentage sought to be reduced. Any amendment that would increase the percentage of units required to remove our general partner must be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute not less than 90.0% of outstanding common units and Series A Preferred units (on an as-converted basis at the then-applicable Series A conversion rate). Any amendment that would increase the percentage of units required to call a meeting of unitholders must be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute at least a majority of the outstanding common units and Series A Preferred units (on an as-converted basis at the then-applicable Series A conversion rate).

## **Merger, Consolidation, Conversion, Sale or Other Disposition of Assets**

A merger, consolidation or conversion of our partnership requires the prior consent of our general partner. However, our general partner will have no duty or obligation to consent to any merger, consolidation or conversion and may decline to do so free of any duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interest of us or the limited partners, other than the implied contractual covenant of good faith and fair dealing.

In addition, the Partnership Agreement generally prohibits our general partner, without the prior approval of the holders of a unit majority, from causing us to, among other things, sell, exchange or otherwise dispose of all or substantially all of our assets in a single transaction or a series of related transactions. Our general partner may, however, mortgage, pledge, hypothecate, or grant a security interest in all or substantially all of our assets without that approval. Our general partner may also sell any or all of our assets under a foreclosure or other realization upon those encumbrances without that approval. Finally, our general partner may consummate any merger with another limited liability entity without the prior approval of our unitholders if we are the surviving entity in the transaction, our general partner has received an opinion of counsel regarding limited liability and tax matters, the transaction would not result in an amendment to the Partnership Agreement requiring unitholder approval, each of our units will be an identical unit of our partnership following the transaction and the partnership interests to be issued by us in such merger do not exceed 20.0% of our outstanding partnership interests immediately prior to the transaction.

If the conditions specified in the Partnership Agreement are satisfied, our general partner may convert us or any of our subsidiaries into a new limited liability entity or merge us or any of our subsidiaries into, or convey all of our assets to, a newly formed entity if the sole purpose of that conversion, merger or conveyance is to effect a mere change in our legal form into another limited liability entity, our general partner has received an opinion of counsel regarding limited liability and tax matters, and our general partner determines that the governing instruments of the new entity provide the limited partners and our general partner with the same rights and obligations as contained in the Partnership Agreement. The unitholders are not entitled to dissenters' rights of appraisal under the Partnership Agreement or applicable Delaware law in the event of a conversion, merger or consolidation, a sale of substantially all of our assets or any other similar transaction or event.

## **Termination and Dissolution**

We will continue as a limited partnership until dissolved and terminated under the Partnership Agreement. We will dissolve upon:

the withdrawal or removal of our general partner or any other event that results in its ceasing to be our general partner other than by reason of a transfer of its general partner interest in accordance with the Partnership Agreement or withdrawal or removal followed by approval and admission of a successor;

## **Table of Contents**

the election of our general partner to dissolve us, if approved by the holders of units representing a unit majority;

the entry of a decree of judicial dissolution of our partnership; or

there being no limited partners, unless we are continued without dissolution in accordance with the Delaware Act.

Upon a dissolution under the first bullet above, the holders of a unit majority may also elect, within specific time limitations, to continue our business on the same terms and conditions described in the Partnership Agreement by appointing as a successor general partner an entity approved by the holders of units representing a unit majority, subject to our receipt of an opinion of counsel to the effect that:

the action would not result in the loss of limited liability of any limited partner; and

neither our partnership nor any of our subsidiaries would be treated as an association taxable as a corporation or otherwise be taxable as an entity for U.S. federal income tax purposes upon the exercise of that right to continue.

## **Liquidation and Distribution of Proceeds**

Upon our dissolution, unless we are continued as a new limited partnership, the liquidator authorized to wind up our affairs will, acting with all of the powers of our general partner that are necessary or appropriate to, liquidate our assets and apply the proceeds of the liquidation as described in Provisions of Our Partnership Agreement Relating to Cash Distributions Distributions of Cash upon Liquidation. The liquidator may defer liquidation or distribution of our assets for a reasonable period of time or distribute assets to partners in kind if it determines that a sale would be impractical or would cause undue loss to our partners.

## **Withdrawal or Removal of our General Partner**

Except as described below, our general partner has agreed not to withdraw voluntarily as our general partner prior to December 31, 2022 without obtaining the approval of the holders of at least a majority of the outstanding common units and Series A Preferred units (on an as-converted basis at the then-applicable conversion rate), excluding common units held by our general partner and its affiliates, and furnishing an opinion of counsel regarding limited liability and tax matters. On or after December 31, 2022, our general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days written notice, and that withdrawal will not constitute a violation of the Partnership Agreement. Notwithstanding the information above, our general partner may withdraw without unitholder approval upon 90 days written notice to the limited partners if at least 50.0% of the outstanding common units are held or controlled by one person and its affiliates other than our general partner and its affiliates. In addition, the Partnership Agreement permits our general partner in some instances to sell or otherwise transfer all of its general partner interest in us without the approval of the unitholders. Please read Transfer of General Partner Interest and Transfer of Incentive Distribution Rights.

Upon voluntary withdrawal of our general partner by giving notice to the other partners, the holders of a unit majority may select a successor to that withdrawing general partner. If a successor is not elected, or is elected but an opinion of

counsel regarding limited liability and tax matters cannot be obtained, we will be dissolved, wound up and liquidated, unless within a specified period after that withdrawal, the holders of a unit majority agree to continue our business by appointing a successor general partner. Please read Termination and Dissolution.

Our general partner may not be removed unless that removal is approved by the vote of the holders of not less than 66 2/3% of our outstanding common units and Series A Preferred units voting together as a single class (with the Series A Preferred units voting on an as-converted basis at the then-applicable Series A conversion rate), including units held by our general partner and its affiliates, and we receive an opinion of counsel regarding

---

**Table of Contents**

limited liability and tax matters. Any removal of our general partner is also subject to the approval of a successor general partner by the vote of a unit majority. The ownership of more than 33 1/3% of the combined number of outstanding common units and Series A Preferred units (on an as-converted basis at the applicable conversion ratio) by our general partner and its affiliates would give them the practical ability to prevent our general partner's removal. As of September 30, 2017, our general partner and its affiliates (excluding officers and directors of our general partner or MPC) collectively owned approximately 27.0% of the combined number of outstanding common units and Series A Preferred units (on an as-converted basis at the then-applicable Series A conversion rate).

The Partnership Agreement also provides that if our general partner is removed as our general partner under circumstances where cause does not exist and units held by our general partner and its affiliates are not voted in favor of that removal, our general partner will have the right to convert its general partner interest and its incentive distribution rights into common units or to receive cash in exchange for those interests based on the fair market value of those interests as of the effective date of its removal.

In the event of removal of our general partner under circumstances where cause exists or withdrawal of our general partner where that withdrawal violates the Partnership Agreement, a successor general partner will have the option to purchase the general partner interest and incentive distribution rights of the departing general partner for a cash payment equal to the fair market value of those interests. Under all other circumstances where our general partner withdraws or is removed by the limited partners, the departing general partner will have the option to require the successor general partner to purchase the general partner interest of the departing general partner and its incentive distribution rights for fair market value. In each case, this fair market value will be determined by agreement between the departing general partner and the successor general partner. If no agreement is reached, an independent investment banking firm or other independent expert selected by the departing general partner and the successor general partner will determine the fair market value. Or, if the departing general partner and the successor general partner cannot agree upon an expert, then an expert chosen by agreement of the experts selected by each of them will determine the fair market value.

If the option described above is not exercised by either the departing general partner or the successor general partner, the departing general partner will become a limited partner and its general partner interest and its incentive distribution rights will automatically convert into common units pursuant to a valuation of those interests as determined by an investment banking firm or other independent expert selected in the manner described in the preceding paragraph.

In addition, we will be required to reimburse the departing general partner for all amounts due the departing general partner, including, without limitation, all employee-related liabilities, including severance liabilities, incurred for the termination of any employees employed by the departing general partner or its affiliates for our benefit.

**Transfer of General Partner Interest**

Except for transfer by our general partner of all, but not less than all, of its general partner interest to (1) an affiliate of our general partner (other than an individual), or (2) another entity as part of the merger or consolidation of our general partner with or into such entity or the transfer by our general partner of all or substantially all of its assets to such entity, our general partner may not transfer all or any part of its general partner interest to another person prior to December 31, 2022 without the approval of the holders of at least a majority of the outstanding common units and Series A Preferred units, voting together as a single class (with the Series A Preferred units voting on an as-converted basis at the then-applicable Series A conversion rate), excluding common units held by our general partner and its affiliates. As a condition of this transfer, the transferee must assume, among other things, the rights and duties of our general partner, agree to be bound by the provisions of the Partnership Agreement, and furnish an opinion of counsel



regarding limited liability and tax matters.

- 30 -

## **Table of Contents**

Our general partner and its affiliates may at any time transfer common units to one or more persons, without unitholder approval.

### **Transfer of Ownership Interests in our General Partner**

At any time, MPC and its affiliates may sell or transfer all or part of their membership interest in our general partner, or their membership interests in MPC Investment LLC, the sole member of our general partner, to an affiliate or third party without the approval of our unitholders.

### **Transfer of Incentive Distribution Rights**

At any time, our general partner may sell or transfer its incentive distribution rights to an affiliate or third party without the approval of the unitholders.

### **Change of Management Provisions**

The Partnership Agreement contains specific provisions that are intended to discourage a person or group from attempting to remove MPLX GP LLC as our general partner or otherwise change our management. If any person or group other than our general partner and its affiliates acquires beneficial ownership of 20.0% or more of any class of units, that person or group loses voting rights on all of its units, and such units will not be considered to be outstanding for purposes of calling a meeting of our limited partners. The provisions do not apply to any person or group that acquires the units from our general partner or its affiliates and any transferees of that person or group who are notified by our general partner that they will not lose their voting rights or to any person or group who acquires the units with the prior approval of the board of directors of our general partner. In addition, the provisions do not apply to the purchasers of the Series A Preferred units with respect to their ownership of the Series A Preferred units or common units into which the Series A Preferred units are converted. Please read [Withdrawal or Removal of our General Partner](#).

### **Limited Call Right**

If at any time our general partner and its affiliates own more than 85.0% of the then-issued and outstanding limited partner interests of any class, our general partner will have the right, which it may assign in whole or in part to any of its affiliates or to us, to acquire all, but not less than all, of the limited partner interests (but excluding the Series A Preferred Units) of such class held by unaffiliated persons as of a record date to be selected by our general partner, on at least 10, but not more than 60, days' written notice.

The purchase price in the event of this purchase is the greater of:

the highest cash price paid by either our general partner or any of its affiliates for any limited partner interests of the class purchased within the 90 days preceding the date on which our general partner first mails notice of its election to purchase those limited partner interests; and

the current market price calculated in accordance with the Partnership Agreement as of the date three business days before the date the notice is mailed.

As a result of our general partner's right to purchase outstanding limited partner interests, a holder of limited partner interests may have his limited partner interests purchased at a price that may be lower than market prices at various times prior to such purchase or lower than a unitholder may anticipate the market price to be in the future. The tax consequences to a unitholder of the exercise of this call right are the same as a sale by that unitholder of his common units in the market. Please read "Material U.S. Federal Income Tax Consequences - Disposition of Common Units."

