

## **DOCUMENTS INCORPORATED BY REFERENCE INTO INFORMATION CIRCULAR**

### **IN RESPECT OF SUNOCO LP**

Reference is made to the management information circular and proxy statement (the “**Information Circular**”) of Parkland Corporation (the “**Company**”) dated May 26, 2025 with respect to an annual and special meeting of the holders of common shares in the capital of the Company to be held on June 24, 2025 at 9:00 a.m. (Calgary time).

Attached hereto are the documents incorporated by reference in the Information Circular in respect of Sunoco LP, which are being filed on the Company’s SEDAR+ profile in accordance with requirements under applicable securities laws. Capitalized terms used in the table of contents have the meanings given to such terms in the Information Circular.

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**Sunoco 10-K**

[See attached]

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



FORM 10-K

- ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the Fiscal Year Ended December 31, 2024  
or  
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_ to \_\_\_\_  
Commission File Number: 001-35653

**SUNOCO LP**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**30-0740483**

(I.R.S. Employer Identification Number)

**8111 Westchester Drive, Suite 400, Dallas, Texas 75225**

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(214) 981-0700**

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>                                 | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|------------------------------------------------------------|--------------------------|--------------------------------------------------|
| <b>Common Units Representing Limited Partner Interests</b> | <b>SUN</b>               | <b>New York Stock Exchange</b>                   |

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

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

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

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

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

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

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging Growth company ☐

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

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of June 30, 2024, the aggregate market value of common units representing limited partner interests held by non-affiliates of the registrant was approximately \$6.1 billion based upon the closing price of its common units on the New York Stock Exchange.

The registrant had 136,235,878 common units and 16,410,780 Class C units, both representing limited partner interests outstanding as of February 7, 2025.

**Documents Incorporated by Reference: None**

**SUNOCO LP**  
**ANNUAL REPORT ON FORM 10-K**  
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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this Annual Report on Form 10-K may contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements, other than statements of historical fact included in this Annual Report on Form 10-K, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. Statements using words such as “believe,” “plan,” “could,” “expect,” “anticipate,” “intend,” “forecast,” “assume,” “estimate,” “continue,” “position,” “predict,” “project,” “goal,” “strategy,” “budget,” “potential,” “will” and other similar words or phrases are used to help identify forward-looking statements, although not all forward-looking statements contain such identifying words. Descriptions of our objectives, goals, targets, plans, strategies, costs, anticipated capital expenditures, expected cost savings and benefits are also forward-looking statements. These forward-looking statements are based on our current plans and expectations and involve a number of risks and uncertainties that could cause actual results and events to vary materially from the results and events anticipated or implied by such forward-looking statements, including:

- our ability to make, complete and integrate acquisitions from affiliates or third parties;
- business strategy and operations of Energy Transfer LP (“Energy Transfer”) and its conflicts of interest with us;
- changes in the price of and demand for the motor fuel that we distribute and our ability to appropriately hedge any motor fuel we hold in inventory;
- our dependence on limited principal suppliers;
- competition in the wholesale motor fuel distribution and retail store industry;
- changing customer preferences for alternate fuel sources or improvement in fuel efficiency;
- volatility of fuel prices or a prolonged period of low fuel prices and the effects of actions by, or disputes among or between, oil producing countries with respect to matters related to the price or production of oil;
- any acceleration of the domestic and/or international transition to a low carbon economy as a result of the Inflation Reduction Act of 2022 (“IRA 2022”) or otherwise;
- the possibility of cyber and malware attacks;
- changes in our credit rating, as assigned by rating agencies;
- a deterioration in the credit and/or capital markets, including as a result of recent increases in cost of capital resulting from Federal Reserve policies and changes in financial institutions’ policies or practices concerning businesses linked to fossil fuels;
- general economic conditions, including sustained periods of inflation, supply chain disruptions and associated central bank monetary policies;
- environmental, tax and other federal, state and local laws and regulations;
- the fact that we are not fully insured against all risks incident to our business;
- dangers inherent in the storage and transportation of motor fuel;
- our ability to manage growth and/or control costs;
- our reliance on senior management, supplier trade credit and information technology; and
- our partnership structure, which may create conflicts of interest between us and Sunoco GP LLC (our “General Partner”) and its affiliates, and limits the fiduciary duties of our General Partner and its affiliates.

All forward-looking statements, express or implied, are expressly qualified in their entirety by the foregoing cautionary statements.

New factors that could impact forward-looking statements emerge from time to time, and it is not possible for us to predict all such factors. Should one or more of the risks or uncertainties described or referenced in this Annual Report on Form 10-K occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements.

For a discussion of these and other risks and uncertainties, please refer to “Item 1A. Risk Factors” included herein. The list of factors that could affect future performance and the accuracy of forward-looking statements is illustrative but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty. The forward-looking statements included in this report are based on, and include, our estimates as of the filing of this report. We anticipate that subsequent events and market developments will cause our estimates to change. However, while we may elect to update these

forward-looking statements at some point in the future, we specifically disclaim any obligation to do so except as required by law, even if new information becomes available in the future.

In addition to risks and uncertainties in the ordinary course of business that are common to all businesses, important factors that are specific to our structure as a limited partnership, our industry and our company could materially impact our future performance and results of operations.

## **PART I**

### **Item 1. Business**

#### **General**

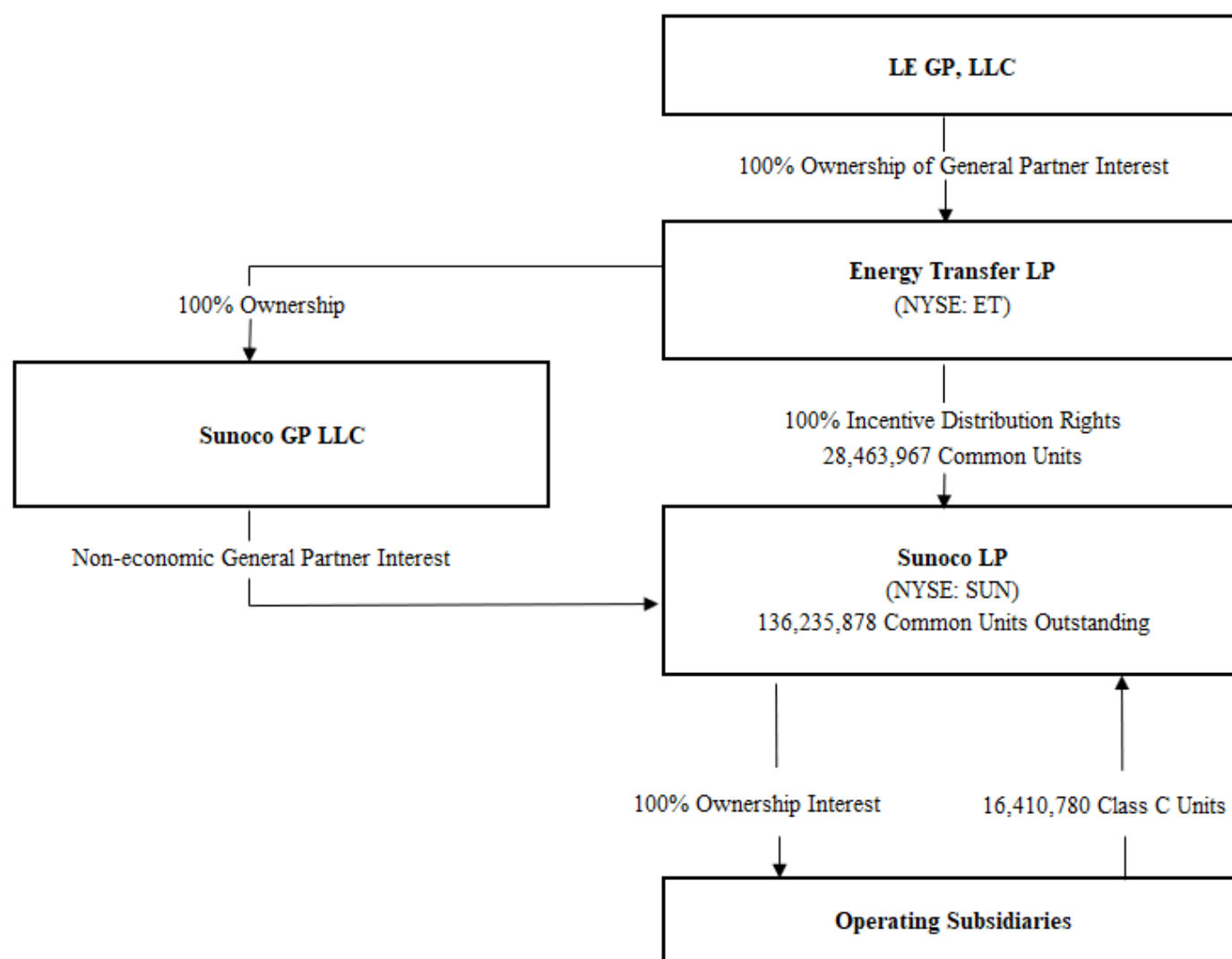
As used in this report, the terms “Partnership,” “SUN,” “we,” “us” or “our” should be understood to refer to Sunoco LP and our consolidated subsidiaries as applicable and appropriate.

#### **Overview**

We are a Delaware master limited partnership. We are managed by our general partner, Sunoco GP LLC (our “General Partner”), which is owned by Energy Transfer LP (“Energy Transfer”). As of February 7, 2025, Energy Transfer owned 100% of the membership interest in our General Partner, 28,463,967 of our common units and all of our incentive distribution rights (“IDRs”).

We are primarily engaged in energy infrastructure and distribution of motor fuels in over 40 U.S. states, Puerto Rico, Europe and Mexico. Our midstream operations include an extensive network of over 14,000 miles of pipeline and over 100 terminals. Our fuel distribution operations serve approximately 7,400 Sunoco and partner branded locations and additional independent dealers and commercial customers.

The following simplified diagram depicts our organizational structure as of February 7, 2025.



## **Significant Achievements in 2024**

### ***NuStar Acquisition***

On May 3, 2024, we completed the acquisition of 100% of the common units of NuStar Energy L.P. (“NuStar”). Under the terms of the agreement, NuStar common unitholders received 0.400 SUN common units for each NuStar common unit. In connection with the acquisition, we issued approximately 51.5 million common units, which had a fair value of approximately \$2.85 billion, assumed debt totaling approximately \$3.5 billion, including approximately \$56 million of lease related financing obligations, and assumed preferred units with a fair value of approximately \$800 million. We also redeemed all outstanding NuStar preferred units, totaling \$784 million, redeemed NuStar’s subordinated notes totaling \$403 million and repaid and terminated NuStar’s credit facility totaling \$455 million. NuStar has approximately 9,500 miles of pipeline and 63 terminal and storage facilities that store and distribute crude oil, refined products, renewable fuels, ammonia and specialty liquids. The acquisition is expected to diversify the Partnership’s business, increase scale and provide vertical integration, as well as improving the Partnership’s credit profile and enhancing growth.

### ***Zenith European Terminals Acquisition***

On March 13, 2024, we completed the acquisition of liquid fuels terminals in Amsterdam, Netherlands and Bantry Bay, Ireland from Zenith Energy for €170 million (\$185 million), including working capital. The acquisition is expected to supply optimization for the Partnership’s existing East Coast business and continues its focus on growing its portfolio of stable midstream income.

### ***Other Acquisition***

On August 30, 2024, we acquired a terminal in Portland, Maine for approximately \$24 million, including working capital.

### **West Texas Sale**

On April 16, 2024, we completed the sale of 204 convenience stores located in West Texas, New Mexico and Oklahoma to 7-Eleven, Inc. for approximately \$1.0 billion, including customary adjustments for fuel and merchandise inventory. As part of the sale, SUN also amended its existing take-or-pay fuel supply agreement with 7-Eleven, Inc. to incorporate additional fuel gross profit.

### **ET-S Permian**

Effective July 1, 2024, SUN and Energy Transfer formed ET-S Permian, a joint venture combining their respective crude oil and produced water gathering assets in the Permian Basin. SUN contributed all of its Permian crude oil gathering assets and operations to ET-S Permian. Energy Transfer contributed its Permian crude oil and produced water gathering assets and operations to ET-S Permian. Energy Transfer's long-haul crude pipeline network that provides transportation of crude oil out of the Permian Basin to Nederland, Houston, and Cushing is excluded from ET-S Permian.

ET-S Permian operates more than 5,000 miles of crude oil and water gathering pipelines with crude oil storage capacity in excess of 11 million barrels.

SUN holds a 32.5% interest, with Energy Transfer holding the remaining 67.5% interest in ET-S Permian. Energy Transfer serves as the operator of ET-S Permian.

### **Available Information**

Our principal executive offices are located at 8111 Westchester Drive, Suite 400, Dallas, Texas 75225. Our telephone number is (214) 981-0700. Our Internet address is [www.sunocolp.com](http://www.sunocolp.com). We make available through our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission (the "SEC"). Information contained on our website is not part of this report. The SEC maintains an Internet site at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

### **Our Relationship with Energy Transfer LP**

One of our principal strengths is our relationship with Energy Transfer. As of February 7, 2025, Energy Transfer owned 100% of the membership interest in our General Partner, all of our IDRs and 28,463,967 of our common units. Given the significant ownership, we believe Energy Transfer will be motivated to promote and support the successful execution of our business strategies. In particular, we believe it will be in the best interest of Energy Transfer to facilitate organic growth opportunities and accretive acquisitions of third parties, although Energy Transfer is not under any obligation to do so.