## **Table of Contents**

### **Redemption of Ineligible Holders**

In order to avoid any material adverse effect on the maximum applicable rates that can be charged to customers by our subsidiaries on assets that are subject to rate regulation by FERC or analogous regulatory body, the general partner at any time can request a transferee or a unitholder to certify or re-certify:

that the transferee or unitholder is an individual or an entity subject to U.S. federal income taxation on the income generated by us; or

that, if the transferee unitholder is an entity not subject to U.S. federal income taxation on the income generated by us, as in the case, for example, of a mutual fund taxed as a regulated investment company or a partnership, all the entity's owners are subject to U.S. federal income taxation on the income generated by us.

Furthermore, in order to avoid a substantial risk of cancellation or forfeiture of any property, including any governmental permit, endorsement or other authorization, in which we have an interest as the result of any federal, state or local law or regulation concerning the nationality, citizenship or other related status of any unitholder, our general partner may at any time request unitholders to certify as to, or provide other information with respect to, their nationality, citizenship or other related status.

The certifications as to taxpayer status and nationality, citizenship or other related status can be changed in any manner our general partner determines is necessary or appropriate to implement its original purpose.

If a unitholder fails to furnish the certification or other requested information within 30 days or if our general partner determines, with the advice of counsel, upon review of such certification or other information that a unitholder does not meet the status set forth in the certification, we will have the right to redeem all of the units held by such unitholder at the market price as of the date three days before the date the notice of redemption is mailed.

The purchase price will be paid in cash or by delivery of a promissory note, as determined by our general partner. Any such promissory note will bear interest at the rate of 5.0% annually and be payable in three equal annual installments of principal and accrued interest, commencing one year after the redemption date. Further, the units will not be entitled to any allocations of income or loss, distributions or voting rights while held by such unitholder.

### **Meetings; Voting**

Except as described below regarding a person or group owning 20.0% or more of any class of units then outstanding, record holders of units on the record date will be entitled to notice of, and to vote at, meetings of our limited partners and to act upon matters for which approvals may be solicited.

Any action that is required or permitted to be taken by the unitholders may be taken either at a meeting of the unitholders or, if authorized by our general partner, without a meeting if consents in writing describing the action so taken are signed by holders of the number of units that would be necessary to authorize or take that action at a meeting where all limited partners were present and voted. Meetings of the unitholders may be called by our general partner or by unitholders owning at least 20.0% of the outstanding units of the class for which a meeting is proposed.

Unitholders may vote either in person or by proxy at meetings. The holders of a majority of the outstanding units of the class or classes for which a meeting has been called, represented in person or by proxy, will constitute a quorum unless any action by the unitholders requires approval by holders of a greater percentage of the units, in which case

the quorum will be the greater percentage. The units representing the general partner interest are units for distribution and allocation purposes, but do not entitle our general partner to any vote other than its rights as general partner under the Partnership Agreement, will not be entitled to vote on any action required or permitted to be taken by the unitholders and will not count toward or be considered outstanding when calculating required votes, determining the presence of a quorum, or for similar purposes.

---

## **Table of Contents**

If at any time any person or group (other than our general partner and its affiliates, a direct transferee of our general partner and its affiliates, a transferee of such direct transferee who is notified by our general partner that it will not lose its voting rights, any other person or group who acquires an interest with the prior approval of the board of directors of our general partner, or the purchasers of the Series A Preferred units with respect to the Series A Preferred units or the common units into which the Series A Preferred units are convertible) acquires, in the aggregate, beneficial ownership of 20.0% or more of any class of units then outstanding, that person or group will lose voting rights on all of its units and the units may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, determining the presence of a quorum, or for other similar purposes. Common units held in nominee or street name account will be voted by the broker or other nominee in accordance with the instruction of the beneficial owner unless the arrangement between the beneficial owner and its nominee provides otherwise. Any notice, demand, request, report or proxy material required or permitted to be given or made to record holders of common units under the Partnership Agreement will be delivered to the record holder by us or by the transfer agent.

### **Status as a Limited Partner**

By transfer of common units in accordance with the Partnership Agreement, each transferee of common units shall be admitted as a limited partner with respect to the limited partner interest transferred when such transfer and admission is reflected in our register. Except as described under Limited Liability, all limited partner interests issued will be fully paid, and unitholders will not be required to make additional contributions.

### **Indemnification**

Under the Partnership Agreement, in most circumstances, we will indemnify the following persons, to the fullest extent permitted by law, from and against all losses, claims, damages or similar events:

our general partner;

any departing general partner;

any person who is or was an affiliate of our general partner or any departing general partner;

any person who is or was a director, officer, managing member, manager, general partner, fiduciary or trustee of us or our subsidiaries, or any entity set forth in the preceding three bullet points;

any person who is or was serving as director, officer, managing member, manager, general partner, fiduciary or trustee of another person owing a fiduciary duty to us or any of our subsidiaries at the request of our general partner or any departing general partner or any of their affiliates; and

any person designated by our general partner because such person's status, service or relationship expose such person to claims or suits relating to our business and affairs.

Any indemnification under these provisions will only be out of our assets. Unless it otherwise agrees, our general partner will not be personally liable for, or have any obligation to contribute or lend funds or assets to us to enable us to effectuate, indemnification. We will purchase insurance against liabilities asserted against and expenses incurred by persons for our activities, regardless of whether we would have the power to indemnify the person against such liabilities under the Partnership Agreement.

### **Reimbursement of Expenses**

The Partnership Agreement requires us to reimburse our general partner for all direct and indirect expenses it incurs or payments it makes on our behalf and all other expenses allocable to us or otherwise incurred by our general partner in connection with operating our business. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for us or on our behalf and expenses allocated to our general partner by its affiliates. Our general partner is entitled to determine in good faith the expenses that are allocable to us.

## **Table of Contents**

### **Books and Reports**

Our general partner is required to keep appropriate books of our business at our principal offices. The books will be maintained for financial reporting purposes on an accrual basis. For fiscal and tax reporting purposes, our fiscal year is the calendar year.

We will mail or make available to each record holder of a unit, within 105 days after the close of each fiscal year, an annual report containing audited financial statements and a report on those financial statements by our independent public accountants. Except for our fourth quarter, we will also mail or make available summary financial information within 50 days after the close of each quarter.

We will furnish each record holder of a unit with information reasonably required for tax reporting purposes within 90 days after the close of each calendar year. This information is expected to be furnished in summary form so that some complex calculations normally required of partners can be avoided. Our ability to furnish this summary information to unitholders will depend on the cooperation of unitholders in supplying us with specific information. Every unitholder will receive information to assist him in determining its federal and state tax liability and filing its federal and state income tax returns, regardless of whether he supplies us with information.

### **Right to Inspect our Books and Records**

The Partnership Agreement provides that a limited partner can, for a purpose reasonably related to its interest as a limited partner, upon reasonable written demand stating the purpose of such demand and at its own expense, have furnished to him:

a current list of the name and last known address of each record holder;

copies of the Partnership Agreement and our certificate of limited partnership and all amendments thereto;  
and

certain information regarding the status of our business and financial condition.

Our general partner may, and intends to, keep confidential from the limited partners trade secrets or other information the disclosure of which our general partner determines is not in our best interests or that we are required by law or by agreements with third parties to keep confidential. The Partnership Agreement limits the right to information that a limited partner would otherwise have under Delaware law.

### **General Partner Registration Rights**

Under the Partnership Agreement, we have agreed to register for resale under the Securities Act and applicable state securities laws any common units or other partnership interests proposed to be sold by our general partner or any of its affiliates, other than individuals, or their assignees if an exemption from the registration requirements is not otherwise available. These registration rights continue for two years following any withdrawal or removal of MPLX GP LLC as our general partner. We are obligated to pay all expenses incidental to the registration, excluding underwriting discounts and commissions.



**Exclusive Forum**

The Partnership Agreement will provide that the Court of Chancery of the State of Delaware shall be the exclusive forum for any claims, suits, actions or proceedings (i) arising out of or relating in any way to the Partnership Agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of the Partnership Agreement or the duties, obligations or liabilities among our partners, or obligations or liabilities of our partners to us, or the rights or powers of, or restrictions on, our partners or us), (ii) brought in a derivative manner on our behalf, (iii) asserting a claim of breach of a duty owed by any of our, or our general partner s, directors, officers, or other employees, or owed by our general partner, to us or our partners, (iv) asserting a

**Table of Contents**

claim against us arising pursuant to any provision of the Delaware Act or (v) asserting a claim against us governed by the internal affairs doctrine. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation or similar governing documents have been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in the Partnership Agreement to be inapplicable or unenforceable in such action.

---

**Table of Contents****MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES**

This section is a summary of certain of the material U.S. federal income tax considerations that may be relevant to prospective common unitholders who are individual citizens or residents of the U.S. and, unless otherwise noted in the following discussion, is the opinion of Jones Day, counsel to our general partner and us, insofar as it relates to legal conclusions with respect to matters of U.S. federal income tax law. This section is based upon current provisions of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), existing and proposed Treasury regulations promulgated under the Internal Revenue Code (the Treasury Regulations) and current administrative rulings and court decisions, all of which are subject to change, possibly with retroactive effect. Later changes in these authorities may cause the tax consequences to vary substantially from the consequences described below. Unless the context otherwise requires, references in this section to us or we are references to MPLX LP and our operating subsidiaries and references in this section to units or unitholders are references to only our common units and common unitholders.

The following discussion does not comment on all U.S. federal income tax matters affecting us or our common unitholders. Moreover, the discussion focuses on common unitholders who are individual citizens or residents of the U.S. and has only limited application to corporations, estates, entities treated as partnerships for U.S. federal income tax purposes, trusts, nonresident aliens, U.S. expatriates and former citizens or long-term residents of the United States or other common unitholders subject to specialized tax treatment, such as banks, insurance companies and other financial institutions, tax-exempt institutions, foreign persons (including, without limitation, controlled foreign corporations, passive foreign investment companies and non-U.S. persons eligible for the benefits of an applicable income tax treaty with the United States), IRAs, real estate investment trusts (REITs) or mutual funds, dealers in securities or currencies, traders in securities, U.S. persons whose functional currency is not the U.S. dollar, persons holding their units as part of a straddle, hedge, conversion transaction or other risk reduction transaction, and persons deemed to sell their units under the constructive sale provisions of the Internal Revenue Code. In addition, the discussion only comments to a limited extent on state, local and foreign tax consequences. Accordingly, we encourage each prospective unitholder to consult his or her own tax advisor in analyzing the state, local and foreign tax consequences particular to him or her of the ownership or disposition of common units and potential changes in applicable tax laws.

The Internal Revenue Service, which we refer to as the IRS, has issued us private letter rulings confirming that a portion of our operations generates qualifying income under Section 7704 of the Internal Revenue Code. Otherwise, the IRS has made no determination as to our status or the status of our operating subsidiaries for U.S. federal income tax purposes or whether our operations generate qualifying income under Section 7704 of the Internal Revenue Code. Instead, we will rely on opinions of Jones Day. Unlike a ruling, an opinion of counsel represents only that counsel's best legal judgment and does not bind the IRS or the courts. Accordingly, the opinions and statements made herein may not be sustained by a court if contested by the IRS. Any contest of this sort with the IRS may materially and adversely impact the market for the common units and the prices at which common units trade. In addition, the costs of any contest with the IRS, principally legal, accounting and related fees, will result in a reduction in cash available for distribution to our common unitholders and our general partner and thus will be borne indirectly by our common unitholders and our general partner. Furthermore, the tax treatment of us, or of an investment in us, may be significantly modified by future legislative or administrative changes or court decisions. Any modifications may or may not be retroactively applied.

All statements as to matters of U.S. federal income tax law and legal conclusions with respect thereto, but not as to factual matters, contained in this section, unless otherwise noted, are the opinion of Jones Day and are based on the accuracy of the representations made by us.

For the reasons described below, Jones Day has not rendered an opinion with respect to the following specific U.S. federal income tax issues: (i) the treatment of a unitholder whose common units are loaned to a short seller to cover a short sale of common units (please read Tax Consequences of Unit Ownership Treatment of Short Sales ); (ii) whether our monthly convention for allocating taxable income and losses is permitted by

---

**Table of Contents**

existing Treasury Regulations (please read [Disposition of Common Units Allocations Between Transferors and Transferees](#) ); and (iii) whether our method for taking into account Section 743 adjustments is sustainable in certain cases (please read [Tax Consequences of Unit Ownership Section 754 Election](#) and [Disposition of Common Units Uniformity of Units](#) ).

**Partnership Status**

A partnership is not a taxable entity and incurs no U.S. federal income tax liability. Instead, each partner of a partnership is required to take into account his or her share of items of income, gain, loss and deduction of the partnership in computing his or her U.S. federal income tax liability, regardless of whether cash distributions are made to him or her by the partnership. Distributions by a partnership to a partner are generally not taxable to the partnership or the partner unless the amount of cash distributed to him or her is in excess of the partner's adjusted tax basis in his or her partnership interest. Section 7704 of the Internal Revenue Code provides that publicly traded partnerships will, as a general rule, be taxed as corporations. However, an exception, referred to as the [Qualifying Income Exception](#), exists with respect to publicly traded partnerships of which 90.0% or more of the gross income for every taxable year consists of [qualifying income](#). [Qualifying income](#) includes income and gains derived from the transportation, processing, storage and marketing of crude oil, natural gas and products thereof. Other types of [qualifying income](#) include interest (other than from a financial business), dividends, gains from the sale of real property and gains from the sale or other disposition of capital assets held for the production of income that otherwise constitutes [qualifying income](#). We estimate that less than 2.0% of our current gross income on a pro forma basis is not [qualifying income](#); however, this estimate could change from time to time. Based upon and subject to this estimate, the factual representations made by us and our general partner and a review of the applicable legal authorities, Jones Day is of the opinion that at least 90.0% of our current gross income constitutes [qualifying income](#). The portion of our income that is [qualifying income](#) may change from time to time.

The IRS has issued us private letter rulings confirming that a portion of our operations generates [qualifying income](#) under Section 7704 of the Internal Revenue Code. Otherwise, the IRS has made no determination as to our status or the status of our operating subsidiaries for U.S. federal income tax purposes or whether our operations generate [qualifying income](#) under Section 7704 of the Internal Revenue Code. Instead, we will rely on the opinion of Jones Day on such matters. It is the opinion of Jones Day that, based upon the Internal Revenue Code, its regulations, published revenue rulings and court decisions, on our private letter ruling, and on the representations described below that:

We will be classified as a partnership for U.S. federal income tax purposes; and

Each of our operating subsidiaries will be treated as a partnership or will be disregarded as an entity separate from us for U.S. federal income tax purposes.

In rendering its opinion, Jones Day has relied on factual representations made by us and our general partner. The representations made by us and our general partner upon which Jones Day has relied include:

Neither we nor any of the operating subsidiaries has elected or will elect to be treated as a corporation; and

Edgar Filing: MPLX LP - Form 424B5

For each taxable year, more than 90.0% of our gross income has been and will be income of the type that Jones Day has opined or will opine is qualifying income within the meaning of Section 7704(d) of the Internal Revenue Code.

We believe that these representations have been true in the past and expect that these representations will continue to be true in the future.

If we fail to meet the Qualifying Income Exception, other than a failure that is determined by the IRS to be inadvertent and that is cured within a reasonable time after discovery (in which case the IRS may also require us

- 37 -

---

## **Table of Contents**

to make adjustments with respect to our unitholders or pay other amounts), we will be treated as if we had transferred all of our assets, subject to liabilities, to a newly formed corporation, on the first day of the year in which we fail to meet the Qualifying Income Exception, in return for stock in that corporation, and then distributed that stock to the unitholders in liquidation of their interests in us. This deemed contribution and liquidation should be tax-free to unitholders and us so long as we, at that time, do not have liabilities in excess of the tax basis of our assets. Thereafter, we would be treated as a corporation for federal income tax purposes.

If we were treated as a corporation for U.S. federal income tax purposes in any taxable year, either as a result of a failure to meet the Qualifying Income Exception or otherwise, our items of income, gain, loss and deduction would be reflected only on our corporate income tax return rather than being passed through to our unitholders, and our net income would be taxed to us at corporate rates. In addition, any distribution made to a unitholder would be treated as taxable dividend income, to the extent of our current and accumulated earnings and profits, or, in the absence of earnings and profits, a nontaxable return of capital, to the extent of the unitholder's tax basis in his or her common units, or taxable capital gain, after the unitholder's tax basis in his or her common units is reduced to zero. Accordingly, taxation as a corporation would result in a material reduction in any unitholder's cash flow and after-tax return and thus would likely result in a substantial reduction of the value of the units.

**The discussion below is based on Jones Day's opinion that we will be classified as a partnership for U.S. federal income tax purposes.**

### **Limited Partner Status**

Unitholders of MPLX LP will be treated as partners of MPLX LP for U.S. federal income tax purposes. Also, unitholders whose common units are held in street name or by a nominee and who have the right to direct the nominee in the exercise of all substantive rights attendant to the ownership of their common units will be treated as partners of MPLX LP for U.S. federal income tax purposes.

A beneficial owner of common units whose units have been transferred to a short seller to complete a short sale would appear to lose his or her status as a partner with respect to those units for U.S. federal income tax purposes. Please read "Tax Consequences of Unit Ownership" Treatment of Short Sales.

Income, gain, deductions or losses would not appear to be reportable by any unitholder who is not a partner for U.S. federal income tax purposes, and any cash distributions received by any unitholder who is not a partner for U.S. federal income tax purposes would therefore appear to be fully taxable as ordinary income. These holders are urged to consult their tax advisors with respect to their tax consequences of holding common units in MPLX LP. The references to unitholders in the discussion that follows are to persons who are treated as partners in MPLX LP for U.S. federal income tax purposes.

### **Tax Consequences of Unit Ownership**

#### *Flow-Through of Taxable Income*

Subject to the discussion below under "Tax Consequences of Unit Ownership" Entity-Level Collections we will not pay any U.S. federal income tax. Instead, each unitholder will be required to report on his or her income tax return his or her share of our income, gains, losses and deductions without regard to whether we make cash distributions to him or her. Consequently, we may allocate income to a unitholder even if he or she has not received a cash distribution. Each unitholder will be required to include in income his or her allocable share of our income, gains, losses and deductions for our taxable year ending with or within his or her taxable year. Our taxable year ends on December 31.





**Table of Contents***Treatment of Distributions*

Distributions by us to any unitholder generally will not be taxable to the unitholder for U.S. federal income tax purposes, except to the extent that the amount of any such cash distribution exceeds his or her tax basis in his or her common units immediately before the distribution. Our cash distributions in excess of any unitholder's tax basis generally will be considered to be gain from the sale or exchange of the common units, taxable in accordance with the rules described under *Disposition of Common Units*. Any reduction in any unitholder's share of our liabilities for which no partner, including the general partner, bears the economic risk of loss, known as nonrecourse liabilities, will be treated as a distribution by us of cash to that unitholder. To the extent that our distributions cause any unitholder's at-risk amount to be less than zero at the end of any taxable year, he or she must recapture any losses deducted in previous years. Please read *Tax Consequences of Unit Ownership* *Limitations on Deductibility of Losses*.

A decrease in any unitholder's percentage interest in us because of our issuance of additional common units will decrease his or her share of our nonrecourse liabilities, and thus will result in a corresponding deemed distribution of cash. This deemed distribution may constitute a non-pro rata distribution. A non-pro rata distribution of money or property may result in ordinary income to any unitholder, regardless of his or her tax basis in his or her common units, if the distribution reduces the unitholder's share of our unrealized receivables, including depreciation recapture and/or substantially appreciated inventory items, each as defined in the Internal Revenue Code, and collectively, Section 751 Assets. To that extent, the unitholder will be treated as having been distributed his or her proportionate share of the Section 751 Assets and then having exchanged those assets with us in return for the non-pro rata portion of the actual distribution made to him. This latter deemed exchange will generally result in the unitholder's realization of ordinary income, which will equal the excess of (i) the non-pro rata portion of that distribution over (ii) the unitholder's tax basis (often zero) for the share of Section 751 Assets deemed relinquished in the exchange.

*Tax Basis of Common Units*

A unitholder's initial tax basis for his or her common units will be the amount he or she paid for the common units plus his or her share of our nonrecourse liabilities. That tax basis will be increased by his or her share of our income and by any increases in his or her share of our nonrecourse liabilities. That tax basis will be decreased, but not below zero, by distributions from us, by the unitholder's share of our losses, by any decreases in his or her share of our nonrecourse liabilities and by his or her share of our expenditures that are not deductible in computing taxable income and are not required to be capitalized. A unitholder will have no share of our debt that is recourse to our general partner to the extent of the general partner's net value as defined in regulations under Section 752 of the Internal Revenue Code, but will have a share, generally based on his or her share of profits, of our nonrecourse liabilities. Please read *Disposition of Common Units* *Recognition of Gain or Loss*.

*Limitations on Deductibility of Losses*

The deduction by any unitholder of his or her share of our losses will be limited to the tax basis in his or her units and, in the case of an individual unitholder, any unitholder that is an estate or trust, or a corporate unitholder (if more than 50.0% of the value of the corporate unitholder's stock is owned directly or indirectly by or for five or fewer individuals or some tax-exempt organizations) to the amount for which the unitholder is considered to be at risk with respect to our activities, if that is less than his or her tax basis. A unitholder subject to these limitations must recapture losses deducted in previous years to the extent that distributions cause his or her at-risk amount to be less than zero at the end of any taxable year. Losses disallowed to any unitholder or recaptured as a result of these limitations will carry forward and will be allowable as a deduction to the extent that his or her at-risk amount is subsequently increased, provided such losses do not exceed such unitholder's tax basis in his or her common units. Upon the taxable disposition of a unit, any gain recognized by any unitholder can be offset by losses that were previously suspended by

the at-risk limitation but may not be offset by losses suspended by the tax basis limitation. Any loss previously suspended by the at-risk limitation in excess of that gain would no longer be utilizable.

---

**Table of Contents**

In general, any unitholder will be at risk to the extent of the tax basis of his or her units, excluding any portion of that tax basis attributable to his or her share of our nonrecourse liabilities, reduced by (i) any portion of that tax basis representing amounts otherwise protected against loss because of a guarantee, stop loss agreement or other similar arrangement and (ii) any amount of money he or she borrows to acquire or hold his or her units, if the lender of those borrowed funds owns an interest in us, is related to the unitholder or can look only to the units for repayment. A unitholder's at-risk amount will increase or decrease as the tax basis of the unitholder's units increases or decreases, other than tax basis increases or decreases attributable to increases or decreases in his or her share of our nonrecourse liabilities.