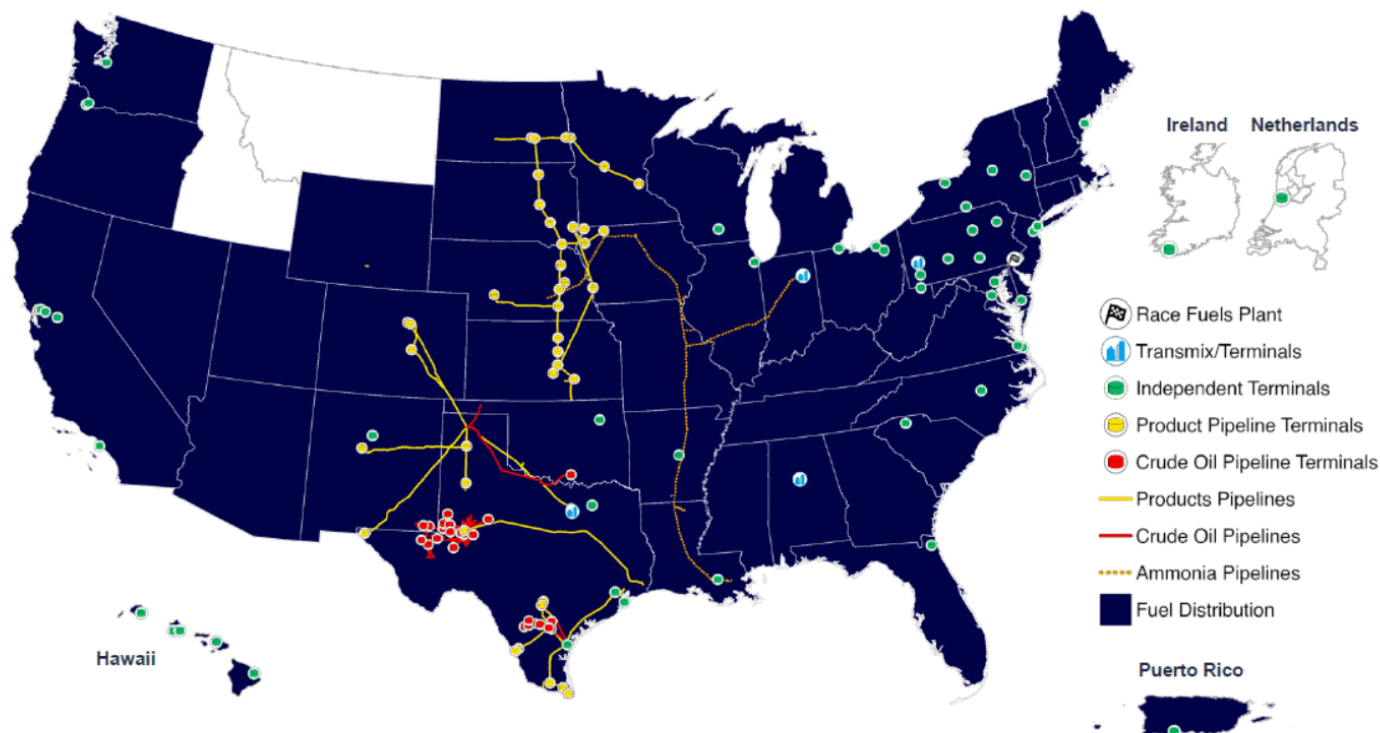
Energy Transfer is one of the largest and most diversified midstream energy companies in North America. Energy Transfer, through its wholly owned operating subsidiaries, is primarily engaged in:

- natural gas midstream, intrastate and interstate transportation and storage operations; and
- crude oil, natural gas liquids ("NGL") and refined products transportation, terminalling services, and acquisition and marketing activities as well as NGL storage and fractionation services and liquefied natural gas ("LNG") regasification.

## **Our Business and Operations**

Our business is comprised of three reportable segments: Fuel Distribution, Pipeline Systems and Terminals.

The map below depicts the major assets of our business and excludes corporate and field offices and certain assets that are less significant to SUN.



### ***Fuel Distribution Segment***

We are a distributor of motor fuels and other petroleum products which we supply to third-party dealers and distributors, to independent operators of commission agent locations, other commercial consumers of motor fuel and to our retail locations.

We are the exclusive wholesale supplier of the Sunoco and EcoMaxx-branded motor fuels, supplying an extensive distribution network of approximately 5,619 company and third-party operated locations throughout the United States and Puerto Rico. We believe we are one of the largest independent motor fuel distributors, by gallons, in the United States. We also are one of the largest distributors of Chevron, Texaco, ExxonMobil and Valero branded motor fuel in the United States. In addition to distributing motor fuels, we also distribute other petroleum products such as propane and lubricating oil, and we receive lease income from real estate that we lease or sublease.

We purchase motor fuel primarily from independent refiners and major oil companies and distribute it across more than 40 U.S. states and territories, including Hawaii and Puerto Rico, to:

- 76 company-operated retail stores;
- 252 independently operated commission agent locations where we sell motor fuel to retail customers under commission agent arrangements with such operators;
- 6,965 retail stores operated by independent operators, which we refer to as “dealers” or “distributors,” pursuant to long-term distribution agreements; and
- approximately 2,000 other commercial customers, including unbranded retail stores, other fuel distributors, school districts, municipalities and other industrial customers.

The Fuel Distribution segment also includes one terminal, the Partnership’s retail operations in Hawaii and New Jersey, credit card services and franchise royalties.

### *Dealer Incentives*

In addition to motor fuel distribution, we offer dealers the opportunity to participate in merchandise purchasing and promotional programs arranged with vendors. We believe the vendor relationships we have established through our retail operations and our ability to develop programs provide us with an advantage over other distributors when recruiting new dealers into our network as well as with retaining current dealers. Our dealer incentives give our dealers access to discounted rates on products and services that they would likely not be able to obtain on their own.

### *Sales to Contracted Third Parties*

We distribute fuel under long-term contracts to branded distributors, branded and unbranded convenience stores, and branded and unbranded retail fuel outlets operated by third parties. 7-Eleven, Inc. is the only third-party dealer or distributor which is individually over 10% of our Fuel Distribution segment or individually over 10%, in terms of revenue, of our aggregate business.

Sunoco-branded supply contracts with distributors generally have both time and volume commitments that establish contract duration. These contracts have an initial term of approximately ten years with an estimated volume-weighted term remaining of approximately five years.

Distribution contracts with retail stores generally commit us to distribute branded (including, but not limited to, Sunoco-branded) or unbranded motor fuel to a location or group of locations and arrange for all transportation and logistics. These contracts require, among other things, that dealers maintain the standards established by the applicable fuel brand, if any. The initial term of these contracts ranges from three to 20 years, with most contracts lasting for 10 years.

Our supply contracts and distribution contracts are typically constructed so that we receive either (i) a fee per gallon equal to the posted rack rate, less any applicable commercial discounts, plus transportation costs, taxes and a fixed, volume-based fee, which is usually expressed in cents per gallon, or (ii) a variable cent per gallon margin (“dealer tank wagon pricing”).

During 2024, our Fuel Distribution business distributed fuel to 252 commission agent locations. Under these arrangements, we generally provide and control motor fuel inventory and price at the site and receive actual retail selling price for each gallon sold, less a commission paid to the independent commission agents.

We continually seek to expand through the addition of new branded dealers, distributors and commission agent locations, new unbranded commercial customers and through acquisitions of contracts for existing independently operated sites from other distributors. We evaluate potential independent site operators based on their creditworthiness and the quality of their sites and operations, including the site’s size and location, projected monthly volumes of motor fuel, monthly merchandise sales, overall financial performance and previous operating experience. We may extend credit to certain dealers based on our credit evaluation process.

### *Sales to Other Commercial Customers*

We distribute unbranded fuel to numerous other customers, including retail stores, unattended fueling facilities and certain other commercial customers. These customers are primarily commercial, governmental and other parties who buy motor fuel by the load or in bulk and who do not generally enter into exclusive contractual relationships with us, if they enter into a contractual relationship with us at all. Sales to these customers are typically made at a quoted price based upon our cost plus taxes, cost of transportation and a margin determined at time of sale, and may provide for immediate payment or the extension of credit for up to 45 days. We also sell propane, lubricating oil and other petroleum products, such as heating fuels, to our commercial customers on both a spot and contracted basis. In addition, we receive income from the manufacture and distribution sale of race fuels at our Marcus Hook, Pennsylvania manufacturing facility.

### *Fuel Supplier Arrangements*

We distribute branded motor fuel under the Aloha, Chevron, Citgo, Conoco, EcoMaxx, Exxon, Mahalo, Mobil, Phillips 66, Shamrock, Shell, Sunoco, Texaco and Valero brands. We purchase branded motor fuel from major oil companies and refiners under supply agreements. Our largest branded fuel suppliers in terms of volume are Chevron, Exxon, Phillips 66 and Valero. The branded fuel supply agreements generally have an initial term of three to five years. Each supply agreement typically contains provisions relating to payment terms, use of the supplier’s brand names, credit card processing, compliance with other of the supplier’s requirements, insurance coverage and compliance with legal and environmental requirements, among others.

We also distribute unbranded motor fuel, which we purchase in bulk, on a rack basis based upon prices posted by the refiner at a fuel supply terminal or on a contract basis with the price tied to one or more market indices.

### *Bulk Fuel Purchases*

We purchase motor fuel in bulk and hold it in inventory or transport it via pipeline. To mitigate inventory risk, we use commodity futures contracts or other derivative instruments, which are matched in quantity and timing to the anticipated usage of the inventory. We also blend in various additives, including ethanol and biomass-based diesel.

## Transportation Logistics

We provide transportation logistics for most of our motor fuel deliveries through our own fleet of fuel transportation vehicles as well as third-party and affiliated transportation providers. We arrange for motor fuel to be delivered from the storage terminals to the appropriate sites in our distribution network at prices consistent with those historically charged to third parties for the delivery of fuel. We also deliver motor fuel, propane and lubricating oils to commercial customers involved in petroleum exploration and production.

## Technology

Technology is an important part of our Fuel Distribution segment. We utilize a proprietary web-based system that allows our wholesale customers to access their accounts at any time from a personal computer to obtain prices, place orders and review invoices, credit card transactions and electronic funds transfer notifications. Substantially all of our customer payments are processed by electronic funds transfer. We use an Internet-based system to assist with fuel inventory management and procurement and an integrated distribution fuel system for financial accounting, procurement, billing and inventory management.

## Sale of Regulated Products

In certain areas where our convenience stores are located, state or local laws limit the hours of operation for the sale of alcoholic beverages and restrict the sale of alcoholic beverages and tobacco products to persons younger than a certain age. State and local regulatory agencies have the authority to approve, revoke, suspend or deny applications for and renewals of permits and licenses relating to the sale of alcoholic beverages, as well as to issue fines to convenience stores for the improper sale of alcoholic beverages and tobacco products. Failure to comply with these laws may result in the loss of necessary licenses and the imposition of fines and penalties on us.

## Pipeline Systems Segment

Our Pipeline Systems segment includes an integrated pipeline and terminal network comprised of approximately 6,000 miles of refined product pipeline (including the pipeline of our J.C. Nolan joint venture), approximately 6,000 miles of crude oil pipeline (including the pipelines of ET-S Permian), approximately 2,000 miles of ammonia pipeline and 67 terminals.

The following details our pipelines and storage facilities, excluding our investments in J.C. Nolan and ET-S Permian, in the Pipeline Systems segment:

| Description of Assets                             | Miles of Pipeline | Storage Capacity (Barrels) |
|---------------------------------------------------|-------------------|----------------------------|
| Southwest Crude and Refined Products System       |                   |                            |
| McKee Refined Product System                      | 1,981             | —                          |
| Three Rivers System                               | 378               | —                          |
| Valley Pipeline System                            | 271               | —                          |
| Other                                             | 285               | —                          |
| Southwest Refined Products Pipelines              | 2,915             | —                          |
| Corpus Christi Crude Pipeline System              | 538               | 2,157,000                  |
| McKee Crude System                                | 388               | 1,039,000                  |
| Ardmore System                                    | 119               | 824,000                    |
| Southwest Crude Oil Pipelines                     | 1,045             | 4,020,000                  |
| Total Southwest Crude and Refined Products System | 3,960             | 4,020,000                  |
| Mid-Continent Refined Product System              |                   |                            |
| East Pipeline                                     | 2,045             | 5,906,000                  |
| North Pipeline                                    | 450               | 1,503,000                  |
| Total Mid-Continent Refined Product System        | 2,495             | 7,409,000                  |
| Ammonia System                                    |                   |                            |
| Ammonia Pipeline                                  | 2,010             | —                          |
| Total Ammonia System                              | 2,010             | —                          |
| Total                                             | 8,465             | 11,429,000                 |



### *J.C. Nolan Joint Venture*

Through our investment in the J.C. Nolan Terminal, a joint venture with Energy Transfer, we provide diesel fuel storage in Midland, Texas with storage capacity of 130,000 barrels. Additionally, through our investment in the J.C. Nolan Pipeline, we transport diesel fuel from a tank farm in Hebert, Texas to Midland, Texas, on a 500 mile pipeline with a throughput capacity of approximately 36 thousand barrels per day.

### *ET-S Permian*

Effective July 1, 2024, SUN and Energy Transfer formed ET-S Permian, combining their respective crude oil and produced water gathering assets in the Permian Basin. SUN contributed all of its Permian crude oil gathering assets and operations to ET-S Permian. Energy Transfer contributed its Permian crude oil and produced water gathering assets and operations to ET-S Permian. Energy Transfer's long-haul crude pipeline network that provides transportation of crude oil out of the Permian Basin to Nederland, Houston, and Cushing is excluded from ET-S Permian.

ET-S Permian operates more than 5,000 miles of crude oil and water gathering pipelines with crude oil storage capacity in excess of 11 million barrels.

SUN holds a 32.5% interest, with Energy Transfer holding the remaining 67.5% interest in ET-S Permian. Energy Transfer serves as the operator of ET-S Permian.

### **Terminals Segment**

Through our Terminals segment, we operate four transmix processing facilities and 56 refined product terminals (two in Europe, six in Hawaii and 48 in the continental United States). Transmix is the mixture of various refined products (primarily gasoline and diesel) created in the supply chain (primarily in pipelines and terminals) when various products interface with each other. Transmix processing plants separate this mixture and return it to salable products of gasoline and diesel. Our refined product terminals provide storage and distribution services used to supply our own retail stations as well as third-party customers. In addition, we provide services at our terminals to various third-party throughput customers.