In addition to the tax basis and at-risk limitations on the deductibility of losses, the passive loss limitations generally provide that individuals, estates, trusts and some closely-held corporations and personal service corporations can deduct losses from passive activities, which are generally trade or business activities in which the taxpayer does not materially participate, only to the extent of the taxpayer's income from those passive activities. The passive loss limitations are applied separately with respect to each publicly traded partnership. Consequently, any passive losses we generate will only be available to offset our passive income generated in the future and will not be available to offset income from other passive activities or investments, including our investments or any unitholder's investments in other publicly traded partnerships, or the unitholder's salary, active business or other income. Passive losses that are not deductible because they exceed any unitholder's share of income we generate may be deducted in full when he or she disposes of his or her entire investment in us in a fully taxable transaction with an unrelated party. The passive loss limitations are applied after other applicable limitations on deductions, including the at-risk rules and the tax basis limitation.

A unitholder's share of our net income may be offset by any of our suspended passive losses, but it may not be offset by any other current or carryover losses from other passive activities, including those attributable to other publicly traded partnerships.

*Limitations on Interest Deductions*

The deductibility of a non-corporate taxpayer's investment interest expense is generally limited to the amount of that taxpayer's net investment income. Investment interest expense includes:

interest on indebtedness properly allocable to property held for investment;

our interest expense attributed to portfolio income; and

the portion of interest expense incurred to purchase or carry an interest in a passive activity to the extent attributable to portfolio income.

The computation of any unitholder's investment interest expense will take into account interest on any margin account borrowing or other loan incurred to purchase or carry a unit. Net investment income includes gross income from property held for investment and amounts treated as portfolio income under the passive loss rules, less deductible expenses, other than interest, directly connected with the production of investment income, but generally does not include gains attributable to the disposition of property held for investment or (if applicable) qualified dividend income. The IRS has indicated that the net passive income earned by a publicly traded partnership will be treated as investment income to its unitholders. In addition, the unitholders' share of our portfolio income will be treated as

investment income.

*Entity-Level Collections*

If we are required or elect under applicable law to pay any federal, state, local or foreign income tax on behalf of any unitholder or our general partner or any former unitholder, we are authorized to pay those taxes from our funds. That payment, if made, will be treated as a distribution of cash to the unitholder on whose behalf the payment was made. If the payment is made on behalf of a person whose identity cannot be determined, we are

---

**Table of Contents**

authorized to treat the payment as a distribution to all current unitholders. We are authorized to amend the Partnership Agreement in the manner necessary to maintain uniformity of intrinsic tax characteristics of units and to adjust later distributions, so that after giving effect to these distributions, the priority and characterization of distributions otherwise applicable under the Partnership Agreement is maintained as nearly as is practicable. Payments by us as described above could give rise to an overpayment of tax on behalf of an individual unitholder in which event the unitholder would be required to file a claim in order to obtain a credit or refund.

*Allocation of Income, Gain, Loss and Deduction*

In general, if we have a net profit, our items of income, gain, loss and deduction will be allocated among our general partner and the unitholders in accordance with their percentage interests in us. At any time that incentive distributions are made to our general partner, gross income will be allocated to our general partner to the extent of these distributions. If we have a net loss, that loss will be allocated first to our general partner and the unitholders in accordance with their percentage interests in us to the extent of their positive capital accounts and, second, to our general partner.

Specified items of our income, gain, loss and deduction will be allocated to account for (i) any difference between the tax basis and fair market value of our assets at the time of an offering and (ii) any difference between the tax basis and fair market value of any property contributed to us by the general partner and its affiliates (or by a third party) that exists at the time of such contribution, together referred to in this discussion as the Contributed Property. The effect of these allocations, referred to as Section 704(c) Allocations, to any unitholder purchasing common units in an offering of securities hereunder will be essentially the same as if the tax bases of our assets were equal to their fair market values at the time of an offering of securities hereunder. In the event we issue additional common units or engage in certain other transactions in the future, reverse Section 704(c) Allocations, similar to the Section 704(c) Allocations described above, will be made to the general partner and all of our unitholders immediately prior to such issuance or other transactions to account for the difference between the book basis for purposes of maintaining capital accounts and the fair market value of all property held by us at the time of such issuance or future transaction. In addition, items of recapture income will be allocated to the extent possible to the unitholder who was allocated the deduction giving rise to the treatment of that gain as recapture income in order to minimize the recognition of ordinary income by some unitholders. Finally, although we do not expect that our operations will result in the creation of negative capital accounts, if negative capital accounts nevertheless result, items of our income and gain will be allocated in an amount and manner sufficient to eliminate the negative balance as quickly as possible.

An allocation of items of our income, gain, loss or deduction, other than an allocation required by the Internal Revenue Code to eliminate the difference between a partner's book capital account, credited with the fair market value of Contributed Property, and tax capital account, credited with the tax basis of Contributed Property, referred to in this discussion as the Book-Tax Disparity, will generally be given effect for U.S. federal income tax purposes in determining a partner's share of an item of income, gain, loss or deduction only if the allocation has substantial economic effect. In any other case, a partner's share of an item will be determined on the basis of his or her interest in us, which will be determined by taking into account all the facts and circumstances, including:

his or her relative contributions to us;

the interests of all the partners in profits and losses;

the interest of all the partners in cash flow; and

the rights of all the partners to distributions of capital upon liquidation.

Jones Day is of the opinion that, with the exception of the issues described in Tax Consequences of Unit Ownership Section 754 Election and Disposition of Common Units Allocations Between Transferors

- 41 -

---

**Table of Contents**

and Transferees, allocations under the Partnership Agreement will be given effect for U.S. federal income tax purposes in determining a partner's share of an item of income, gain, loss or deduction.

*Treatment of Short Sales*

A unitholder whose units are loaned to a short seller to cover a short sale of units may be considered as having disposed of those units. If so, he or she would no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and may recognize gain or loss from the disposition. As a result, during this period:

any of our income, gain, loss or deduction with respect to those units would not be reportable by the unitholder;

any cash distributions received by the unitholder as to those units would be fully taxable; and

while not entirely free from doubt, all of these distributions would appear to be ordinary income.

Because there is no direct or indirect controlling authority on the issue relating to partnership interests, Jones Day has not rendered an opinion regarding the tax treatment of any unitholder whose common units are loaned to a short seller to cover a short sale of common units; therefore, unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a loan to a short seller are urged to consult a tax advisor to discuss whether it is advisable to modify any applicable brokerage account agreements to prohibit their brokers from borrowing and loaning their units. The IRS has previously announced that it is studying issues relating to the tax treatment of short sales of partnership interests. Please also read *Disposition of Common Units Recognition of Gain or Loss*.

*Alternative Minimum Tax*

Each unitholder will be required to take into account his or her distributive share of any items of our income, gain, loss or deduction for purposes of the alternative minimum tax. The current minimum tax rate for noncorporate taxpayers is 26.0% on the first \$175,000 (as adjusted for inflation under the Code) of alternative minimum taxable income in excess of the exemption amount and 28.0% on any additional alternative minimum taxable income. Prospective unitholders are urged to consult with their tax advisors as to the impact of an investment in units on their liability for the alternative minimum tax.

*Tax Rates*

Under current law, the highest marginal U.S. federal income tax rate applicable to ordinary income of individuals is 39.6% and the highest marginal U.S. federal income tax rate applicable to long-term capital gains (generally, capital gains on certain assets held for more than 12 months) of individuals is 20.0%. Such rates are subject to change by new legislation at any time.

An additional 3.8% Medicare tax is imposed on certain net investment income earned by individuals, estates and trusts. For these purposes, net investment income generally includes any unitholder's allocable share of our income and gain realized by any unitholder from a sale of units. In the case of an individual, the tax will be imposed on the lesser of (1) the unitholder's net investment income and (2) the amount by which the unitholder's modified adjusted gross income exceeds \$250,000 (if the unitholder is married and filing jointly or a surviving spouse), \$125,000 (if the

unitholder is married and filing separately) or \$200,000 (in any other case). In the case of an estate or trust, the tax will be imposed on the lesser of (1) undistributed net investment income and (2) the excess of adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins.



---

**Table of Contents***Section 754 Election*

We have made the election permitted by Section 754 of the Internal Revenue Code. That election is irrevocable without the consent of the IRS unless there is a constructive termination of the partnership. Please read [Disposition of Common Units](#) [Constructive Termination](#). The election will generally permit us to adjust a common unit purchaser's tax basis in our assets ( [inside basis](#) ) under Section 743(b) of the Internal Revenue Code to reflect his or her purchase price. This election does not apply with respect to a person who purchases common units directly from us. The Section 743(b) adjustment belongs to the purchaser and not to other unitholders. For purposes of this discussion, the inside basis in our assets with respect to any unitholder will be considered to have two components: (i) his or her share of our tax basis in our assets ( [common basis](#) ) and (ii) his or her Section 743(b) adjustment to that basis.

We have adopted the remedial allocation method as to all our properties. Where the remedial allocation method is adopted, the Treasury Regulations under Section 743 of the Internal Revenue Code require a portion of the Section 743(b) adjustment that is attributable to recovery property that is subject to depreciation under Section 168 of the Internal Revenue Code and whose book basis is in excess of its tax basis to be depreciated over the remaining cost recovery period for the property's unamortized Book-Tax Disparity. Under Treasury Regulation Section 1.167(c)-1(a)(6), a Section 743(b) adjustment attributable to property subject to depreciation under Section 167 of the Internal Revenue Code, rather than cost recovery deductions under Section 168, is generally required to be depreciated using either the straight-line method or the 150.0% declining balance method. Under the Partnership Agreement, our general partner is authorized to take a position to preserve the uniformity of units even if that position is not consistent with these and any other Treasury Regulations. Please read [Disposition of Common Units](#) [Uniformity of Units](#).

We are depreciating the portion of a Section 743(b) adjustment attributable to unrealized appreciation in the value of Contributed Property, to the extent of any unamortized Book-Tax Disparity, using a rate of depreciation or amortization derived from the depreciation or amortization method and useful life applied to the property's unamortized Book-Tax Disparity, or treating that portion as non-amortizable to the extent attributable to property which is not amortizable. This method is consistent with the methods employed by other publicly traded partnerships but is arguably inconsistent with Treasury Regulation Section 1.167(c)-1(a)(6), which does not directly apply to a material portion of our assets. To the extent that this Section 743(b) adjustment is attributable to appreciation in value in excess of the unamortized Book-Tax Disparity, we have applied (and expect to continue to apply) the rules described in the Treasury Regulations and legislative history. If we determine that this position cannot reasonably be taken, we may take a depreciation or amortization position under which all purchasers acquiring units in the same month would receive depreciation or amortization, whether attributable to common basis or a Section 743(b) adjustment, based upon the same applicable rate as if they had purchased a direct interest in our assets. This kind of aggregate approach may result in lower annual depreciation or amortization deductions than would otherwise be allowable to some unitholders. Please read [Disposition of Common Units](#) [Uniformity of Units](#). Any unitholder's tax basis for his or her common units is reduced by his share of our deductions (whether or not such deductions were claimed on an individual's income tax return) so that any position we take that understates deductions will overstate the unitholder's tax basis in his or her common units, which may cause the unitholder to understate gain or overstate loss on any sale of such units. Please read [Disposition of Common Units](#) [Recognition of Gain or Loss](#). Jones Day is unable to opine as to whether our method for taking into account Section 743 adjustments is sustainable for property subject to depreciation under Section 167 of the Internal Revenue Code or if we use an aggregate approach as described above, as there is no direct or indirect controlling authority addressing the validity of these positions. Moreover, the IRS may challenge our position with respect to depreciating or amortizing the Section 743(b) adjustment we take to preserve the uniformity of the units. If such a challenge were sustained, the gain from the sale of units might be increased without the benefit of additional deductions.

A Section 754 election is advantageous if the transferee's tax basis in his or her units is higher than the units' share of the aggregate tax basis of our assets immediately prior to the transfer. In that case, as a result of the

**Table of Contents**

election, the transferee would have, among other items, a greater amount of depreciation deductions and his or her share of any gain or loss on a sale of our assets would be less. Conversely, a Section 754 election is disadvantageous if the transferee's tax basis in his or her units is lower than those units' share of the aggregate tax basis of our assets immediately prior to the transfer. Thus, the fair market value of the units may be affected either favorably or unfavorably by the election. A tax basis adjustment is required regardless of whether a Section 754 election is made in the case of a transfer of an interest in us if we have a substantial built-in loss immediately after the transfer, or if we distribute property and have a substantial tax basis reduction. Generally, a built-in loss or a tax basis reduction is substantial if it exceeds \$250,000.

The calculations involved in the Section 754 election are complex and are made on the basis of assumptions as to the value of our assets and other matters. For example, the allocation of the Section 743(b) adjustment among our assets must be made in accordance with the Internal Revenue Code. The IRS could seek to reallocate some or all of any Section 743(b) adjustment allocated by us to our tangible assets to goodwill instead. Goodwill, as an intangible asset, is generally nonamortizable or amortizable over a longer period of time or under a less accelerated method than our tangible assets. We cannot assure you that the determinations we make will not be successfully challenged by the IRS and that the deductions resulting from them will not be reduced or disallowed altogether. Should the IRS require a different tax basis adjustment to be made, and should, in our opinion, the expense of compliance exceed the benefit of the election, we may seek permission from the IRS to revoke our Section 754 election. If permission is granted, a subsequent purchaser of units may be allocated more income than he or she would have been allocated had the election not been revoked.

**Tax Treatment of Operations***Accounting Method and Taxable Year*

We use the year ending December 31 as our taxable year and the accrual method of accounting for U.S. federal income tax purposes. Each unitholder will be required to include in income his or her share of our income, gain, loss and deduction for our taxable year ending within or with his or her taxable year. In addition, any unitholder who has a taxable year ending on a date other than December 31 and who disposes of all of his or her units following the close of our taxable year but before the close of his or her taxable year must include his or her share of our income, gain, loss and deduction in income for his or her taxable year, with the result that he or she will be required to include in income for his or her taxable year his or her share of more than 12 months of our income, gain, loss and deduction. Please read *Disposition of Common Units Allocations Between Transferors and Transferees*.

*Initial Tax Basis, Depreciation and Amortization*

The tax basis of our assets will be used for purposes of computing depreciation and cost recovery deductions and, ultimately, gain or loss on the disposition of these assets. The U.S. federal income tax burden associated with the difference between the fair market value of our assets and their tax basis immediately prior to an offering of securities hereunder will be borne by our general partner and all of our unitholders as of that time. Please read *Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction*.

To the extent allowable, we may elect to use the depreciation and cost recovery methods, including bonus depreciation to the extent available, that will result in the largest deductions being taken in the early years after assets subject to these allowances are placed in service. Please read *Disposition of Common Units Uniformity of Units*. Property we subsequently acquire or construct may be depreciated using accelerated methods permitted by the Internal Revenue Code.

If we dispose of depreciable property by sale, foreclosure or otherwise, all or a portion of any gain, determined by reference to the amount of depreciation previously deducted and the nature of the property, may be subject to the recapture rules and taxed as ordinary income rather than capital gain. Similarly, any unitholder who has taken

---

**Table of Contents**

cost recovery or depreciation deductions with respect to property we own will likely be required to recapture some or all of those deductions as ordinary income upon a sale of his or her interest in us. Please read *Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction* and *Disposition of Common Units Recognition of Gain or Loss*.

The costs we incur in selling our units (called *syndication expenses* ) must be capitalized and cannot be deducted currently, ratably or upon our termination. There are uncertainties regarding the classification of costs as organization expenses, which may be amortized by us, and as syndication expenses, which may not be amortized by us. The underwriting discounts and commissions we incur will be treated as syndication expenses.

*Valuation and Tax Basis of Our Properties*

The U.S. federal income tax consequences of the ownership and disposition of units will depend in part on our estimates of the relative fair market values, and the initial tax bases, of our assets. Although we may from time to time consult with professional appraisers regarding valuation matters, we will make many of the relative fair market value estimates ourselves. These estimates and determinations of tax basis are subject to challenge and will not be binding on the IRS or the courts. If the estimates of fair market value or determination of tax basis are later found to be incorrect, the character and amount of items of income, gain, loss or deductions previously reported by unitholders might change, and unitholders might be required to adjust their tax liability for prior years and incur interest and penalties with respect to those adjustments.

**Disposition of Common Units**

*Recognition of Gain or Loss*

Gain or loss will be recognized on a sale of units equal to the difference between the amount realized and the unitholder's tax basis for the units sold. Any unitholder's amount realized will be measured by the sum of the cash or the fair market value of other property received by him or her plus his or her share of our nonrecourse liabilities. Because the amount realized includes any unitholder's share of our nonrecourse liabilities, the gain recognized on the sale of units could result in a tax liability in excess of any cash received from the sale.

Prior distributions from us that in the aggregate were in excess of cumulative net taxable income attributable to a common unit and, therefore, decreased any unitholder's tax basis in that common unit will, in effect, become taxable income if the common unit is sold at a price greater than the unitholder's tax basis in that common unit, even if the price received is less than his or her original cost.

Except as noted below, gain or loss recognized by any unitholder, other than a *dealer* in units, on the sale or exchange of a unit will generally be taxable as capital gain or loss. Capital gain recognized by an individual on the sale of units held for more than 12 months will generally be taxed at the U.S. federal income tax rate applicable to long-term capital gains. However, a portion of this gain or loss, which will likely be substantial, will be separately computed and taxed as ordinary income or loss under Section 751 of the Internal Revenue Code to the extent attributable to Section 751 Assets that we own. The term *unrealized receivables* includes potential recapture items, including depreciation recapture. Ordinary income attributable to unrealized receivables, inventory items and depreciation recapture may exceed net taxable gain realized upon the sale of a unit and may be recognized even if there is a net taxable loss realized on the sale of a unit. Thus, any unitholder may recognize both ordinary income and a capital loss upon a sale of units. Capital losses may offset capital gains and no more than \$3,000 of ordinary income, in the case of individuals, and may only be used to offset capital gains in the case of corporations.

The IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted tax basis for all those interests. Upon a sale or other disposition of less than all of those interests, a portion of that tax basis must be allocated to the interests sold using an

---

**Table of Contents**

equitable apportionment method, which generally means that the tax basis allocated to the interest sold equals an amount that bears the same relation to the partner's tax basis in his or her entire interest in the partnership as the value of the interest sold bears to the value of the partner's entire interest in the partnership. Treasury Regulations under Section 1223 of the Internal Revenue Code allow a selling unitholder who can identify common units transferred with an ascertainable holding period to elect to use the actual holding period of the common units transferred. Thus, according to the ruling discussed above, any unitholder will be unable to select high or low tax basis common units to sell as would be the case with corporate stock, but, according to the Treasury Regulations, he or she may designate specific common units sold for purposes of determining the holding period of units transferred. Any unitholder electing to use the actual holding period of common units transferred must consistently use that identification method for all subsequent sales or exchanges of common units. Any unitholder considering the purchase of additional units or a sale of common units purchased in separate transactions is urged to consult his or her tax advisor as to the possible consequences of this ruling and application of the Treasury Regulations.

Specific provisions of the Internal Revenue Code affect the taxation of some financial products and securities, including partnership interests, by treating a taxpayer as having sold an appreciated partnership interest, one in which gain would be recognized if it were sold, assigned or terminated at its fair market value, if the taxpayer or related persons enter(s) into:

a short sale;

an offsetting notional principal contract; or

a futures or forward contract;

in each case, with respect to the partnership interest or substantially identical property.

Moreover, if a taxpayer has previously entered into a short sale, an offsetting notional principal contract or a futures or forward contract with respect to the partnership interest, the taxpayer will be treated as having sold that position if the taxpayer or a related person then acquires the partnership interest or substantially identical property. The Secretary of the Treasury is also authorized to issue regulations that treat a taxpayer that enters into transactions or positions that have substantially the same effect as the preceding transactions as having constructively sold the financial position.

#### *Allocations Between Transferors and Transferees*

In general, our taxable income and losses will be determined for each taxable period, will be prorated on a monthly basis and will be subsequently apportioned among our unitholders in proportion to the number of units owned by each of them as of the opening of the applicable exchange on the first business day of the month, which we refer to in this prospectus as the Allocation Date. However, gain or loss realized on a sale or other disposition of our assets other than in the ordinary course of business will be allocated among our unitholders on the Allocation Date in the month in which that gain or loss is recognized. As a result, any unitholder transferring units may be allocated income, gain, loss and deduction realized after the date of transfer.

The U.S. Department of the Treasury and the IRS have issued Treasury Regulations that permit publicly traded partnerships to use a monthly simplifying convention that is similar to ours, but they do not specifically authorize all aspects of the proration method we have adopted. Accordingly, Jones Day is unable to opine on the validity of this

method of allocating income and deductions between transferor and transferee unitholders. If our method were found to be inappropriate by the IRS or a court of law, our taxable income or losses might be reallocated among the unitholders.

We are authorized to revise our method of allocation between transferor and transferee unitholders, as well as unitholders whose interests vary during a taxable year. We do not currently plan to change our method of allocation.



---

**Table of Contents**

Any unitholder who owns units at any time during a quarter and who disposes of them prior to the record date set for a cash distribution for that quarter will be allocated items of our income, gain, loss and deductions attributable to that quarter but will not be entitled to receive that cash distribution.

*Notification Requirements*

Any unitholder who sells any of his or her units is generally required to notify us in writing of that sale within 30 days after the sale (or, if earlier, January 15 of the year following the sale). A purchaser of units who purchases units from another unitholder is also generally required to notify us in writing of that purchase within 30 days after the purchase. Upon receiving such notifications, we are required to notify the IRS of that transaction and to furnish specified information to the transferor and transferee. Failure to notify us of a purchase may, in some cases, lead to the imposition of penalties. However, these reporting requirements do not apply to a sale by an individual who is a citizen of the U.S. and who effects the sale or exchange through a broker who will satisfy such requirements.