### **Real Estate and Lease Arrangements**

As of December 31, 2024, our real estate and lease arrangements were as follows:

|                                   | <b>Owned</b> | <b>Leased</b> |
|-----------------------------------|--------------|---------------|
| Dealer and commission agent sites | 390          | 199           |
| Company-operated retail stores    | 8            | 47            |
| Warehouses, offices and other     | 125          | 37            |
| Total                             | 523          | 283           |

### **Competition**

In the Fuel Distribution segment, we compete primarily with other independent motor fuel distributors. The markets for distribution of motor fuel and the retail store industry are highly competitive and fragmented, which result in narrow margins. We have numerous competitors, some of which may have significantly greater resources and name recognition than we do. Significant competitive factors include the availability of major brands, customer service, price, range of services offered and quality of service, among others. We rely on our ability to provide value-added, reliable service and control our operating costs in order to maintain our margins and competitive position. Additionally, we face strong competition in the market for the sale of retail gasoline and merchandise. Our competitors include service stations of large integrated oil companies, independent gasoline service stations, convenience stores, fast food stores, supermarkets, drugstores, dollar stores, club stores and other similar retail outlets, some of which are well-recognized national or regional retail systems. The number of competitors varies depending on the geographical area. Competition also varies with gasoline and convenience store offerings. The principal competitive factors affecting our retail marketing operations include gasoline and diesel acquisition costs, site location, product price, selection and quality, site appearance and cleanliness, hours of operation, store safety, customer loyalty and brand recognition. We compete by pricing gasoline competitively, combining our retail gasoline business with convenience stores that provide a wide variety of products, and using advertising and promotional campaigns.

In the Pipeline Systems segment, we compete primarily with common carrier and proprietary pipelines owned and operated by major integrated and large independent oil companies and other pipeline companies in our service areas. Competition between common carrier pipelines is based primarily on transportation charges, quality of customer service and proximity to end users. Trucks may deliver products competitively for short-haul destinations; however, trucking costs render that mode of transportation noncompetitive with pipeline options for long-haul destinations or for larger volumes.

In the Terminals segment, we compete primarily with both major energy and chemical companies as well as independent terminal owners. Although major energy and chemical company terminals often have the same capabilities as terminals owned by independent operators, they generally do not provide terminalling services to third parties. In many instances, even major energy and chemical



companies that have storage and terminalling facilities are also significant customers of independent terminal operators, especially terminals located in cost-effective locations near key transportation links, such as deep-water ports. Major energy and chemical companies also need independent terminal storage when their proprietary storage facilities are inadequate due to size constraints, the nature of the stored material or specialized handling requirements. Independent terminal owners generally compete on the basis of the location and versatility of terminals, service and price. A favorably located terminal will have access to various cost-effective transportation modes both to and from the terminal. Transportation modes typically include waterways, railroads, roadways and pipelines. Terminal versatility is a function of the operator's ability to offer complex handling requirements for diverse products. The services typically provided by the terminal include, among other things, the safe storage of the product at specified temperature, moisture and other conditions, as well as receipt at and delivery from the terminal, all of which must comply with applicable environmental regulations. A terminal operator's ability to obtain attractive pricing is often dependent on the quality, versatility and reputation of the facilities owned by the operator. Operators with versatile storage capabilities typically require less modification prior to usage, ultimately making the storage cost to the customer more attractive. On the West Coast, regulatory priorities continue to increase demand for renewable fuels in the region, while at the same time, obtaining permits for greenfield projects remains difficult, which both add more value to our existing assets.

### **Seasonality**

Our business exhibits some seasonality due to our customers' increased demand for motor fuel during the late spring and summer months, as compared to the fall and winter months. Travel, recreation and construction activities typically increase in these months in the geographic areas in which we operate, increasing the demand for motor fuel. Therefore, the volume of motor fuel that we distribute is typically somewhat higher in the second and third quarters of our fiscal year. As a result, our results from operations may vary from period to period.

### **Working Capital Requirements**

Related to our retail store operations, we maintain customary levels of fuel and merchandise inventories and carry corresponding payable balances to suppliers of those inventories. In addition, Sunoco LLC purchases and stores a significant amount of unbranded fuel in bulk. We also have rental obligations related to leased locations. Our working capital needs will typically fluctuate over the medium to long term with the price of crude oil, and over the short term due to the timing of motor fuel tax, sales tax, interest and rent payments.

### **Environmental Matters**

#### ***Environmental Laws and Regulations***

We are subject to various federal, state and local environmental laws and regulations, including those relating to underground storage tanks; the release or discharge of hazardous materials into the air, water and soil; the generation, storage, handling, use, transportation and disposal of regulated materials; the exposure of persons to regulated materials; and the remediation of contaminated soil and groundwater. For more information, see "Our operations are subject to federal, state and local laws and regulations pertaining to environmental protection and operational safety that may require significant expenditures or result in liabilities that could have a material adverse effect on our business" in "Item 1A. Risk Factors" in this Annual Report on Form 10-K.

Environmental laws and regulations can restrict or impact our business activities in many ways, such as:

- requiring remedial action to mitigate releases of hydrocarbons, hazardous substances or wastes caused by our operations or attributable to former operators;
- requiring capital expenditures to comply with environmental control requirements; and
- enjoining the operations of facilities deemed to be in noncompliance with environmental laws and regulations.

Failure to comply with environmental laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements and the issuance of orders enjoining or otherwise curtailing future operations. Certain environmental statutes impose strict, joint and several liability for costs required to clean up and restore sites where hydrocarbons, hazardous substances or wastes have been released or disposed of. Moreover, neighboring landowners and other third parties may file claims for personal injury and property damage allegedly caused by the release of hydrocarbons, hazardous substances or other wastes into the environment.

We do not believe that compliance with federal, state or local environmental laws and regulations will have a material adverse effect on our financial position, results of operations or cash available for distribution to our unitholders. Any future change in regulatory requirements could cause us to incur significant costs. We incorporate by reference into this section our disclosures included in Note 13 to our consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data."

## ***Hazardous Substances and Releases***

Certain environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), impose strict, and under certain circumstances, joint and several, liability on the owner and operator as well as former owners and operators of properties for the costs of investigation, removal or remediation of contamination and also impose liability for any related damages to natural resources without regard to fault. In addition, under CERCLA and similar state laws, as persons who arrange for the transportation, treatment or disposal of hazardous substances, we also may be subject to similar liability at sites where such hazardous substances come to be located. We may also be subject to third-party claims alleging property damage and/or personal injury in connection with releases of or exposure to hazardous substances at, from or in the vicinity of, our current properties or off-site waste disposal sites.

We are required to comply with federal and state financial responsibility requirements to demonstrate that we have the ability to pay for remediation or to compensate third parties for damages incurred as a result of a release of regulated materials from our underground storage tank systems. We meet these requirements primarily by maintaining insurance, which we purchase from private insurers.

## ***Environmental Reserves***

We are currently involved in the investigation and remediation of contamination at motor fuel storage and gasoline store sites where releases of regulated substances have been detected. We accrue for anticipated future costs and the related probable state reimbursement amounts for remediation activities. Accordingly, we have recorded estimated undiscounted liabilities for these sites totaling \$28 million as of December 31, 2024. As of December 31, 2024, we have additional reserves of \$84 million that represent our estimate for future asset retirement obligations for underground storage tanks.

## ***Underground Storage Tanks***

We are required to make financial expenditures to comply with regulations governing underground storage tanks adopted by federal, state and local regulatory agencies. Pursuant to the Resource Conservation and Recovery Act of 1976, as amended, the Environmental Protection Agency (“EPA”) has established a comprehensive regulatory program for the detection, prevention, investigation and cleanup of leaking underground storage tanks. State or local agencies are often delegated the responsibility for implementing the federal program or developing and implementing equivalent state or local regulations. We have a comprehensive program in place for performing routine tank testing and other compliance activities, which are intended to promptly detect and investigate any potential releases. To date, compliance with applicable underground storage tank requirements have not had a material adverse impact on our business, though we cannot guarantee this will always be the case.

## ***Air Emissions and Climate Change***

The Clean Air Act and similar state laws impose requirements on emissions to the air from motor fueling activities in certain areas of the country, including those that do not meet state or national ambient air quality standards. These laws and implementing regulations may require the installation of vapor recovery systems to control emissions of volatile organic compounds to the air during the motor fueling process or otherwise in the course of our operations. For example, in October 2024, the EPA finalized changes to its new source performance standards (“NSPS”) for new, modified and reconstructed storage vessels containing volatile organic liquids, a term which includes certain of our products. The EPA’s final rule created new NSPS subpart Kc, which broadened the definition of modification for storage tanks (which would result in significantly broader application of this rule to existing tanks), introduced more stringent emission control requirements for certain tanks, imposed additional annual monitoring requirements for certain tanks, and require control of degassing events, amongst other matters. Costs to comply with new rules under the Clean Air Act can be substantial. In addition, under the Clean Air Act and comparable state and local laws, permits are typically required to emit regulated air pollutants into the atmosphere. Although we can give no assurances, we are aware of no changes to air quality regulations that will have a material adverse effect on our financial condition, results of operations or cash available for distribution to our unitholders.

Various federal, state and local agencies have the authority to prescribe product quality specifications for the motor fuels that we sell, largely in an effort to reduce air pollution. Failure to comply with these regulations can result in substantial penalties. To date, compliance with applicable product quality specifications for motor fuels has not had a material adverse impact on our business, though we cannot guarantee this will always be the case.

In recent years, there have been a number of efforts at the federal and state level focused on reducing the levels of greenhouse gas (“GHG”) emissions from various sources in the United States. At both the state and the federal level, legislators have from time to time considered legislation to reduce GHG emissions in the United States such as a carbon emissions tax or a cap-and-trade program or direct emission regulation by the EPA. For example, in 2022 President Biden signed the IRA 2022 into law, which appropriated significant federal funding for renewable energy initiatives and imposed the first-ever federal fee on methane emissions from certain oil and gas facilities. While the Trump Administration through Congress may seek to repeal or modify the IRA 2022 methane fee and other provisions of the law, we cannot predict with any certainty whether, how, or the timing for when such actions may occur. Even in the absence of new federal legislation, GHG emissions have begun to be regulated by the EPA pursuant to the Clean Air Act as well as

by state environmental authorities. For example, the EPA has set a new emissions standard for motor vehicles to reduce GHG emissions. This vehicle emission standard has become increasingly stringent over time; for example, in March 2024, the EPA finalized new emissions standards for light and medium-duty vehicles, including passenger cars, vans, pickups, sedans and sport utility vehicles for model years 2027 through 2032 and beyond. The final rule sets new, strict standards intended to reduce air pollutant emissions, including greenhouse gas emissions; however, the new standards are now subject to legal challenge. Moreover, it remains uncertain what actions, if any, the Trump Administration may take to repeal or otherwise modify this rule. For example, in January 2025, President Trump signed an Executive Order, *Unleashing American Energy*, which directs all agencies to immediately pause the disbursement of funds appropriated through the IRA 2022 or the Infrastructure Investment and Jobs Act, including funds for electric vehicle charging stations made available through the National Electric Vehicle Infrastructure Formula Program and the Charging and Fueling Infrastructure Discretionary Grant Program, though this pause is generally currently subject to legal challenge.

New federal or state restrictions on emissions of GHGs that may be imposed in areas of the United States in which we conduct business and that apply to our operations could adversely affect the demand for our products. However, on his first day in office, President Trump issued several Executive Orders rescinding many of the previous administration's climate-related initiatives, including directing agencies to immediately pause the disbursement of certain funds, including funding for GHG mitigation projects. Even absent any significant GHG-related rulemakings in the near-term at the federal level, several states in which we operate, such as California, Colorado and Pennsylvania, may continue to aggressively pursue the regulation of GHG emissions.

In addition, the federal regulation of methane emissions from the oil and gas sector have been subject to substantial uncertainty in recent years. For example, the EPA previously finalized more stringent methane emission standards for certain sources in the oil and gas sector, including first-ever standards for existing sources. Under the final rules, states have two years to prepare and submit their plans to impose methane emission controls on existing sources. The presumptive standards under the final rule are generally the same for both new and existing sources, including enhanced leak detection survey requirements using optical gas imaging and other advanced monitoring to encourage the deployment of innovative technologies to detect and reduce methane emissions, reduction of emissions by 95% through capture and control systems, zero-emission requirements for certain devices, and the establishment of a "super emitter" response program that would allow third parties to make reports to the EPA of large methane emissions events, triggering certain investigation and repair requirements. It is likely, however, that the final rule and its requirements will be subject to legal challenges. We cannot predict whether or on what timeline the Trump Administration may seek to revise or otherwise repeal these rules.

At the international level, the United States and 195 other countries previously reached an agreement during the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (the "Paris Agreement"), a long-term, international framework convention designed to address climate change over the next several decades. President Biden recommitted the United States to the Paris agreement and, in April 2021, announced a goal of reducing the United States' emissions by 50-52% below 2005 levels by 2030. However, in January 2025, President Trump issued an executive order calling for the withdrawal of the United States from the Paris Agreement and revoking any related financial commitments thereunder as part of a broader series of executive orders announcing a deregulatory approach with respect to climate change matters. State or local governments may, however, elect to continue to participate in international climate change initiatives and pursue state- or regional-level climate change-related regulations. Any efforts to control and/or reduce GHG emissions by the United States or other countries, or concerted conservation efforts that result in reduced consumption, could adversely impact demand for our products and, in turn, our financial position and results of operations.

Climate change may also result in various physical risks, such as the increased frequency or intensity of extreme weather events or changes in meteorological and hydrological patterns that could adversely impact our operations or those of our supply chains. Such physical risks may result in damage to our facilities or our customers' facilities or otherwise adversely impact our operations, such as to the extent changing weather and temperature trends reduce the demand for our products or frequency with which consumers may visit our locations or impact the cost or availability of insurance. Moreover, certain parties, including local and state governments, have from time to time filed lawsuits against various fossil fuel energy companies seeking damages for alleged physical impacts resulting from climate change or relating to false or misleading statements related to fossil fuel's contribution to climate change. In addition, several states, including New York and Vermont, have passed climate change-related "Superfund" laws that seek to impose liability for alleged damages from climate change on certain types of entities. Other states are also considering the adoption of such laws. Further, there are increasing financial risks to companies in the fossil fuel sector as members of the general financial and investment communities increase sustainability considerations in their practices. There is also a risk that financial institutions will be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector, although this trend has waned in recent years. To the extent implemented or pursued, these efforts may adversely affect the market for our securities and our ability to access capital and financial markets in the future.