*Constructive Termination*

We will be considered to have been terminated for tax purposes if there are sales or exchanges which, in the aggregate, constitute 50.0% or more of the total interests in our capital and profits within a 12-month period. For purposes of measuring whether the 50.0% threshold is reached, multiple sales of the same interest are counted only once. A constructive termination results in the closing of our taxable year for all unitholders. In the case of any unitholder reporting on a taxable year other than a fiscal year ending December 31, the closing of our taxable year may result in more than 12 months of our taxable income or loss being includable in his or her taxable income for the year of termination. A constructive termination occurring on a date other than December 31 will result in us filing two tax returns (and unitholders could receive two Schedules K-1 if the relief discussed below is not available) for one fiscal year and the cost of the preparation of these returns will be borne by all unitholders. We would be required to make new tax elections after a termination, including a new election under Section 754 of the Internal Revenue Code, and a termination would result in a deferral of our deductions for depreciation. A termination could also result in penalties if we were unable to determine that the termination had occurred. Moreover, a termination might either accelerate the application of, or subject us to, any tax legislation enacted before the termination. The IRS has announced a publicly traded partnership technical termination relief procedure whereby if a publicly traded partnership that has technically terminated requests publicly traded partnership technical termination relief and the IRS grants such relief, among other things, the partnership will only have to provide one Schedule K-1 to unitholders for the year notwithstanding two partnership tax years.

*Uniformity of Units*

Because we cannot match transferors and transferees of units, we must maintain uniformity of the economic and tax characteristics of the units to a purchaser of these units. In the absence of uniformity, we may be unable to completely comply with a number of U.S. federal income tax requirements, both statutory and regulatory. A lack of uniformity can result from a literal application of Treasury Regulation Section 1.167(c)-1(a)(6). Any non-uniformity could have a negative impact on the value of the units. Please read *Tax Consequences of Unit Ownership* Section 754 Election. We intend to depreciate the portion of a Section 743(b) adjustment attributable to unrealized appreciation in the value of Contributed Property, to the extent of any unamortized Book-Tax Disparity, using a rate of depreciation or amortization derived from the depreciation or amortization method and useful life applied to the property's unamortized Book-Tax Disparity, or treat that portion as nonamortizable, to the extent attributable to property the common basis of which is not amortizable, consistent with the regulations under Section 743 of the Internal Revenue Code, even though that position may be inconsistent with Treasury Regulation Section 1.167(c)-1(a)(6), which is not expected to directly apply to a material portion of our assets.



**Table of Contents**

Please read **Tax Consequences of Unit Ownership Section 754 Election**. To the extent that the Section 743(b) adjustment is attributable to appreciation in value in excess of the unamortized Book-Tax Disparity, we will apply the rules described in the Treasury Regulations and legislative history. If we determine that this position cannot reasonably be taken, we may adopt a depreciation and amortization position under which all purchasers acquiring units in the same month would receive depreciation and amortization deductions, whether attributable to common basis or a Section 743(b) adjustment, based upon the same applicable rate as if they had purchased a direct interest in our assets. If this position is adopted, it may result in lower annual depreciation and amortization deductions than would otherwise be allowable to some unitholders and risk the loss of depreciation and amortization deductions not taken in the year that these deductions are otherwise allowable. This position will not be adopted if we determine that the loss of depreciation and amortization deductions will have a material adverse effect on the unitholders. If we choose not to utilize this aggregate method, we may use any other reasonable depreciation and amortization method to preserve the uniformity of the intrinsic tax characteristics of any units that would not have a material adverse effect on the unitholders. In either case, and as stated above under **Tax Consequences of Unit Ownership Section 754 Election**, Jones Day has not rendered an opinion with respect to these methods. Moreover, the IRS may challenge any method of depreciating the Section 743(b) adjustment described in this paragraph. If this challenge were sustained, the uniformity of units might be affected, and the gain from the sale of units might be increased without the benefit of additional deductions. Please read **Disposition of Common Units Recognition of Gain or Loss**.

**Tax-exempt Organizations and Other Investors**

Ownership of units by employee benefit plans, other tax-exempt organizations, non-resident aliens, foreign corporations and other foreign persons raises issues unique to those investors and, as described below to a limited extent, may have substantially adverse tax consequences to them. If you are a tax-exempt entity or a non-U.S. person, you should consult your tax advisor before investing in our common units. Employee benefit plans and most other organizations exempt from U.S. federal income tax, including individual retirement accounts and other retirement plans, are subject to U.S. federal income tax on unrelated business taxable income. Virtually all of our income allocated to any unitholder that is a tax-exempt organization will be unrelated business taxable income and will be taxable to it.

Non-resident aliens and foreign corporations, trusts or estates that own units will be considered to be engaged in business in the U.S. because of the ownership of units. As a consequence, they will be required to file U.S. federal income tax returns to report their share of our income, gain, loss or deduction and pay U.S. federal income tax at regular rates on their share of our net income or gain. Moreover, under rules applicable to publicly traded partnerships, our quarterly distribution to foreign unitholders will be subject to withholding at the highest applicable effective tax rate. Each foreign unitholder must obtain a taxpayer identification number from the IRS and submit that number to our transfer agent on a Form W-8BEN, Form W-8BEN-E or applicable substitute form in order to obtain credit for these withholding taxes. A change in applicable law may require us to change these procedures.

In addition, because a foreign corporation that owns units will be treated as engaged in a U.S. trade or business, that corporation may be subject to the U.S. branch profits tax at a rate of 30.0%, in addition to regular U.S. federal income tax, on its share of our earnings and profits, as adjusted for changes in the foreign corporation's U.S. net equity, (as defined in Section 884(c) of the Internal Revenue Code) that is effectively connected with the conduct of a U.S. trade or business. That tax may be reduced or eliminated by an income tax treaty between the U.S. and the country in which the foreign corporate unitholder is a qualified resident. In addition, this type of unitholder is subject to special information reporting requirements under Section 6038C of the Internal Revenue Code.

A foreign unitholder who sells or otherwise disposes of a common unit will be subject to U.S. federal income tax on gain realized from the sale or disposition of that unit to the extent that the gain is effectively connected with a U.S.

trade or business of the foreign unitholder. Under a ruling published by the IRS, interpreting the scope of

---

**Table of Contents**

effectively connected income, a foreign unitholder would be considered to be engaged in a trade or business in the U.S. by virtue of the U.S. activities of the partnership, and part or all of that unitholder's gain would be effectively connected with that unitholder's indirect U.S. trade or business. Moreover, under the Foreign Investment in Real Property Tax Act, a foreign unitholder generally will be subject to U.S. federal income tax upon the sale or disposition of a common unit if (i) he or she owned (directly or constructively applying certain attribution rules) more than 5.0% of our common units at any time during the five-year period ending on the date of such disposition and (ii) 50.0% or more of the fair market value of all of our assets consisted of U.S. real property interests at any time during the shorter of the period during which such unitholder held the units or the five-year period ending on the date of disposition. Currently, more than 50.0% of our assets consist of U.S. real property interests and we do not expect that to change in the foreseeable future. Therefore, foreign unitholders may be subject to U.S. federal income tax on gain from the sale or disposition of their units.

Recent changes in law may affect certain foreign unitholders. Please read [Administrative Matters](#) [Additional Withholding Requirements](#).

**Administrative Matters***Information Returns and Audit Procedures*

We intend to furnish to each unitholder, within 90 days after the close of each calendar year, specific tax information, including a Schedule K-1, which describes his or her share of our income, gain, loss and deduction for our preceding taxable year. In preparing this information, which will not be reviewed by counsel, we will take various accounting and reporting positions, some of which have been mentioned earlier, to determine each unitholder's share of income, gain, loss and deduction. We cannot assure you that those positions will yield a result that conforms to the requirements of the Internal Revenue Code, Treasury Regulations or administrative interpretations of the IRS. Neither we nor Jones Day can assure prospective unitholders that the IRS will not successfully contend in court that those positions are impermissible. Any challenge by the IRS could negatively affect the value of the units.

The IRS may audit our U.S. federal income tax returns. Adjustments resulting from an IRS audit may require each unitholder to adjust a prior year's tax liability, and possibly may result in an audit of his or her U.S. federal income tax return. Any audit of any unitholder's federal income tax return could result in adjustments not related to our U.S. federal income tax returns in addition to those related to our U.S. federal income tax returns.

Partnerships generally are treated as separate entities for purposes of federal tax audits, judicial review of administrative adjustments by the IRS and tax settlement proceedings. The tax treatment of partnership items of income, gain, loss and deduction are determined in a partnership proceeding rather than in separate proceedings with the partners. The Internal Revenue Code requires that one partner be designated as the Tax Matters Partner for these purposes. The Partnership Agreement names our general partner as our Tax Matters Partner.

The Tax Matters Partner has made and will make some elections on our behalf and on behalf of unitholders. In addition, the Tax Matters Partner can extend the statute of limitations for assessment of tax deficiencies against unitholders for items in our U.S. federal income tax returns. The Tax Matters Partner may bind any unitholder with less than a 1.0% profits interest in us to a settlement with the IRS unless that unitholder elects, by filing a statement with the IRS, not to give that authority to the Tax Matters Partner. The Tax Matters Partner may seek judicial review, by which all the unitholders are bound, of a final partnership administrative adjustment and, if the Tax Matters Partner fails to seek judicial review, judicial review may be sought by any unitholder having at least a 1.0% interest in profits or by any group of unitholders having in the aggregate at least a 5.0% interest in profits. However, only one action for judicial review will go forward, and each unitholder with an interest in the outcome may participate. The Tax Matters

Partner may select the forum for judicial review, and if the Tax Matters Partner selects the Court of Federal Claims or a District Court, rather than the Tax Court, partners may be required to pay any deficiency asserted by the IRS before judicial review is available.

## **Table of Contents**

Any unitholder must file a statement with the IRS identifying the treatment of any item on his or her U.S. federal income tax return that is not consistent with the treatment of the item on our U.S. federal income tax return. Intentional or negligent disregard of this consistency requirement may subject any unitholder to substantial penalties.

Pursuant to the Bipartisan Budget Act of 2015, if the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it may collect any resulting taxes (including any applicable penalties and interest) directly from us. We will generally have the ability to shift any such tax liability to our general partner and our unitholders in accordance with their interests in us during the year under audit, but there can be no assurance that we will be able to do so (or choose to do so) under all circumstances. If we are required to make payments of taxes, penalties and interest resulting from audit adjustments, our cash available for distribution to our general partner and our unitholders might be substantially reduced.

Some details of these rules are not yet clear. The IRS recently re-issued proposed regulations interpreting these rules, but final regulations may differ. Each prospective unitholder should consult his or her own tax advisor regarding this legislation and related regulations.

### *Additional Withholding Requirements*

Additional withholding taxes may apply to certain types of payments made to foreign financial institutions (as specially defined in the Internal Revenue Code) and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on interest, dividends and other fixed or determinable annual or periodical gains, profits and income from sources within the United States ( FDAP Income ), or gross proceeds from the sale or other disposition of any property of a type which can produce interest or dividends from sources within the United States paid to a foreign financial institution or to a non-financial foreign entity, unless (i) the foreign financial institution undertakes certain diligence and reporting, (ii) the non-financial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (i) above, it must enter into an agreement with the U.S. Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to noncompliant foreign financial institutions and certain other account holders.

Pursuant to Treasury Regulations and other guidance, the withholding provisions described above will generally apply to all payments of FDAP Income and to payments of relevant gross proceeds made on or after January 1, 2019. Each prospective unitholder should consult his or her own tax advisor regarding the applicability of these withholding provisions to an investment in our common units.

### *Nominee Reporting*

Persons who hold an interest in us as a nominee for another person are required to furnish to us:

the name, address and taxpayer identification number of the beneficial owner and the nominee;

information about whether the beneficial owner is:

a person that is not a U.S. person;

a foreign government, an international organization or any wholly owned agency or instrumentality of either of the foregoing; or

a tax-exempt entity;

the amount and description of units held, acquired or transferred for the beneficial owner; and

- 50 -



**Table of Contents**

specific information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from dispositions.