Separately, in March of 2024, the SEC has published a rule establishing a framework for reporting of climate risks, targets and metrics. However, the rule is currently paused pending litigation and we cannot predict the final outcome. Further, the Trump Administration is expected to repeal the SEC climate rule; however, the timeline for any repeal is subject to a number of uncertainties and likely could face legal challenges that would further delay the implementation of any repeal. If implemented, we cannot predict

how financial institutions or investors might consider any information included in these climate-related disclosures when making investment decisions, and as a result it is possible we could face increased costs related to, or restrictions imposed on, our access to capital. Similarly, in October 2023 the Governor of California signed the Climate Corporate Data Accountability Act (“CCDAA”) and Climate-Related Financial Risk Act (“CRFRA”) into law. The CCDAA requires both public and private U.S. companies that are “doing business in California” and that have a total annual revenue of \$1 billion to publicly disclose and verify, on an annual basis, Scope 1, 2, and 3 GHG emissions. Both laws are vague and potentially overbroad with respect to their applicability, appearing to require only minimal contacts with California. The CRFRA requires the disclosure of a climate-related financial risk report in line with certain stakeholder frameworks every other year for public and private companies that are “doing business in California” and have total annual revenue of \$500 million. Reporting under both laws would begin in 2026. Currently, the ultimate impact of these laws on our business is uncertain, but to the extent implemented, we may face additional costs to comply with these disclosure requirements as well as increased costs of and restrictions on access to capital. Separately, enhanced climate related disclosure requirements could lead to reputational or other harm with customers, regulators, investors or other stakeholders and could also increase our litigation risks relating to alleged climate-related damages resulting from our operations, statements alleged to have been made by us or others in our industry regarding climate change risks, or in connection with any future disclosures we may make regarding reported emissions, particularly given the inherent uncertainties and estimations with respect to calculating and reporting GHG emissions. These various political, regulatory, financial, physical and litigation risks related to climate change have the potential adversely impact our operations and financial performance.

### **Water**

The U.S. Federal Water Pollution Control Act, as amended, (the “Clean Water Act”), and analogous state laws, impose restrictions and strict controls regarding the discharge of pollutants into navigable waters of the United States (“WOTUS”). The definition of WOTUS has been subject to repeated change in recent years. Most recently, following legal action on a January 2023 final rule, the U.S. Supreme Court’s decision in *Sackett v. EPA*, and the enactment of a subsequent September 2023 rule, the implementation of the definition is split based on jurisdiction. In 27 states, the January 2023 rule is enjoined subject to litigation, and the EPA and the U.S. Army Corps of Engineers are implementing the definition of WOTUS consistent with the pre-2015 regulatory regime and the changes made by the Sackett decision, which utilizes the “continuous surface connection” test to determine if wetlands qualify as WOTUS. In the remaining 23 states, the agencies are implementing the September 2023 rule, which amended the January 2023 rule to incorporate the Sackett decision. However, the September 2023 rule does not define the term “continuous surface connection,” and it is currently unclear how broadly the September 2023 rule and the Sackett decision will be interpreted by the agencies and what the Trump Administration may further propose or finalize. To the extent any action further expands the scope of the Clean Water Act’s jurisdiction, it could cause increased costs and delays with respect to obtaining permits for dredge and fill activities in wetland areas. Federal and state regulatory agencies can impose administrative, civil and/or criminal penalties for non-compliance with discharge permits or other requirements of the Clean Water Act, and can also pursue injunctive relief to enforce compliance with the Clean Water Act and analogous laws. Spill prevention control and countermeasure requirements of federal and state laws require containment to mitigate or prevent contamination of waters in the event of a refined product overflow, rupture, or leak from above-ground pipelines and storage tanks. The Clean Water Act also requires us to maintain spill prevention control and countermeasure plans at our terminal facilities with above-ground storage tanks and pipelines.

The U.S. Oil Pollution Act of 1990 (“OPA 90”) amended certain provisions of the Clean Water Act as they relate to the release of petroleum products into navigable waters. OPA 90 subjects owners of facilities to strict, joint and potentially unlimited liability for containment and removal costs, natural resource damages and certain other consequences of an oil spill. State laws also impose requirements relating to the prevention of oil releases and the remediation of areas. In addition, the OPA 90 requires that most fuel transport and storage companies maintain and update various oil spill prevention and oil spill contingency plans. Facilities that are adjacent to water require the engagement of Federally Certified Oil Spill Response Organizations to be available to respond to a spill on water from above ground storage tanks or pipelines.

Transportation and storage of refined products over and adjacent to water involves risk and potentially subjects us to strict, joint, and potentially unlimited liability for removal costs and other consequences of an oil spill where the spill is into navigable waters, along shorelines or in the exclusive economic zone of the United States. In the event of an oil spill into navigable waters, substantial liabilities could be imposed upon us. The Clean Water Act imposes restrictions and strict controls regarding the discharge of pollutants into navigable waters, with the potential of substantial liability for the violation of permits or permitting requirements.

### **Pipeline Safety Regulation**

Some of our pipelines are subject to regulation by the Pipeline and Hazardous Materials Safety Administration (“PHMSA”), pursuant to the Hazardous Liquids Pipeline Safety Act of 1979 (“HLPESA”). The HLPESA was amended by the Pipeline Safety Act of 1992, the Accountable Pipeline Safety and Partnership Act of 1996, the Pipeline Safety Improvement Act of 2002 (“PSIA”), as reauthorized and amended by the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006, the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 (“2011 Pipeline Safety Act”) and the Protecting Our Infrastructure of Pipelines and Enhancing Safety Act of 2020. The HLPESA regulates safety requirements in the design, construction, operation and maintenance of crude oil and NGL pipeline

facilities, while the PSIA establishes mandatory inspections for all U.S. crude oil, NGLs and hazardous liquid transmission pipelines in certain high risk areas, such as high-consequence areas (“HCAs”) or moderate consequence areas (“MCAs”).

PHMSA has developed regulations that require pipeline operators to implement integrity management programs, including more frequent inspections and other measures to ensure pipeline safety in HCAs and MCAs. The regulations require operators, including us, to:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact certain high risk areas;
- improve data collection, integration and analysis;
- repair and remediate pipelines as necessary; and
- implement preventive and mitigating actions.

The 2011 Pipeline Safety Act, among other things, increased the maximum civil penalty for pipeline safety violations and directed the Secretary of Transportation to promulgate rules or standards relating to expanded integrity management requirements, automatic or remote controlled valve use, excess flow valve use, leak detection system installation and testing to confirm the material strength of pipe operating above 30% of specified minimum yield strength in HCAs. Consistent with the 2011 Pipeline Safety Act, PHMSA finalized rules that increased the maximum administrative civil penalties for violation of the pipeline safety laws and regulations to \$200,000 per violation per day, with a maximum of \$2,000,000 for a related series of violations. In January 2024, those maximum civil penalties were increased to \$266,015 and \$2,660,135, respectively, to account for inflation. The PHMSA has also issued a final rule applying safety regulations to certain rural low-stress hazardous liquid pipelines that were not covered previously by some of its safety regulations.

Following legislation enacted by Congress, PHMSA has issued or proposed regulations that either seek to impose new obligations on pipeline operations or expand existing pipeline safety requirements. In the Fiscal Year 2021 Omnibus Appropriations Bill, Congress authorized PHMSA’s spending through fiscal year 2023 and directed the Agency to move forward with several regulatory actions: the promulgation of rules related to changes in class location of existing pipelines, pipeline integrity and maintenance, and the management of idled pipelines, amongst other matters. An example of PHMSA’s rulemaking under this directive was a 2022 rule, expanding regulations for the installation of rupture mitigation valves and establishing of a minimum rupture detection standard. PHMSA also released final regulations in January 2025 related to the management of methane emissions from pipelines; however, the future of these rules is uncertain at this time as a result of the change in U.S. presidential administrations. We cannot predict the capital and operating expenditures related to compliance with future PHMSA rulemakings, and such rulemakings may require us to incur significant costs to maintain compliance.

States are largely preempted by federal law from regulating pipeline safety for interstate lines but most are certified by the DOT to assume responsibility for enforcing federal intrastate pipeline regulations and inspection of intrastate pipelines. States may adopt stricter standards for intrastate pipelines than those imposed by the federal government for interstate lines; however, states vary considerably in their authority and capacity to address pipeline safety. State standards may include requirements for facility design and management in addition to requirements for pipelines. We do not anticipate any significant difficulty in complying with applicable state laws and regulations; however, we cannot guarantee that this will or will always be the case.

We regularly review all existing and proposed pipeline safety requirements and work to incorporate the new requirements into procedures and budgets. We expect to incur increasing regulatory compliance costs, based on the intensification of the regulatory environment and upcoming changes to regulations as outlined above, consistent with other similarly situated midstream companies. In addition to regulatory changes, costs may be incurred if there is an accidental release of a commodity transported by our system, or a regulatory inspection identifies a deficiency in our required programs and corrective action is required.

### **Regulation of Interstate Crude Oil and Products Pipelines**

Interstate common carrier pipeline operations are subject to rate regulation by the Federal Energy Regulatory Commission (“FERC”) under the Interstate Commerce Act (“ICA”), the Energy Policy Act of 1992 (“EPAAct of 1992”), and related rules and orders. The ICA requires that tariff rates for petroleum pipelines be “just and reasonable” and not unduly discriminatory and that such rates and terms and conditions of service be filed with the FERC. This statute also permits interested persons to challenge proposed new or changed rates. The FERC is authorized to suspend the effectiveness of such rates for up to seven months, though rates are typically not suspended for the maximum allowable period. If the FERC finds that the new or changed rate is unlawful, it may require the carrier to pay refunds for the period that the rate was in effect. The FERC also may investigate, upon complaint or on its own motion, rates that are already in effect and may order a carrier to change its rates prospectively. Upon an appropriate showing, a shipper may obtain reparations for damages sustained for a period of up to two years prior to the filing of a complaint.



The FERC generally has not investigated interstate rates on its own initiative when those rates, like those we charge, have not been the subject of a protest or a complaint by a shipper. However, the FERC could investigate our rates at the urging of a third party if the third party is either a current shipper or has a substantial economic interest in the tariff rate level. Although no assurance can be given that the tariff rates charged by us ultimately will be upheld if challenged, management believes that the tariff rates now in effect for our pipelines are within the maximum rates allowed under current FERC policies and precedents.

We are able to use various FERC-authorized rate change methodologies for our interstate pipelines, including indexed rates, cost-of-service rates, market-based rates and negotiated rates. Typically, we adjust our rates annually in accordance with the FERC indexing methodology, which currently allows a pipeline to change its rates within prescribed ceiling levels that are tied to an inflation index. It is possible that the index may result in a negative rate adjustments in some years, or that changes in the index might not be large enough to fully reflect actual increases in our costs.

To the extent we rely on cost-of-service ratemaking to establish or support our rates, the issue of the proper allowance for federal and state income taxes could arise. In July 2016, the United States Court of Appeals for the District of Columbia Circuit issued an opinion in *United Airlines, Inc., et al. v. FERC*, finding that the FERC had failed to demonstrate that permitting an interstate petroleum products pipeline organized as a master limited partnership, or MLP, to include an income tax allowance in the cost of service underlying its rates, in addition to the discounted cash flow return on equity, would not result in the pipeline partnership owners double recovering their income taxes. The court vacated the FERC's order and remanded to the FERC to consider mechanisms for demonstrating that there is no double recovery as a result of the income tax allowance.

In March 2018, the FERC issued a Revised Policy Statement on Treatment of Income Taxes in which the FERC found that an impermissible double recovery results from granting an MLP pipeline both an income tax allowance and a return on equity pursuant to the FERC's discounted cash flow methodology. The FERC revised its previous policy, stating that it would no longer permit an MLP pipeline to recover an income tax allowance in its cost of service. The FERC stated it will address the application of the *United Airlines* decision to non-MLP partnership forms as those issues arise in subsequent proceedings. In July 2018, the FERC dismissed requests for rehearing and clarification of the March 2018 Revised Policy Statement, but provided further guidance, clarifying that a pass-through entity will not be precluded in a future proceeding from arguing and providing evidentiary support that it is entitled to an income tax allowance and demonstrating that its recovery of an income tax allowance does not result in a double recovery of investors' income tax costs. On July 31, 2020, the United States Court of Appeals for the District of Columbia Circuit issued an opinion upholding FERC's March 2018 Revised Policy Statement, as clarified and revised on rehearing. In light of the rehearing order's clarification regarding individual entities' ability to argue in support of recovery of an income tax allowance and the court's subsequent opinion upholding denial of an income tax allowance to a master limited partnership, the impacts the FERC's policy on the treatment of income taxes may have on the rates an interstate pipeline held in a tax-pass-through entity can charge for the FERC regulated transportation services are unknown at this time.

Effective January 2018, the 2017 Tax Cuts and Jobs Act changed several provisions of the federal tax code, including a reduction in the maximum corporate tax rate. With the lower tax rate, and as discussed immediately above, the tariff rates allowed by the FERC under its rate base methodology may be impacted by a lower income tax allowance component. The timing and impact to our pipelines of any tax-related policy change is unknown at this time and varies based on the circumstances of each pipeline.

The EPAct of 1992 required the FERC to establish a simplified and generally applicable methodology to adjust tariff rates for inflation for interstate petroleum pipelines. As a result, the FERC adopted an indexing rate methodology which, as currently in effect, allows common carriers to change their rates within prescribed ceiling levels that are tied to changes in the Producer Price Index for Finished Goods, or PPI-FG. The FERC's indexing methodology is subject to review every five years.

In December 2020, FERC issued an order setting the indexed rate at PPI-FG plus 0.78% during the five-year period commencing July 1, 2021 and ending June 30, 2026. The FERC received requests for rehearing of its December 17, 2020 order and on January 20, 2022, granted rehearing and modified the oil index. Specifically, for the five-year period commencing July 1, 2021 and ending June 30, 2026, FERC-regulated liquids pipelines charging indexed rates are permitted to adjust their indexed ceilings annually by PPI-FG minus 0.21%. FERC directed liquids pipelines to recompute their ceiling levels for July 1, 2021 through June 30, 2022, as well as the ceiling levels for the period July 1, 2022 through June 30, 2023, based on the new index level. Where an oil pipeline's filed rates exceed its ceiling levels, FERC ordered such oil pipelines to reduce the rate to bring it into compliance with the recomputed ceiling level to be effective March 1, 2022. Some parties sought rehearing of the January 20 order with FERC, which was denied by FERC on May 6, 2022. Certain parties have appealed the January 20 and May 6 orders. On July 26, 2024, the D.C. Circuit ruled in *LEPA v. FERC* that FERC violated the Administrative Procedure Act because the January 20 order modified the index without following notice and comment. As a result, the D.C. Circuit vacated the January 20 order and on September 17, 2024, the Commission reinstated the index level established by its original December 17 order, directed pipelines to file an informational filing to show their recomputed ceiling levels reflecting the reinstated index level and stated that pipelines may file to prospectively increase their indexed rates to their recomputed levels. On October 17, 2024, FERC issued a Supplemental Notice of Proposed Rulemaking ("Supplemental NOPR") that proposes a reduction to the currently effective index by one percent. The Supplemental NOPR, which remains pending before

FERC, could result in the reimplementaion through a notice-and-comment rulemaking of the same rulings that were vacated by the D.C. Circuit in *LEPA v. FERC*.

The indexing methodology is applicable to existing rates, including grandfathered rates, with the exclusion of market-based rates. A pipeline is not required to raise its rates up to the index ceiling, but it is permitted to do so and rate increases made under the index are presumed to be just and reasonable unless a protesting party can demonstrate that the portion of the rate increase resulting from application of the index is substantially in excess of the pipeline's increase in costs. Under the indexing rate methodology, in any year in which the index is negative, pipelines must file to lower their rates if those rates would otherwise be above the rate ceiling.

In November 2017, the FERC responded to a petition for declaratory order and issued an order that may have significant impacts on the way a marketer of crude oil or petroleum products that is affiliated with an interstate pipeline can price its services if those services include transportation on an affiliate's interstate pipeline. In particular, the FERC's November 2017 order prohibits buy/sell arrangements by a marketing affiliate if: (i) the transportation differential applicable to its affiliate's interstate pipeline transportation service is at a discount to the affiliated pipeline's filed rate for that service; and (ii) the pipeline affiliate subsidizes the loss. Several parties have requested that the FERC clarify its November 2017 order or, in the alternative, grant rehearing of the November 2017 order. On December 15, 2022, the FERC provided further clarification of its November 2017 order but denied requests for rehearing.

Finally, on December 15, 2022, the FERC issued a Proposed Policy Statement on Oil Pipeline Affiliate Committed Service, which addresses whether a contract for committed transportation service complies with the ICA where the only shipper to obtain the committed service is an affiliate of the regulated entity. If adopted, the proposed policy statement would create a rebuttable presumption that affiliate contracts are unduly discriminatory and not just and reasonable in certain circumstances and require a pipeline to produce additional evidentiary support for affiliate contracts rates and terms. This follows a trend of increased scrutiny by FERC on affiliated contracts across all industries regulated by the FERC. The FERC has taken no further action on the proposed policy statement.

### **Regulation of Intrastate Crude Oil and Products Pipelines**

In addition to federally regulated body oversight, various states, including Colorado, Kansas, Louisiana, North Dakota and Texas, maintain commissions focused on the rates and practices of common carrier pipelines offering services within their borders. Although the applicable state statutes and regulations vary, they generally require that intrastate pipelines publish tariffs setting forth all rates, rules and regulations applying to intrastate service, and generally require that pipeline rates and practices be just, reasonable and nondiscriminatory.

Shippers may challenge tariff rates, rules and regulations on our pipelines. In most instances, state commissions have not initiated investigations of the rates or practices of pipelines in the absence of shipper complaints. There are no pending challenges or complaints regarding our tariffs or tariff rates.

In addition, as noted above, the rates, terms and conditions for shipments of crude oil or petroleum products on our pipelines could be subject to regulation by the FERC under the ICA and the EPCA of 1992 if the crude oil or petroleum products are transported in interstate or foreign commerce whether by our pipelines or other means of transportation. Since we do not control the entire transportation path of all crude oil or petroleum products shipped on our pipelines, FERC regulation could be triggered by our customers' transportation decisions.

### **Regulation of Interstate Ammonia Pipelines**

Our ammonia pipeline is subject to regulation by the Surface Transportation Board (the "STB") pursuant to the ICA applicable to such pipelines (which differs from the ICA applicable to interstate liquids pipelines). Under that regulation, the ammonia pipeline's rates, classifications, rules and practices related to the interstate transportation of anhydrous ammonia must be reasonable and, in providing interstate transportation, the ammonia pipeline may not subject a person, place, port or type of traffic to unreasonable discrimination. Similar to the crude and refined products pipelines, the rates for transportation services on the ammonia pipeline are required to be in a tariff which is posted publicly on our website, however, that tariff is not required to be on file with the STB. The STB does not prescribe an indexing approach similar to the EP Act but rates under the STB must be reasonable and the pipeline may not subject a person, place, port or type of traffic to unreasonable discrimination.

### **Other Government Regulation**

The Petroleum Marketing Practices Act (the "PMPA") is a federal law that governs the relationship between a refiner and a distributor, as well as between a distributor and branded dealer, pursuant to which the refiner or distributor permits a distributor or dealer to use a trademark in connection with the sale or distribution of motor fuel. Under the PMPA, we may not terminate or fail to renew a branded distributor contract, unless certain enumerated preconditions or grounds for termination or non-renewal are met and we also comply with the prescribed notice requirements. Additionally, we are subject to state petroleum franchise laws as well as laws specific to gasoline retailers and dealers, including state laws that regulate our relationships with third parties to whom we lease sites and supply motor fuels. Finally, we are subject to laws regarding fuel standards. For more information, see "We are subject to federal laws related to the RFS" and "We are subject to federal, state and local laws and regulations that govern the product quality specifications of

refined petroleum products we purchase, store, transport, and sell to our distribution customers” in “Item 1A. Risk Factors” in this Annual Report on Form 10-K.

### **Employee Safety**

We are subject to the requirements of the Occupational Safety and Health Act (“OSHA”) and comparable state statutes that regulate the protection of the health and safety of workers. In addition, OSHA’s hazard communication standards require that information be maintained about hazardous materials used or produced in operations and that this information be provided to employees, state and local government authorities and citizens. We believe that we are in substantive compliance with the applicable OSHA requirements.

### **Store Operations**

Our remaining retail locations are subject to regulation by federal agencies and to licensing and regulations by state and local health, sanitation, safety, fire and other departments relating to the development and operation of convenience stores, including regulations related to zoning and building requirements and the preparation and sale of food.

Our operations are also subject to federal and state laws governing such matters as wage rates, overtime, working conditions and citizenship requirements. At the federal level, there are proposals under consideration from time to time to increase minimum wage rates.

### **Human Capital Management**

As of December 31, 2024, we employed an aggregate of 3,298 employees, 359 of which are represented by labor unions. We and our subsidiaries believe that our relations with our employees are good.

In order to accomplish our objectives, we must continue to attract and retain top talent. We seek to accomplish this by fostering a culture that is guided by our ethics and principles, that respects all people and cultures, and that focuses on health and safety.

*Ethics and Principles.* We are committed to operating our business in a manner that honors and respects all people and the communities in which we do business. We recognize that people are our most valued resource, and we are committed to hiring and investing in employees who strive for excellence and live by our core values: working safely, corporate stewardship, ethics and integrity, entrepreneurial mindset, supporting our people, excellence and results, and social responsibility. We value our employees for what they bring to our organization by embracing those from all backgrounds, cultures, and experiences. We also believe that the keys to our success have been the cultivation of an atmosphere of belonging and respect within our family of partnerships and sustaining organizations that promote and support all of the communities in which we do business. These are the principles upon which we build and strengthen relationships among our people, our stakeholders, and those within the communities we support.

*Respecting All People and All Cultures.* We believe strict adherence to our Code of Business Conduct and Ethics is not only right, but is in the best interest of the Partnership, its unitholders, its customers, and the industry in general. The Partnership’s policies require that business be conducted in a lawful and ethical manner at all times. Every employee acting on behalf of the Partnership must adhere to these policies. Please refer to “Item 10. Directors, Executive Officers and Corporate Governance” for additional information on our Code of Business Conduct and Ethics.

*Commitment to Health and Safety.* Our goal is operational excellence, which means an injury and incident-free workplace. To achieve this, we strive to hire and maintain a qualified and dedicated workforce and encourage safety and safety accountability throughout our daily operations.

Our environmental, health and safety professionals provide environmental and safety training to our field representatives. This group also assists others throughout the organization in identifying continuous training for personnel, including the training that is required by applicable laws, regulations, standards, and permit conditions. Our safety standards and expectations are clearly communicated to all employees and contractors with the expectation that each individual has the obligation to make safety the highest priority. Our safety culture promotes an open environment for discovering, resolving, and sharing safety challenges. We strive to eliminate unwanted safety events through a comprehensive process that promotes leadership, employee involvement, communication, and personal responsibility to comply with standard operating procedures and regulatory requirements, effective risk reduction processes, maintaining clean facilities, contractor safety, and personal wellness.

## **Item 1A. Risk Factors**

Below we have provided a summary of our key risk factors, followed by detail of these and other risks that should be reviewed when considering an investment in our securities. The risk factors set forth below are not all the risks we face and other factors that we face in the ordinary course of our business, that are currently considered immaterial or that are currently unknown to us may impact our future operations.



## **Risk Factor Summary**

### **Risks Related to Our Business**

*Results of Operations and Financial Condition.* Our results of operations and financial condition could be impacted by many risks that are beyond our control, including the following:

- cash distributions are not guaranteed and may fluctuate with our performance and other external factors;
- general economic, financial, and political conditions, including the impact of tariffs, to the extent enacted;
- the imposition or increase of tariffs on steel or other raw materials, or changes in trade agreements or trade relations;
- changes in the prices of motor fuel;
- demand for motor fuel, including consumer preference for alternative motor fuels or improvements in fuel efficiency;
- demand for and supply of crude oil, refined products, renewable fuels, and anhydrous ammonia;
- seasonal trends;
- dangers inherent in the storage and transportation of motor fuel, crude oil, renewable fuels and anhydrous ammonia;
- operational and business risks associated with our pipelines and fuel storage terminals;
- tariff and/or contractually determined rates and fees we charge and the revenue we realize for our services;
- domestic and foreign governmental laws, regulations, sanctions, embargoes, and taxes;
- events or developments associated with our branded suppliers;
- extreme weather events that may be more severe or frequent than historically experienced and that may be attributable to changes in climate due to adverse effects of an industrialized economy;
- competition and fragmentation within the wholesale motor fuel distribution industry;
- competition within the convenience store industry, including the impact of new entrants;
- possible increased costs related to land use and facilities and equipment leases;
- possible future litigation;
- potential loss of key members of our senior management team;
- failure to attract and retain qualified employees;
- failure to insure against risks incident to our business;
- terrorist attacks and threatened or actual war;
- cybersecurity attacks, data breaches and other disruptions affecting us, or our service providers;
- disruption of our information systems;
- failure to protect sensitive customer, employee or vendor data, or to comply with applicable regulations relating to data security and privacy;
- failure to obtain trade credit terms to adequately fund our ongoing operations;
- our dependence on cash flow generated by our subsidiaries; and
- potential impairment of goodwill and intangible assets.

*Acquisitions and Future Growth.* Our business, results of operations, cash flows, financial condition and future growth could be impacted by the following:

- failure to make acquisitions on economically acceptable terms, including as a result of recent increases in cost of capital resulting from Federal Reserve policies and changes in financial institutions' policies or practices concerning businesses linked to fossil fuels, or to successfully integrate acquired assets;
- any acceleration of the domestic and/or international transition to a low carbon economy as a result of the IRA 2022 or otherwise; and
- failure to manage risks associated with acquisitions.

*Regulatory Matters.* Our business, results of operations, cash flows, financial condition and future growth could be impacted by the following:

- significant expenditures or liabilities resulting from federal, state and local laws and regulations pertaining to environmental protection, operational safety, pipeline safety or the Renewable Fuel Standard ("RFS");
- changes in demand for motor fuel, crude oil, renewable fuels or other petroleum products resulting from federal and/or state regulations that may discourage the use or storage of petroleum products;
- significant expenditures or penalties associated with federal, state and local laws and regulations that govern the product quality specifications of refined petroleum products we purchase and sell;
- changes in federal, state or local laws and regulations pertaining to the facilities and operations of third parties that supply fuel to or transport for our storage terminals;
- laws, regulations and policies governing the rates, terms and conditions of our services;
- failure to recover the full amount of increases in the costs of our pipeline operations;
- costs and liabilities resulting from performance of pipeline integrity programs and related repairs;
- new or more stringent pipeline safety controls or enforcement of legal requirements;

- impacts to our business as a result of the energy transition and legislative, regulatory and financial risks relating to climate change; and
- regulatory provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and the rules adopted thereunder.

*Indebtedness.* Our business, results of operations, cash flows and financial condition, as well as our ability to make distributions and the market value of our common units, could be impacted by the following:

- our debt levels;
- increases in interest rates, including the impact to the relative value of our distributions to yield-oriented investors; and
- restrictions and financial covenants associated with our debt agreements.

## **Risks Related to Our Structure**

*Our General Partner.* Our stakeholders could be impacted by risks related to our General Partner, including:

- our General Partner’s and its affiliates’ conflicts of interest with us and contractually-limited duties;
- our General Partner’s limited liability regarding our obligations;
- our General Partner’s ability to approve the issuance of partnership securities and specify the terms of such securities; and
- cost reimbursements due to our General Partner and its affiliates for services provided to us or on our behalf.

*Our Partnership Agreement.* Our stakeholders could be impacted by risks related to our partnership agreement, including:

- the requirement that we distribute all of our available cash;
- the limited liability and duties of our General Partner and restrictions on the remedies available for actions taken;
- the potential need to issue common units in connection with a resetting of the target distribution levels related to our IDRs;
- our common unitholders’ limited voting rights and lack of rights to elect our General Partner or its directors;
- limitations on our common unitholders’ ability to remove our General Partner without its consent;
- potential transfer of the General Partner interest or the control of our General Partner to a third party;
- the potential requirement for unitholders to sell their common units at an undesirable time or price;
- our ability to issue additional units without unitholder approval;
- potential sales of substantial amounts of our common units in the public or private markets;
- restrictions on the voting rights of unitholders owning 20% or more of our outstanding common units;
- the dependence of our distributions primarily on our cash flow and not solely on profitability;
- our unitholders’ potential liability to repay distributions; and
- the lack of certain corporate governance requirements by the New York Stock Exchange (“NYSE”) for a publicly traded partnership like us.