Brokers and financial institutions are required to furnish additional information, including whether they are U.S. persons and specific information on units they acquire, hold or transfer for their own account. A penalty of \$250 per failure, up to a maximum of \$3,000,000 per calendar year, is imposed by the Internal Revenue Code for failure to report that information to us. The nominee is required to supply the beneficial owner of the units with the information furnished to us.

*Accuracy-Related Penalties*

A penalty equal to 20.0% of the amount of any portion of an underpayment of tax that is attributable to one or more specified causes, including negligence or disregard of rules or regulations, substantial understatements of income tax and substantial valuation misstatements, is imposed by the Internal Revenue Code. No penalty will be imposed, however, for any portion of an underpayment if it is shown that there was a reasonable cause for that portion and that the taxpayer acted in good faith regarding that portion.

For individuals, a substantial understatement of income tax in any taxable year exists if the amount of the understatement exceeds the greater of 10.0% of the tax required to be shown on the federal income tax return for the taxable year or \$5,000 (\$10,000 for most corporations). The amount of any understatement subject to penalty generally is reduced if any portion is attributable to a position adopted on the tax return:

for which there is, or was, substantial authority ; or

as to which there is a reasonable basis and the pertinent facts of that position are disclosed on the tax return. If any item of income, gain, loss or deduction included in the distributive shares of unitholders might result in that kind of an understatement of income for which no substantial authority exists, we must disclose the pertinent facts on our U.S. federal income tax return. In addition, we will make a reasonable effort to furnish sufficient information for unitholders to make adequate disclosure on their U.S. federal income tax returns and to take other actions as may be appropriate to permit unitholders to avoid liability for this penalty. More stringent rules apply to tax shelters, which we do not believe includes us, or any of our investments, plans or arrangements.

A substantial valuation misstatement exists if (a) the value of any property, or the adjusted tax basis of any property, claimed on a tax return is 150.0% or more of the amount determined to be the correct amount of the valuation or adjusted tax basis, (b) the price for any property or services (or for the use of property) claimed on any such tax return with respect to any transaction between persons described in Internal Revenue Code Section 482 is 200.0% or more (or 50.0% or less) of the amount determined under Section 482 to be the correct amount of such price, or (c) the net Internal Revenue Code Section 482 transfer price adjustment for the taxable year exceeds the lesser of \$5 million or 10.0% of the taxpayer's gross receipts. No penalty is imposed unless the portion of the underpayment attributable to a substantial valuation misstatement exceeds \$5,000 (\$10,000 for most corporations). If the valuation claimed on a tax return is 200.0% or more than the correct valuation or certain other thresholds are met, the penalty imposed increases to 40.0%. We do not anticipate making any valuation misstatements.

In addition, the 20.0% accuracy-related penalty also applies to any portion of an underpayment of tax that is attributable to transactions lacking economic substance. To the extent that such transactions are not disclosed, the penalty imposed is increased to 40.0%. Additionally, there is no reasonable cause defense to the imposition of this

penalty to such transactions.

## **Table of Contents**

### *Reportable Transactions*

If we were to engage in a reportable transaction, we (and possibly you and others) would be required to make a detailed disclosure of the transaction to the IRS. A transaction may be a reportable transaction based upon any of several factors, including the fact that it is a type of tax avoidance transaction publicly identified by the IRS as a listed transaction or that it produces certain kinds of losses for partnerships, individuals, S corporations, and trusts above certain thresholds (generally in excess of \$2.0 million in any single year, or \$4.0 million in a combination of years). Our participation in a reportable transaction could increase the likelihood that our U.S. federal income tax information return (and possibly your tax return) would be audited by the IRS. Please read [Administrative Matters Information Returns and Audit Procedures](#).

Moreover, if we were to participate in a reportable transaction with a significant purpose to avoid or evade tax, or in any listed transaction, you may be subject to the following additional consequences:

accuracy-related penalties with a broader scope, significantly narrower exceptions, and potentially greater amounts than described above at [Administrative Matters Accuracy-Related Penalties](#) ;

for those persons otherwise entitled to deduct interest on federal tax deficiencies, nondeductibility of interest on any resulting tax liability; and

in the case of a listed transaction, an extended statute of limitations.

We do not expect to engage in any reportable transactions.

## **Legislative Developments**

The present U.S. federal income tax treatment of publicly traded partnerships, including us, or an investment in our common units may be modified by administrative, legislative or judicial interpretation at any time. For example, from time to time, members of Congress propose and consider substantive changes to the existing U.S. federal income tax laws that affect publicly traded partnerships. Any modification to the U.S. federal income tax laws and interpretations thereof may or may not be retroactively applied, and could make it more difficult or impossible to meet the exception for us to be treated as a partnership for U.S. federal income tax purposes. Please read [Partnership Status](#). We are unable to predict whether any such changes will ultimately be enacted by Congress or promulgated by the IRS and the U.S. Department of the Treasury. However, it is possible that a change in law could affect us and may be applied retroactively. Any such changes could negatively impact the value of an investment in our units.

In addition, on January 24, 2017, final regulations regarding which activities give rise to qualifying income within the meaning of Section 7704 of the Code were published in the Federal Register. We do not believe these final regulations affect our ability to be treated as a partnership for U.S. federal income tax purposes.

Due to the enactment of the Bipartisan Budget Act of 2015, the audit procedures for large partnerships will change for partnership taxable years beginning after December 31, 2017. Please read [Administrative Matters Information Returns and Audit Procedures](#).



Table of Contents

**STATE, LOCAL, FOREIGN AND OTHER TAX CONSIDERATIONS**

In addition to U.S. federal income taxes, you likely will be subject to other taxes, such as state, local and foreign income taxes, unincorporated business taxes, and estate, inheritance or intangible taxes that may be imposed by the various jurisdictions in which we do business or own property or in which you are a resident. Although an analysis of those various taxes is not presented here, each prospective common unitholder should consider their potential impact on his or her investment in us. We currently conduct business in approximately 15 states. Many of these states currently impose an income tax on corporations and other entities. Many of these states also impose a personal income tax on individuals. We may also own property or do business in other jurisdictions in the future. Although you may not be required to file an income tax return and pay income taxes in some jurisdictions because your income from that jurisdiction falls below the applicable threshold to trigger a filing and payment requirement, you will be required to file income tax returns and to pay income taxes in many of these jurisdictions in which we do business or own property and may be subject to penalties for failure to comply with those requirements. In some jurisdictions, tax losses may not produce a tax benefit in the year incurred and may not be available to offset income in subsequent taxable years. Some of the jurisdictions may require us, or we may elect, to withhold an amount equal to a percentage of income from amounts distributed to a common unitholder who is not a resident of the jurisdiction. Our withholding, whether in an amount which is greater or less than a particular common unitholder's income tax liability to the jurisdiction, generally does not relieve a nonresident common unitholder from the obligation to file an income tax return in such jurisdiction. Amounts withheld will be treated as if distributed to common unitholders for purposes of determining the amounts distributed by us. Please read "Material U.S. Federal Income Tax Consequences" "Tax Consequences of Unit Ownership" "Entity-Level Collections." Based on current law and our estimate of our future operations, our general partner anticipates that any amounts required to be withheld will not be material.

**It is the responsibility of each common unitholder to investigate the legal and tax consequences, under the laws of pertinent states, localities and foreign jurisdictions, of his or her investment in us. Accordingly, each prospective common unitholder is urged to consult his or her own tax counsel or other advisor with regard to those matters. Further, it is the responsibility of each common unitholder to file all state, local and foreign, as well as U.S. federal income tax returns, that may be required of him or her. Jones Day has not rendered an opinion on the state, local or foreign tax consequences of an investment in us.**

---

**Table of Contents**

**INVESTMENT IN MPLX LP BY EMPLOYEE BENEFIT PLANS**

An investment in us by an employee benefit plan is subject to additional considerations because the investments of these plans are subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and the restrictions imposed by Section 4975 of the Internal Revenue Code and provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of the Internal Revenue Code or ERISA, collectively, Similar Laws. For these purposes the term employee benefit plan includes, but is not limited to, qualified pension and profit-sharing plans, Keogh plans, simplified employee pension plans and tax deferred annuities or IRAs or annuities established or maintained by an employer or employee organization, and entities whose underlying assets are considered to include plan assets of such plans, accounts and arrangements, collectively, Employee Benefit Plans. Among other things, consideration should be given to:

whether the investment is prudent under Section 404(a)(1)(B) of ERISA or any other applicable Similar Laws;

whether in making the investment, the plan will satisfy the diversification requirements of Section 404(a)(1)(C) of ERISA or any other applicable Similar Laws;

whether the investment will result in recognition of unrelated business taxable income by the plan and, if so, the potential after-tax investment return. Please read Material U.S. Federal Income Tax Consequences Tax-Exempt Organizations and Other Investors ; and

whether making such an investment will comply with the delegation of control and prohibited transaction provisions of ERISA and the Internal Revenue Code or any other applicable Similar Laws.

The person with investment discretion with respect to the assets of an Employee Benefit Plan, often called a fiduciary, should determine whether an investment in us is authorized by the appropriate governing instrument and is a proper investment for the plan.

An investor who is considering acquiring the securities that this prospectus describes with the assets of an Employee Benefit Plan must also consider whether the acquisition and holding of the common units will constitute or result in a non-exempt prohibited transaction. Section 406(a) of ERISA and Sections 4975(c)(1)(A), (B), (C) and (D) of the Internal Revenue Code prohibit certain transactions that involve an Employee Benefit Plan and a party in interest as defined in Section 3(14) of ERISA or a disqualified person as defined in Section 4975(e)(2) of the Internal Revenue Code with respect to such plan. Examples of such prohibited transactions include, but are not limited to, sales or exchanges of property (such as the common units) or extensions of credit between an Employee Benefit Plan and a party in interest or disqualified person. Section 406(b) of ERISA and Sections 4975(c)(1)(E) and (F) of the Internal Revenue Code generally prohibit a fiduciary with respect to an Employee Benefit Plan from dealing with the assets of such plan for its own benefit (for example when a fiduciary of an Employee Benefit Plan uses its position to cause such plan to make investments in connection with which the fiduciary (or a party related to the fiduciary) receives a fee or other consideration).

ERISA and the Internal Revenue Code contain certain exemptions from the prohibited transactions described above, and the Department of Labor has issued several exemptions, although certain exemptions do not provide relief from

the prohibitions on self-dealing contained in Section 406(b) of ERISA and Sections 4975(c)(1)(E) and (F) of the Internal Revenue Code. Exemptions include Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Internal Revenue Code pertaining to certain transactions with non-fiduciary service providers; Department of Labor Prohibited Transaction Class Exemption ( PTCE ) 95-60, applicable to transactions involving insurance company general accounts; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 84-14, regarding investments effected by a qualified professional asset manager; and PTCE 96-23, regarding investments effected by an in-house asset manager. There can be no assurance that any of these exemptions will be available with respect to the acquisition of the common units, even if the specified conditions are met. Under Section 4975 of the Internal

---

**Table of Contents**

Revenue Code, excise taxes or other liabilities may be imposed on disqualified persons who participate in non-exempt prohibited transactions (other than a fiduciary acting only as such).