## **Tax Risks to Common Unitholders**

Our unitholders could be impacted by tax risks, including:

- our potential to be taxed as a corporation or otherwise become subject to a material amount of entity-level taxation;
- the potential for our unitholders to be required to pay taxes on their share of our income even if they do not receive any cash distributions from us; and
- unique tax issues faced by tax-exempt entities from owning common units.

## **Detail of Risk Factors Related to Our Business**

### **Results of Operations and Financial Condition**

***Cash distributions are not guaranteed and may fluctuate with our performance and other external factors.***

Cash distributions to unitholders is principally dependent upon cash generated from operations. The amount of cash generated from operations will fluctuate from quarter to quarter based on a number of factors, some of which are beyond our control, which include, among others:

- demand for motor fuel in the markets we serve, including the result of secular trends towards increased usage of electric vehicles and/or seasonal fluctuations in demand for motor fuel;
- competition from other companies that sell motor fuel products or have convenience stores in the market areas in which we or our commission agents or dealers operate;
- the amount of crude oil and refined petroleum products transported through our subsidiaries’ pipelines;
- the level of competition from other midstream, transportation and storage and retail marketing companies and other energy providers;
- regulatory action affecting the supply of or demand for motor fuel, crude oil, refined petroleum products, our operations, our existing contracts or our operating costs;

- prevailing economic conditions;
- the price of crude oil and refined petroleum products;
- rising interest rates and slowing economic growth;
- the accelerated transition to a low carbon economy;
- geopolitical events such as the armed conflict in Ukraine and political instability in the Middle East;
- supply, extreme weather and logistics disruptions; and
- volatility of margins for motor fuel.

In addition, the actual amount of cash we will have available for distribution will depend on other factors such as:

- the level and timing of capital expenditures we make;
- the cost of acquisitions, if any;
- our debt service requirements and other liabilities;
- fluctuations in our general working capital needs;
- reimbursements made to our General Partner and its affiliates for all direct and indirect expenses they incur on our behalf pursuant to the partnership agreement;
- our ability to borrow funds at favorable interest rates and access capital markets, including as a result of recent increases in cost of capital resulting from Federal Reserve policies;
- restrictions contained in debt agreements to which we are a party;
- the level of costs related to litigation and regulatory compliance matters; and
- the amount of cash reserves established by our General Partner in its discretion for the proper conduct of our business.

If our cash flow from operations is insufficient to satisfy our needs, we cannot be certain that we will be able to obtain bank financing or access the capital markets. Further, incurring additional debt may significantly increase our interest expense and financial leverage and issuing additional limited partner interests may result in significant unitholder dilution and would increase the aggregate amount of cash required to maintain the cash distribution rate which could materially decrease our ability to pay distributions. If additional capital resources are unavailable to us, our business, financial condition, results of operations and ability to make distributions could be materially adversely affected.

***Changes in U.S. administrative policy, including the imposition of or increases in tariffs on steel and/or other raw materials, changes to existing trade agreements and any resulting changes in international trade relations, may have an adverse effect on us.***

We own and operate pipelines and terminals and, like others in our industry, we use significant amounts of steel in our projects and rely on our ability to obtain that steel in an affordable way to maintain our operating margins. Any imposition of or increase in tariffs on steel and/or other raw materials could increase our growth project costs, which may impact the profitability of new projects.

Recently, the Trump Administration announced plans to implement or increase tariffs, and on February 10, confirmed extension of 25 percent import tariffs on steel globally to go into effect on March 12. The ultimate impact of this tariff is unknown at this time. Additionally, ongoing changes in U.S. and foreign government trade policies, including potential modifications to existing trade agreements and further restrictions on free trade, could introduce additional uncertainty. Any escalation of trade tensions, additional tariffs, retaliatory measures by foreign governments or shifts in U.S. or international trade policies could adversely impact our supply chain and increase costs, particularly on our expansion projects. A trade war or other significant changes in trade regulations could have an adverse effect on our business and results of operations.

***Our business could be negatively impacted by the inflationary pressures which may decrease our operating margins and increase working capital investments required to operate our business.***

The U.S. inflation rate steadily rose in 2021 and into 2022 before eventually declining throughout 2023 and 2024. A sustained increase in inflation may continue to increase our costs for labor, services and materials, which, in turn, could cause our operating costs and capital expenditures to increase. Further, our customers face inflationary pressures and resulting impacts, such as the tight labor market and supply chain disruptions. The rate and scope of these various inflationary factors may increase our operating costs and capital expenditures materially, which may not be readily recoverable in the prices of our services and may have an adverse effect on our costs, operating margins, results of operations and financial condition. Additionally, the Federal Reserve and other central banks have implemented policies in an effort to curb inflationary pressure on the costs of goods and services across the U.S., including the significant increases in prevailing interest rates that occurred during 2022 and 2023 as a result of the 525 aggregate basis point

increase in the federal funds rate, and the associated macroeconomic impact on slowdown in economic growth could negatively impact our business. While the Federal Reserve reduced benchmark interest rates by 75 basis points in late 2024, it has recently announced a pause on interest rate cuts and the continuation of rates at the current level could have the effects of raising the cost of capital and depressing economic growth, either of which—or the combination thereof—could hurt the financial and operating results of our business.

***General economic, financial, and political conditions may materially adversely affect our results of operations and financial condition.***

General economic, financial, and political conditions may have a material adverse effect on our results of operations and financial condition. For example, declines in consumer confidence and/or consumer spending, changes in unemployment, significant inflationary or deflationary changes or disruptive regulatory or geopolitical events could contribute to increased volatility and diminished expectations for the economy and our markets, including the market for our goods and services, and lead to demand or cost pressures that could negatively and adversely impact our business. These conditions could affect both of our business segments.

Examples of such conditions could include:

- a general or prolonged decline in, or shocks to, regional or broader macro-economies;
- regulatory changes that could impact the markets in which we operate, such as immigration, tariffs or trade reform laws or regulations prohibiting or limiting hydraulic fracturing, which could reduce demand for or supply of our goods and services or lead to pricing, currency, or other pressures; and
- deflationary economic pressures, which could hinder our ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to our cost structure.

The nature of these types of risks, which are often unpredictable, makes them difficult to plan for, or otherwise mitigate, and they are generally uninsurable—which compounds their potential impact on our business.

***Our financial condition and results of operations are influenced by changes in the prices of motor fuel, crude oil or refined petroleum products, which may adversely impact our margins, our customers' financial condition and the availability of trade credit.***

Our operating results are influenced by prices for motor fuel, crude oil and refined petroleum products. General economic and political conditions, acts of war or terrorism and instability in oil producing regions, particularly in the Middle East, South America, Russia and Africa could significantly impact crude oil supplies and refined product petroleum costs. Significant increases or high volatility in petroleum costs could impact consumer demand for motor fuel and convenience merchandise. Such volatility makes it difficult to predict the impact that future petroleum costs fluctuations may have on our operating results and financial condition. We are subject to dealer tank wagon pricing structures at certain locations further contributing to margin volatility. A significant change in any of these factors could materially impact both wholesale and retail fuel margins, the volume of motor fuel we distribute or sell, and overall customer traffic, each of which in turn could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders.

Significant increases in wholesale motor fuel prices could impact us as some of our customers may have insufficient credit to purchase motor fuel from us at their historical volumes. Higher prices for motor fuel may also reduce our access to trade credit support or cause it to become more expensive.

***A significant decrease in demand for motor fuel, crude oil or refined petroleum products, including increased consumer preference for alternative motor fuels or improvements in fuel efficiency or a material shift toward electric or other alternative-power vehicles, in the areas we serve would reduce our ability to make distributions to our unitholders.***

Sales of refined motor fuels accounted for approximately 94% of our total revenues and 47% of our profit for the year ended December 31, 2024. A significant decrease in demand for motor fuel in the areas we serve could significantly reduce our revenues and our ability to make distributions to our unitholders. Our revenues are dependent on various trends, such as trends in commercial truck traffic, travel and tourism in our areas of operation, and these trends can change. Regulatory action, including government imposed fuel efficiency standards, may also affect demand for motor fuel. Because certain of our operating costs and expenses are fixed and do not vary with the volumes of motor fuel we distribute, our costs and expenses might not decrease ratably or at all should we experience such a reduction. As a result, we may experience declines in our profit margin if our fuel distribution volumes decrease.

Any technological advancements, regulatory changes or changes in consumer preferences causing a significant shift toward alternative motor fuels could reduce demand for the conventional petroleum based motor fuels we currently sell. Additionally, a shift toward electric, hydrogen, natural gas or other alternative-power vehicles could fundamentally change our customers' shopping habits or lead to new forms of fueling destinations or new competitive pressures.

New technologies have been developed and governmental mandates have been implemented to improve fuel efficiency, which may result in decreased demand for petroleum-based fuel. For example, in March 2024, the EPA finalized new emissions standards for light and medium-duty vehicles, including passenger cars, vans, pickups, sedans and sport utility vehicles for model years 2027 through 2032 and beyond. The final rule sets new, strict standards intended to reduce air pollutant emissions, including greenhouse gas emissions; however, the new standards are now subject to legal challenge. Moreover, it remains uncertain what actions, if any, the Trump Administration may take to repeal or otherwise modify this rule. Additionally, laws such as the Bipartisan Infrastructure Act and the IRA 2022 allocate funds to the development of electric vehicle infrastructure and provide incentives for consumers and manufacturers related to their use or development of electric vehicles, and the adoption rate of electric vehicles in the U.S. has continued to accelerate, with projections for the future rate of adoption in some reports more than doubling in recent years. However, in January 2025, President Trump signed an Executive Order, *Unleashing American Energy*, which directs all agencies to immediately pause the disbursement of funds appropriated through the IRA 2022 or the Infrastructure Investment and Jobs Act, including funds for electric vehicle charging stations made available through the National Electric Vehicle Infrastructure Formula Program and the Charging and Fueling Infrastructure Discretionary Grant Program, though this pause is generally currently subject to legal challenge. While the Trump Administration may ultimately take steps to reduce or eliminate incentives for zero-emission vehicles, at this time we cannot predict what actions the new administration may take or the timing of such actions. Any of these or similar actions could result in fewer visits to our convenience stores or independently operated commission agents and dealer locations, a reduction in demand from our wholesale customers, decreases in both fuel and merchandise sales revenue, or reduced profit margins, any of which could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders.

Similarly, any sustained decrease in demand for crude oil, refined products, renewable fuels or anhydrous ammonia in the markets our pipelines and terminals serve that extends beyond the expiration of our existing throughput and deficiency agreements could result in a significant reduction in throughputs in our pipelines and storage in our terminals, which would reduce our cash flows and impair our ability to make distributions to our unitholders. Factors that tend to decrease market demand include:

- a recession, high interest rates, inflation or other adverse economic conditions that result in lower spending by consumers on gasoline, diesel and travel;
- events that negatively impact global economic activity, travel and demand generally;
- higher fuel taxes or other governmental or regulatory actions that increase, directly or indirectly, the cost of gasoline;
- an increase in aggregate automotive engine fuel economy;
- new government and regulatory actions or court decisions requiring the phase out or reduced use of gasoline-fueled vehicles;
- the increased use of and public demand for use of alternative fuel sources or electric vehicles;
- an increase in the market price of crude oil that increases refined product prices, which may reduce demand for refined products and increase demand for alternative products; and
- adverse weather events resulting in decreased corn acres planted, which may reduce demand for anhydrous ammonia.

***The industries in which we operate are subject to seasonal trends, which may cause our operating costs to fluctuate, affecting our cash flow.***

We rely in part on consumer travel and spending patterns, and may experience more demand for gasoline in the late spring and summer months than during the fall and winter. Travel, recreation and construction are typically higher in these months in the geographic areas in which we or our commission agents and dealers operate, increasing the demand for motor fuel that we sell and distribute. Therefore, our revenues and cash flows are typically higher in the second and third quarters of our fiscal year. As a result, our results from operations may vary widely from period to period, affecting our cash flow.

***The dangers inherent in the storage and transportation of motor fuel, crude oil, refined petroleum products and anhydrous ammonia could cause disruptions in our operations and could expose us to potentially significant losses, costs or liabilities.***

Our operations are subject to significant hazards and risks inherent in transporting and storing motor fuel, crude oil, refined petroleum products, and anhydrous ammonia. These hazards and risks include, but are not limited to, traffic accidents, fires, explosions, spills, discharges, and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, governmentally-imposed fines or clean-up obligations, personal injury or wrongful death claims, and other damage to our properties and the properties of others. Any such event not covered by our insurance could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. Additionally, our pipelines, terminals and storage assets are generally long-lived assets, and some have been in service for many years. The age and condition of our assets could result in increased maintenance or repair expenditures in the future. If any of our facilities, or those of our customers or

suppliers, suffer significant damage or are forced to shut down for a significant period of time, it may have a material adverse effect on our results of operations and our financial condition as a whole.

***Our pipeline and fuel storage terminals are subject to operational and business risks which may adversely affect our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.***

Our pipeline and fuel storage terminals are subject to operational and business risks, the most significant of which include the following:

- our inability to renew a ground lease for certain of our pipelines or fuel storage terminals on similar terms or at all;
- our dependence on third parties to supply our fuel storage terminals;
- outages on our pipelines or at our fuel storage terminals or interrupted operations due to weather-related or other natural causes;
- the threat that the nation's terminal infrastructure may be a future target of terrorist organizations;
- the volatility in the prices of the products transported on our pipelines or stored at our fuel storage terminals and the resulting fluctuations in demand for our storage services;
- the effects of a sustained recession or other adverse economic conditions;
- the possibility of federal and/or state regulations that may discourage our customers from transporting or storing gasoline, diesel fuel, ethanol and jet fuel at our fuel storage terminals or reduce the demand by consumers for petroleum products;
- competition from other pipelines and fuel storage terminals that are able to provide our customers with comparable transportation service or storage capacity at lower prices; and
- climate change legislation or regulations that restrict emissions of GHGs could result in increased operating and capital costs and reduced demand for our transportation and storage services.