In addition to considering whether the purchase of the securities that this prospectus describes is a prohibited transaction, a fiduciary should consider whether the Employee Benefit Plan will, by investing in us, be deemed to own an undivided interest in our assets, with the result that our general partner would also be a fiduciary of such Employee Benefit Plan and our operations would be subject to the regulatory restrictions of ERISA as well as the prohibited transaction rules of the Internal Revenue Code and ERISA or any other applicable Similar Laws.

The Department of Labor regulations and Section 3(42) of ERISA provide guidance with respect to whether, in certain circumstances, the assets of an entity in which Employee Benefit Plans acquire equity interests would be deemed plan assets. Under these rules, an entity's assets would not be considered to be plan assets if, among other things:

(a) the equity interests acquired by the Employee Benefit Plan are publicly offered securities i.e., the equity interests are widely held by 100 or more investors independent of the issuer and each other, are freely transferable and are registered under certain provisions of the federal securities laws;

(b) the entity is an operating company, i.e., it is primarily engaged in the production or sale of a product or service, other than the investment of capital, either directly or through a majority-owned subsidiary or subsidiaries; or

(c) there is no significant investment by benefit plan investors, which is defined to mean that less than 25.0% of the value of each class of equity interest, disregarding any such interests held by our general partner, its affiliates and some other persons, is held generally by Employee Benefit Plans.

Our assets should not be considered plan assets under these regulations because it is expected that the investment will satisfy the requirements in (a) and (b) above.

As a general rule, a governmental plan, as defined in Section 3(32) of ERISA (each, a Governmental Plan), a church plan, as defined in Section 3(33) of ERISA, that has not made an election under Section 410(d) of the Code (each, a Church Plan) and a plan maintained outside the United States primarily for the benefit of persons substantially all of whom are nonresident aliens (each, a non-U.S. Plan) are not subject to Title I of ERISA or Section 4975 of the Code. Accordingly, assets of such plans may be invested without regard to the fiduciary and prohibited transaction considerations described above. Although a Governmental Plan, a Church Plan or a non-U.S. Plan is not subject to Title I of ERISA or Section 4975 of the Code, it may be subject to Similar Law. A fiduciary of a Government Plan, a Church Plan or a non-U.S. Plan should consider whether investing in the common units satisfies the requirements, if any, under any applicable Similar Law.

*The foregoing discussion of issues arising for employee benefit plan investments under ERISA and the Internal Revenue Code is general in nature and is not intended to be all inclusive, nor should it be construed as legal advice. In light of the serious penalties imposed on persons who engage in prohibited transactions or other violations, plan fiduciaries contemplating a purchase of common units should consult with their own counsel regarding the consequences under ERISA, the Internal Revenue Code and other Similar Laws.*



Table of Contents

**PLAN OF DISTRIBUTION**

We may sell the securities in and outside the United States (1) through one or more broker dealers, (2) through underwriters, (3) directly to purchasers, (4) through agents or (5) by a combination of any of these methods. The prospectus supplement may set forth, among other things, the following information:

the terms of the offering;

the name or names of the underwriters or agents;

the name or names of any managing underwriter or underwriters;

the net proceeds we will receive from the sale of the securities;

any delayed delivery arrangements;

any underwriting discounts, commissions and other items constituting underwriters' compensation;

the initial public offering price;

any discounts or concessions allowed or reallocated or paid to dealers; and

any commissions paid to agents.

We will fix a price of our common units at:

market prices prevailing at the time of any sale under this registration statement;

prices based upon historical market prices; or

negotiated prices.

We may change the price of the securities offered from time to time.

We will pay or allow underwriters, distributors or sellers' commissions that will not exceed those customary in the types of transactions involved. Broker dealers may act as agents or may purchase securities as principals and thereafter

resell the securities from time to time:

in or through one or more distributions;

on the New York Stock Exchange;

in the over-the-counter market; or

in privately negotiated transactions.

**Sale Through Underwriters or Dealers**

If we use underwriters in the sale of the offered securities, the underwriters will acquire the securities for their own account. The underwriters may resell the securities from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Underwriters may offer securities to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. Unless we inform you otherwise in the prospectus supplement, the obligations of the underwriters to purchase the securities will be subject to certain conditions, and the underwriters will be obligated to purchase all the offered securities if they purchase any of them. The underwriters may sell securities to or through dealers, and the dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent. The underwriters may change from time to time the public offering price and any discounts, concessions or commissions allowed or reallocated or paid to dealers.

## **Table of Contents**

During and after an offering through underwriters, the underwriters may purchase and sell the securities in the open market. These transactions may include overallotment and stabilizing transactions and purchases to cover syndicate short positions created in connection with the offering. The underwriters may also impose a penalty bid, which means that selling concessions allowed to syndicate members or other broker-dealers for the offered securities sold for their account may be reclaimed by the syndicate if the offered securities are repurchased by the syndicate in stabilizing or covering transactions. These activities may stabilize, maintain or otherwise affect the market price of the offered securities, which may be higher than the price that might otherwise prevail in the open market. If commenced, these activities may be discontinued at any time.

If we use dealers in the sale of securities, we may sell the securities to them as principals. They may then resell those securities to the public at varying prices determined by the dealers at the time of resale. The dealers participating in any sale of the securities may be deemed to be underwriters within the meaning of the Securities Act with respect to any sale of these securities. We will include in the prospectus supplement the names of the dealers and the terms of the transaction.

## **Direct Sales and Sales Through Agents**

We may sell the securities directly. In that event, no underwriters or agents would be involved. We may sell the securities directly to institutional investors or others who may be deemed to be underwriters within the meaning of the Securities Act with respect to any sale of those securities. We may also sell the securities through agents we designate from time to time. We will describe the terms of any such sales in the prospectus supplement. In the prospectus supplement, we will name any agent involved in the offer or sale of the offered securities, and we will describe any commissions payable by us to the agent. Unless we inform you otherwise in the prospectus supplement, any agent will agree to use its reasonable best efforts to solicit purchases for the period of its appointment.

## **At-the-Market Offerings**

To the extent that we make sales through one or more underwriters or agents in at-the-market offerings, we will do so pursuant to the terms of a sales agency financing agreement or other at-the-market offering arrangement between us and the underwriters or agents. If we engage in at-the-market sales pursuant to any such agreement, we will issue and sell our common units through one or more underwriters or agents, which may act on an agency basis or on a principal basis. During the term of any such agreement, we may sell our common units on a daily basis in exchange transactions or otherwise as we agree with the underwriters or agents. The agreement will provide that any common units sold will be sold at prices related to the then-prevailing market prices for our common units. Therefore, exact figures regarding proceeds that will be raised or commissions to be paid cannot be determined at this time. Pursuant to the terms of the agreement, we also may agree to sell, and the relevant underwriters or agents may agree to solicit offers to purchase, blocks of our common units. The terms of each such agreement will be set forth in more detail in the applicable prospectus supplement.

## **Delayed Delivery Contracts**

If we so indicate in the prospectus supplement, we may authorize agents, underwriters or dealers to solicit offers from selected types of institutions to purchase securities from us at the public offering price under delayed delivery contracts. These contracts would provide for payment and delivery on a specified date in the future. The contracts would be subject only to those conditions described in the prospectus supplement. The prospectus supplement will describe the commission payable for solicitation of those contracts.

## **General Information**

We may have agreements with firms, agents, dealers and underwriters to indemnify them against civil liabilities, including liabilities under the Securities Act, or to contribute with respect to payments that the firms, agents,

**Table of Contents**

dealers or underwriters may be required to make. Such firms, agents, dealers and underwriters may be customers of, engage in transactions with or perform services for us in the ordinary course of their businesses.

Because the Financial Industry Regulatory Authority, which we refer to as FINRA, views our common units as interests in a direct participation program, any offering of common units under the registration statement of which this prospectus forms a part will be made in compliance with Rule 2310 of the FINRA Conduct Rules.

**Table of Contents**

**LEGAL MATTERS**

The validity of the securities offered in this prospectus will be passed upon for us by Jones Day. Jones Day will also render an opinion on the material U.S. federal income tax considerations regarding the common units. If certain legal matters in connection with an offering of the securities made by this prospectus and a related prospectus supplement are passed on by counsel for the underwriters or agents participating in such offering, that counsel will be named in the applicable prospectus supplement related to that offering.

**EXPERTS**

The consolidated financial statements incorporated in this Prospectus by reference to MPLX LP's Current Report on Form 8-K dated May 1, 2017 and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this Prospectus by reference to the Annual Report on Form 10-K of MPLX LP for the year ended December 31, 2016 have been so incorporated in reliance on the report, which contains an explanatory paragraph on the effectiveness of internal control over financial reporting due to the exclusion of certain elements of the internal control over financial reporting of the Hardin Street Transportation LLC, Woodhaven Cavern LLC and MPLX Terminals LLC businesses the registrant acquired during 2017, of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The audited combined historical financial statements of Hardin Street Transportation LLC and Woodhaven Cavern LLC included in Exhibit 99.1 of MPLX LP's Current Report on Form 8-K dated March 2, 2017 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The audited consolidated historical financial statements of MPLX Terminals LLC included in Exhibit 99.2 of MPLX LP's Current Report on Form 8-K dated March 2, 2017 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements, incorporated in this prospectus by reference from the MarkWest Energy Partners, L.P.'s Annual Report on Form 10-K for the year ended December 31, 2014, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The audited financial statements of Explorer Pipeline Company as of December 31, 2016 and 2015 included in Exhibit 99.1 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 and incorporated by reference in this prospectus and elsewhere in the registration statement have been so incorporated by reference in reliance upon the report of Grant Thornton LLP, independent certified public accountants, upon the authority of said firm as experts in accounting and auditing.

The audited consolidated statements of income and retained earnings, comprehensive income and cash flows of Explorer Pipeline Company for the year ended December 31, 2014 included in Exhibit 99.1 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated herein in reliance on the report dated February 13, 2015 of KPMG LLP, independent auditors, incorporated by reference herein on the authority of said firm as experts in accounting and auditing.

The audited financial statements of Illinois Extension Pipeline Company, L.L.C. included in Exhibit 99.3 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated herein in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, on the authority of said firm as experts in auditing and accounting.

**Table of Contents**

The audited historical financial statements of LOOP LLC as of December 31, 2016 and for the year then ended included in Exhibit 99.5 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated herein in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, on the authority of said firm as experts in auditing and accounting.

The financial statements of LOOP LLC as of December 31, 2015 and for each of the years in the two-year period ended December 31, 2015 included in Exhibit 99.5 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated by reference herein in reliance on the report of KPMG LLP, independent accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The audited historical financial statements of LOCAP LLC as of December 31, 2016 and for the year then ended included in Exhibit 99.7 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated herein in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, on the authority of said firm as experts in auditing and accounting.

The financial statements of LOCAP LLC as of December 31, 2015 and for each of the years in the two-year period ended December 31, 2015 included in Exhibit 99.7 of MPLX LP's Current Report on Form 8-K dated September 1, 2017 have been incorporated herein in reliance on the report of KPMG LLP, independent accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.



**Table of Contents**

**MPLX LP**

**PROSPECTUS SUPPLEMENT**

**Common Units Representing Limited Partner Interests**

**Having an Aggregate Offering Price of Up to \$1,740,959,652**

**J.P. Morgan**

**Barclays**

**BofA Merrill Lynch**

**Citigroup**

**RBC Capital Markets**

**UBS Investment Bank**

**Wells Fargo Securities**

**March 13, 2018**