The occurrence of any of the above situations, among others, may affect operations at our fuel storage terminals and may adversely affect our business, financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

***Negative events or developments associated with our branded suppliers could have an adverse impact on our revenues.***

We believe that the success of our operations is dependent, in part, on the continuing favorable reputation, market value, and name recognition associated with the motor fuel brands sold at our convenience stores and at stores operated by our independent, branded dealers and commission agents. Erosion of the value of those brands could have an adverse impact on the volumes of motor fuel we distribute, which in turn could have a material adverse effect on our business, financial condition, results of operations and ability to make distributions to our unitholders.

***Severe weather, which may increase in frequency and intensity due to climate change, could adversely affect our business by damaging our suppliers' or our customers' facilities or communications networks.***

A substantial portion of our wholesale distribution and retail networks are located in regions susceptible to severe storms, including hurricanes. A severe storm could damage our facilities or communications networks, or those of our suppliers or our customers, as well as interfere with our ability to distribute motor fuel to our customers or our customers' ability to operate their locations. If warmer temperatures, or other climate changes, lead to changes in extreme weather events, including increased frequency, duration or severity, these weather-related risks could become more pronounced. Any weather-related catastrophe or disruption could have a material adverse effect on our business, financial condition and results of operations, potentially causing losses beyond the limits of the insurance we currently carry.

***The wholesale motor fuel distribution industry is characterized by intense competition and fragmentation. Failure to effectively compete could result in lower margins.***

The market for distribution of wholesale motor fuel is highly competitive and fragmented, which results in narrow margins. We have numerous competitors, some of which may have significantly greater resources and name recognition than us. We rely on our ability to provide value-added, reliable services and to control our operating costs in order to maintain our margins and competitive position. If we fail to maintain the quality of our services, certain of our customers could choose alternative distribution sources and our margins could decrease. While major integrated oil companies have generally continued a strategy of limited direct retail operation and the corresponding wholesale distribution to such sites, such major oil companies could shift from this strategy and decide to distribute their own products in direct competition with us, or large customers could attempt to buy directly from the major oil companies. The occurrence of any of these events could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders.



***We compete with other midstream service providers, including certain major energy and chemical companies, that possess, or have greater financial resources to acquire, assets better suited to meet customer demand, which could undermine our ability to obtain and retain customers or reduce utilization of our assets, which could adversely affect our revenues and cash flows, thereby reducing our ability to make our quarterly distributions to unitholders.***

We face competition in all aspects of our business and can give no assurances that we will be able to compete effectively against our competitors. Our competitors include major energy and chemical companies, some of which have greater financial resources, more pipelines or storage terminals, greater capacity pipelines or storage terminals and greater access to supply than we do. Certain of our competitors also have advantages in competing for acquisitions or other new business opportunities because of their financial resources and synergies in operations. As a consequence of increased competition in the industry or market conditions, some customers are and others may be in the future reluctant to renew or enter into long-term contracts or contracts that provide for minimum throughput amounts. Our inability to renew or replace a significant portion of our current contracts as they expire, to enter into contracts for newly acquired, constructed or expanded assets and to respond appropriately to changing market conditions would have a negative effect on our revenue, cash flows and ability to make quarterly distributions to our unitholders.

***The convenience store industry is highly competitive and impacted by new entrants. Failure to effectively compete could result in lower sales and lower margins.***

The geographic areas in which we operate and supply independently operated commission agent and dealer locations are highly competitive and marked by ease of entry and constant change in the number and type of retailers offering products and services of the type we and our independently operated commission agents and dealers sell in our stores. Our convenience stores and the commission agents and dealer locations we supply compete with other convenience store chains, independently owned convenience stores, motor fuel stations, supermarkets, drugstores, discount stores, dollar stores, club stores, mass merchants and local restaurants. Over the past two decades, several non-traditional retailers, such as supermarkets, hypermarkets, club stores and mass merchants, have impacted the convenience store industry, particularly in the geographic areas in which we operate and supply, by entering the motor fuel retail business. These non-traditional motor fuel retailers have captured a significant share of the motor fuels market, and we expect their market share will continue to grow.

In some of our markets, our competitors have been in existence longer and have greater financial, marketing, and other resources than we or our independently operated commission agents and dealers do. As a result, our competitors may be able to respond better to changes in the economy and new opportunities within the industry. To remain competitive, we must constantly analyze consumer preferences and competitors' offerings and prices to ensure that we offer a selection of convenience products and services at competitive prices to meet consumer demand. We must also maintain and upgrade our customer service levels, facilities and locations to remain competitive and attract customer traffic to our stores. We may not be able to compete successfully against current and future competitors, and competitive pressures faced by us could have a material adverse effect on our business, results of operations and cash available for distribution to our unitholders.

***We do not own all of the land on which our retail service stations are located, and we lease certain facilities and equipment, and we are subject to the possibility of increased costs to retain necessary land use which could disrupt our operations.***

We do not own all of the land on which our retail service stations are located. We have rental agreements for approximately 38% of the partnership, commission agent or dealer operated retail service stations where we currently control the real estate. We also have rental agreements for certain logistics facilities. As such, we are subject to the possibility of increased costs under rental agreements with landowners, primarily through rental increases and renewals of expired agreements. We are also subject to the risk that such agreements may not be renewed. Additionally, certain facilities and equipment (or parts thereof) used by us are leased from third parties for specific periods. Our inability to renew leases or otherwise maintain the right to utilize such facilities and equipment on acceptable terms, or the increased costs to maintain such rights, could have a material adverse effect on our financial condition, results of operations and cash flows.

Like other pipeline and storage logistics services providers, certain of our pipelines, storage terminals and other facilities are located on land owned by third parties and governmental agencies that we have obtained the right to utilize for these purposes through contract (rather than through outright purchase). Many of our rights-of-way or other property rights are perpetual in duration, but others are for a specific period of time. In addition, some of our facilities are located on leased premises. A potential loss of property rights through our inability to renew right-of-way contracts or leases or otherwise retain property rights on acceptable terms or the increased costs to renew such rights could adversely affect our financial condition, results of operations and cash flows available for distribution to our unitholders.

***Future litigation could adversely affect our financial condition and results of operations.***

We are exposed to various litigation claims in the ordinary course of our wholesale business operations, including, but not limited to, dealer litigation and industry-wide or class-action claims arising from the products we carry, the equipment or processes we use or employ or industry-specific business practices. If we were to become subject to any such claims, our defense costs and any resulting awards or settlement amounts may not be fully covered by our insurance policies. Additionally, our retail operations are characterized

by a high volume of customer traffic and by transactions involving a wide array of product selections. These operations carry a higher exposure to consumer litigation risk when compared to the operations of companies operating in many other industries. Consequently, we are frequently party to individual personal injury, bad fuel, products liability and other legal actions in the ordinary course of our business. While we believe these actions are generally routine in nature, incidental to the operation of our business and immaterial in scope, if our assessment of any action or actions should prove inaccurate our financial condition and results of operations could be adversely affected. Additionally, several fossil fuel companies have been the targets of litigation alleging, among other things, that such companies created public nuisances by producing and marketing fuels that contributed to climate change or that the companies have been aware of the adverse effects of climate change but failed to adequately disclose those impacts. While we cannot predict the likelihood of success of such suits, to the extent the plaintiffs prevail, we could face significant costs or decreased demand for our services, which could adversely affect our financial condition and results of operations.

***Because we depend on our senior management's experience and knowledge of our industry, we could be adversely affected were we to lose key members of our senior management team.***

We are dependent on the expertise and continued efforts of our General Partner's senior management team. If, for any reason, our senior executives do not continue to be active, our business, financial condition, or results of operations could be adversely affected. We do not maintain key man life insurance for our senior executives or other key employees.

***We compete with other businesses in our market with respect to attracting and retaining qualified employees.***

Our continued success depends on our ability to attract and retain qualified personnel in all areas of our business. We compete with other businesses in our market with respect to attracting and retaining qualified employees. A tight labor market, increased overtime and a higher full-time employee ratio may cause labor costs to increase. A shortage of qualified employees may require us to enhance wage and benefits packages in order to compete effectively in the hiring and retention of such employees or to hire more expensive temporary employees. No assurance can be given that our labor costs will not increase, or that such increases can be recovered through increased prices charged to customers. We are especially vulnerable to labor shortages in oil and gas drilling areas when energy prices drive higher exploration and production activity.

***We are not fully insured against all risks incident to our business.***

We are not fully insured against all risks incident to our business. We may be unable to obtain or maintain insurance with the coverage that we desire at reasonable rates. As a result of market conditions, the premiums and deductibles for certain of our insurance policies have increased and could continue to do so. Certain insurance coverage could become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business, financial condition, results of operations and ability to make distributions to our unitholders.

***Terrorist attacks and threatened or actual war may adversely affect our business.***

Our business is affected by general economic conditions and fluctuations in consumer confidence and spending, which can decline as a result of numerous factors outside of our control. Terrorist attacks or threats, whether within the United States or abroad, rumors or threats of war, actual conflicts involving the United States or its allies, or military or trade disruptions impacting our suppliers or our customers may adversely impact our operations. Specifically, strategic targets such as energy related assets (which could include refineries that produce the motor fuel we purchase, ports in which crude oil is delivered or attacks to the electrical grid) may be at greater risk of future terrorist attacks than other targets in the United States. These occurrences could have an adverse impact on energy prices, including prices for motor fuels, and an adverse impact on our operations. Any or a combination of these occurrences could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders.

***Cybersecurity attacks, data breaches and other disruptions affecting us, or our service providers, could materially and adversely affect our business, operations, reputation, and financial results.***

The security and integrity of our information technology ("IT") infrastructure and physical assets is critical to our business and our ability to perform day-to-day operations and deliver services. In addition, in the ordinary course of our business, we collect, process, transmit and store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners, as well as personally identifiable information, in our data centers and on our networks. We also engage third parties, such as service providers and vendors, who provide a broad array of software, technologies, tools, and other products, services and functions (e.g., human resources, finance, data transmission, communications, risk, compliance, among others) that enable us to conduct, monitor and/or protect our business, operations, systems and data assets.

Our IT and IT infrastructure, physical assets and data, may be vulnerable to unauthorized access, computer viruses, malicious attacks and other events (e.g., distributed denial of service attacks or ransomware attacks) that are beyond our control. These events can result from malfeasance by external parties, such as hackers, or due to human error by our or our service providers' employees and contractors (e.g., due to social engineering or phishing attacks). In addition, our providers' work-from-home arrangements may present additional operational and cybersecurity risks to our IT infrastructure and physical assets.

We and certain of our service providers have, from time to time, been subject to cybersecurity attacks and other security incidents. The frequency and magnitude of cybersecurity attacks is expected to increase and attackers are becoming more sophisticated. We may be unable to anticipate, detect or prevent future attacks, particularly as the methodologies used by attackers change frequently or are not recognized until launched, and we may be unable to investigate or remediate incidents because attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence.

Breaches of our IT infrastructure or physical assets, or other disruptions, could result in damage to our assets, safety incidents, damage to the environment, potential liability or the loss of contracts, and have a material adverse effect on our operations, financial position and results of operations. A successful cybersecurity attack or other security incident could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or loss could result in legal claims or proceedings, regulatory investigations and enforcement, penalties and fines, increased costs for system remediation and compliance requirements, disruption of our operations, damage to our reputation, loss of confidence in our products and services, any or all of which could have a material adverse effect on our business and results. We may be required to invest significant additional resources to comply with evolving cybersecurity regulations and to modify and enhance our information security and controls, and to investigate and remediate any security vulnerabilities. Any losses, costs or liabilities may not be covered by, or may exceed the coverage limits of, any or all of our applicable insurance policies. See “Item 1C. Cybersecurity” for additional information on our cybersecurity risk management, strategy and governance.

***We rely on our information systems to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business.***

We depend on our information systems to manage numerous aspects of our business transactions and provide analytical information to management. Our information systems are an essential component of our business and growth strategies, and a serious disruption to our information systems could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches and computer viruses, which could result in a loss of sensitive business information, systems interruption or the disruption of our business operations. To protect against unauthorized access or attacks, we have implemented infrastructure protection technologies and disaster recovery plans, but there can be no assurance that a technology systems breach or systems failure will not have a material adverse effect on our financial condition or results of operations. See “Item 1C. Cybersecurity” for additional information on our cybersecurity risk management, strategy and governance.

***Failure to retain or replace current customers and renew existing contracts on comparable terms to maintain utilization of our pipeline and storage assets at current or more favorable rates could reduce our revenue and cash flows to levels that could adversely affect our ability to make quarterly distributions to our unitholders.***

A significant portion of our revenue and cash flows are generated from our customers’ payments of fees under throughput contracts and storage agreements. Failure to renew existing contracts or enter into new contracts on acceptable terms or a material reduction in utilization under existing contracts could result from many factors, including:

- sustained low crude oil prices;
- a material decrease in the supply or price of crude oil;
- a material decrease in demand for refined products, renewable fuels or anhydrous ammonia in the markets served by our pipelines and terminals;
- political, social or economic instability in the United States or another country that has a detrimental impact on our customers and our ability to conduct our operations;
- competition for customers from companies with comparable assets and capabilities;
- scheduled turnarounds or unscheduled maintenance at refineries or production facilities of customers we serve;
- operational problems or catastrophic events affecting our assets or the customers we serve;
- environmental or regulatory proceedings or other litigation that compel the cessation of all or a portion of the operations of our assets or those of the customers we serve;
- increasingly stringent environmental, health, safety and security regulations;
- a decision by our current customers to redirect products transported in our pipelines or stored in our terminals to markets not served by our pipelines or terminals, or to transport or store crude oil, refined products or anhydrous ammonia by means other than our pipelines or storage terminals; and
- a decision by our current customers to shut down, limit operations of or sell one or more of the refineries/production facilities we serve to a purchaser that elects not to use our pipelines or terminals.

***Our business and our reputation could be adversely affected by the failure to protect sensitive customer, employee or vendor data, whether as a result of cybersecurity attacks or otherwise, or to comply with applicable regulations relating to data security and privacy.***

In the normal course of our business as a motor fuel, food service and merchandise retailer, we obtain large amounts of personal data, including credit and debit card information from our customers. In recent years several retailers have experienced data breaches resulting in exposure of sensitive customer data, including payment card information. While we have invested significant amounts in the protection of our information systems and maintain what we believe are adequate security controls over individually identifiable customer, employee and vendor data provided to us, a breakdown or a breach in our systems that results in the unauthorized release of individually identifiable customer or other sensitive data could nonetheless occur and have a material adverse effect on our reputation, operating results and financial condition. Such a breakdown or breach could also materially increase the costs we incur to protect against such risks. Also, a material failure on our part to comply with regulations relating to our obligation to protect such sensitive data or to the privacy rights of our customers, employees and others could subject us to fines or other regulatory sanctions and potentially to lawsuits.

Cybersecurity attacks are rapidly evolving and becoming increasingly sophisticated. A successful cybersecurity attack resulting in the loss of sensitive customer, employee or vendor data could adversely affect our reputation, results of operations, financial condition and liquidity, and could result in litigation against us or the imposition of penalties. Moreover, a security breach could require that we expend significant additional resources to upgrade further the security measures that we employ to guard against cybersecurity attacks. See “Item 1C. Cybersecurity” for additional information on our cybersecurity risk management, strategy and governance.

***We rely on our suppliers to provide trade credit terms to adequately fund our ongoing operations.***

Our business is impacted by the availability of trade credit to fund fuel purchases. An actual or perceived downgrade in our liquidity or operations (including any credit rating downgrade by a rating agency) could cause our suppliers to seek credit support in the form of additional collateral, limit the extension of trade credit, or otherwise materially modify their payment terms. Any material changes in our payment terms, including early payment discounts, or availability of trade credit provided by our principal suppliers could impact our liquidity, results of operations and cash available for distribution to our unitholders.

***Increases in power prices could adversely affect operating expenses and our ability to make distributions to our unitholders.***

Power costs constitute a significant portion of our operating expenses. We use mainly electric power at our pipeline pump stations and terminals, and such electric power is furnished by various utility companies. Requirements for utilities to use less carbon intensive power or to add pollution control devices also could cause our power costs to increase; our cash flows may be adversely affected, which could adversely affect our ability to make distributions to our unitholders.

***We depend on cash flow generated by our subsidiaries.***

We are a holding company with no material assets other than the equity interests in our subsidiaries. Our subsidiaries conduct all of our operations and own all of our assets. These subsidiaries are distinct legal entities and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries and our subsidiaries may not be able to, or be permitted to, make distributions to us. In the event that we do not receive distributions from our subsidiaries, we may be unable to meet our financial obligations or make distributions to our unitholders.

***An impairment of goodwill and intangible assets could reduce our earnings.***

As of December 31, 2024, our consolidated balance sheet reflected \$1.48 billion of goodwill and \$547 million of intangible assets. Goodwill is recorded when the purchase price of a business exceeds the fair value of the tangible and separately measurable intangible net assets. Generally accepted accounting principles (“GAAP”) require us to test goodwill and indefinite-lived intangible assets for impairment on an annual basis or when events or circumstances occur, indicating that goodwill or indefinite-lived intangible assets might be impaired. Long-lived assets such as intangible assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If we determine that any of our goodwill or intangible assets were impaired, we would be required to take an immediate charge to earnings with a correlative effect on partners’ capital and balance sheet leverage as measured by debt to total capitalization. Impairment charges are allowed to be removed from our debt covenant calculations. See Note 7 to our consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data.”

#### **Acquisitions and Future Growth**

***If we are unable to make acquisitions on economically acceptable terms from third parties, our future growth and ability to increase distributions to unitholders will be limited.***

A portion of our strategy to grow our business is dependent on our ability to make acquisitions that result in an increase in cash flow. The acquisition component of our growth strategy is based, in part, on our expectation of ongoing strategic divestitures of wholesale fuel distribution assets by industry participants. If we are unable to make acquisitions from third parties for any reason, including if we

are unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts, we are unable to obtain financing for these acquisitions on economically acceptable terms, we are outbid by competitors, or we or the seller are unable to obtain all necessary consents, our future growth and ability to increase distributions to unitholders will be limited. In addition, if we consummate any future acquisitions, our capitalization and results of operations may change significantly, and unitholders will not have the opportunity to evaluate the economic, financial, and other relevant information considered in determining the application of these funds and other resources. Finally, we may complete acquisitions which at the time of completion we believe will be accretive, but which ultimately may not be accretive. If any of these events were to occur, our future growth would be limited.

***Integration of assets and businesses acquired in past acquisitions or future acquisitions with our existing business will be a complex, time-consuming and costly process, particularly given that assets acquired to date significantly increased our size and diversified the geographic areas in which we operate. A failure to successfully integrate the acquired assets or businesses, such as NuStar, with our existing business in a timely manner may have a material adverse effect on our business, financial condition, results of operations or cash available for distribution to our unitholders.***

The difficulties of integrating past and future acquisitions with our business include, among other things:

- operating a larger combined organization in new geographic areas and new lines of business;
- hiring, training or retaining qualified personnel to manage and operate our growing business and assets;
- integrating management teams and employees into existing operations and establishing effective communication and information exchange with such management teams and employees;
- diversion of management's attention from our existing business;
- assimilation of acquired assets and operations, including additional regulatory programs, operational philosophies and complex systems;
- loss of customers, suppliers or key employees;
- maintaining an effective system of internal controls in compliance with the Sarbanes-Oxley Act of 2002 as well as other regulatory compliance and corporate governance matters;
- integrating new technology systems for financial reporting; and
- assuming contractual obligations of acquired businesses, potential unknown liabilities and unforeseeable increased expenses as a result of such acquisitions.

If any of these risks or other unanticipated liabilities or costs were to materialize, then desired benefits from past acquisitions and future acquisitions could result in a negative impact to our future results of operations. In addition, acquired assets may perform at levels below the forecasts used to evaluate them, due to factors beyond our control. If the acquired assets perform at levels below the forecasts, then our future results of operations could be negatively impacted.

Also, our reviews of proposed business or asset acquisitions are inherently imperfect because it is generally not feasible to perform an in-depth review of each such proposal given time constraints imposed by sellers. Even if performed, a detailed review of assets and businesses may not reveal existing or potential problems, and may not provide sufficient familiarity with such business or assets to fully assess their deficiencies and potential. Inspections may not be performed on every asset, and environmental problems, such as groundwater contamination, may not be observable even when an inspection is undertaken.

For example, our acquisition of NuStar involved the combination of two master limited partnerships that operated as independent public partnerships until May 3, 2024. The combination of two independent businesses is complex, costly and time consuming, and we will be required to continue to devote significant management attention and resources to integrating the business practices and operations of NuStar into the Partnership to achieve, among other things, the targeted cost synergies associated with the acquisition. To the extent we are unable to successfully integrate the business and operations of NuStar into the Partnership, our business, results of operations and our ability to achieve the anticipated benefits of the acquisition may be adversely affected.

***Acquisitions are subject to substantial risks that could adversely affect our financial condition and results of operations and reduce our ability to make distributions to unitholders.***

Any acquisitions involve potential risks, including, among others:

- the validity of our assumptions about revenues, capital expenditures and operating costs of the acquired business or assets, as well as assumptions about achieving synergies with our existing business;
- the validity of our assessment of environmental and other liabilities, including legacy liabilities;



- the costs associated with additional debt or equity capital, which may result in a significant increase in our interest expense and financial leverage resulting from any additional debt incurred to finance the acquisition, or the issuance of additional common units on which we will make distributions, either of which could offset the expected accretion to our unitholders from such acquisition and could be exacerbated by volatility in the equity or debt capital markets;
- a failure to realize anticipated benefits, such as increased available cash per unit, enhanced competitive position or new customer relationships;
- a decrease in our liquidity by using a significant portion of our available cash or borrowing capacity to finance the acquisition;
- the incurrence of other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges; and
- the risk that our existing financial controls, information systems, management resources and human resources will need to grow to support future growth and we may not be able to react timely.

***We could be subject to liabilities from our assets that predate our acquisition of those assets, but that are not covered by indemnification rights we have against the sellers of the assets.***

We have acquired assets and businesses and we are not always indemnified by the seller for liabilities that precede our ownership. In addition, in some cases, we have indemnified the previous owners and operators of acquired assets or businesses. Some of our assets have been used for many years to transport and store crude oil and refined products, and past releases could require costly future remediation. If a significant release or event occurred in the past, the liability for which was not retained by the seller, or for which indemnification by the seller is not available, it could adversely affect our financial position and results of operations. Conversely, if liabilities arise from assets we have sold, we could incur costs related to those liabilities if the buyer possesses valid indemnification rights against us with respect to those assets.

***The Inflation Reduction Act of 2022 could accelerate the transition to a low carbon economy and could impose new costs on our operations.***

In August 2022, President Biden signed the IRA 2022, which contains hundreds of billions in incentives for the development of renewable energy, clean hydrogen, clean fuels, electric vehicles and supporting infrastructure and carbon capture and sequestration, amongst other provisions. In addition, the IRA 2022 imposes the first ever federal fee on the emission of GHGs through a methane emissions charge. The IRA 2022 amends the Clean Air Act to impose a fee on the emission of methane from sources required to report their GHG emissions to the EPA, including those sources in the onshore petroleum and natural gas production categories. The methane emissions charge has started in calendar year 2024 at \$900 per ton of methane, will increase to \$1,200 in 2025, and be set at \$1,500 for 2026 and each year after. Calculation of the fee is based on certain thresholds established in the IRA 2022. In addition, the multiple incentives offered for various clean energy industries referenced above could further accelerate the transition of the economy away from the use of fossil fuels towards lower- or zero-carbon emissions alternatives. This could decrease demand for gasoline and diesel, increase our compliance and operating costs and consequently adversely affect our business. While the Trump Administration may roll back or otherwise make changes to certain IRA 2022 programs, it is currently uncertain which programs will be affected and what impact such changes may have.

### **Regulatory Matters**

***Our operations are subject to federal, state and local laws and regulations, in the U.S., in Mexico and in Europe, relating to the environment, health, safety and security that require us to make substantial expenditures.***

Our operations are subject to increasingly stringent international, federal, state and local environmental, health, safety and security laws and regulations, including those relating to terminals, underground storage tanks, the release or discharge of regulated materials into the air, water and soil, the generation, storage, handling, use, transportation and disposal of hazardous materials, the exposure of persons to regulated materials, and the health and safety of our employees. A violation of, liability under, or noncompliance with these laws and regulations, or any future environmental law or regulation, could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders.

Regulations under the Clean Water Act, the OPA 90 and state laws impose regulatory burdens on terminal operations. Spill prevention control and countermeasure requirements of federal and state laws require containment to mitigate or prevent contamination of waters in the event of a refined product overflow, rupture, or leak from above-ground pipelines and storage tanks. The Clean Water Act also requires us to maintain spill prevention control and countermeasure plans at our terminal facilities with above-ground storage tanks and pipelines. In addition, OPA 90 requires that most fuel transport and storage companies maintain and update various oil spill prevention and oil spill contingency plans. Facilities that are adjacent to water require the engagement of Federally Certified Oil Spill Response Organizations to be available to respond to a spill on water from above ground storage tanks or pipelines.



Transportation and storage of refined products over and adjacent to water involves risk and potentially subjects us to strict, joint, and potentially unlimited liability for removal costs and other consequences of an oil spill where the spill is into navigable waters, along shorelines or in the exclusive economic zone of the United States. In the event of an oil spill into navigable waters, substantial liabilities could be imposed upon us. The Clean Water Act imposes restrictions and strict controls regarding the discharge of pollutants into navigable waters, with the potential of substantial liability for the violation of permits or permitting requirements.

Terminal operations and associated facilities are subject to the Clean Air Act as well as comparable state and local statutes. Under these laws, permits may be required before construction can commence on a new source of potentially significant air emissions, and operating permits may be required for sources that are already constructed. If regulations become more stringent, additional emission control technologies may be required at our facilities. Any such future obligation could require us to incur significant additional capital or operating costs. Additionally, permits or licenses may be difficult to obtain and may include public comment and other public involvement periods, which could affect agency considerations or the decisions reached. For more information, see our regulatory disclosure titled “Air Emissions and Climate Change.”

Terminal operations are subject to additional programs and regulations under OSHA. Liability under, or a violation of compliance with, these laws and regulations, or any future laws or regulations, could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders.

Pipeline operations are also subject to a number of environmental and safety programs and regulations. Should our operations fail to comply with applicable Department of Transportation or comparable state regulations regarding pipeline safety, we could be subject to substantial fines and penalties. In addition, the adoption of recently proposed or new laws or regulations that apply more comprehensive or stringent safety standards could require us to install new or modified safety controls, pursue new capital projects, or conduct maintenance programs on an accelerated basis, all of which could require us to incur increased operational costs that could be significant. For more information, see our regulatory disclosure titled “Pipeline Safety Regulation.”

Certain environmental laws, including CERCLA, impose strict, and under certain circumstances, joint and several, liability on the current and former owners and operators of properties for the costs of investigation and removal or remediation of contamination and also impose liability for any related damages to natural resources without regard to fault. Under CERCLA and similar state laws, as persons who arrange for the transportation, treatment, and disposal of hazardous substances, we may also be subject to liability at sites where such hazardous substances come to be located. We may be subject to third-party claims alleging property damage and/or personal injury in connection with releases of or exposure to hazardous substances at, from, or in the vicinity of our current or former properties or off-site waste disposal sites. Costs associated with the investigation and remediation of contamination, as well as associated third-party claims, could be substantial, and could have a material adverse effect on our business, financial condition, results of operations and our ability to service our outstanding indebtedness. In addition, the presence of, or failure to remediate, identified or unidentified contamination at our properties could materially and adversely affect our ability to sell or rent such property or to borrow money using such property as collateral.

We are required to make financial expenditures to comply with regulations governing underground storage tanks as adopted by federal, state and local regulatory agencies. Compliance with existing and future environmental laws regulating underground storage tank systems of the kind we use may require significant capital expenditures. For example, the EPA has previously published rules that amend existing federal underground storage tank rules, requiring certain upgrades to underground storage tanks and related piping to further ensure the detection, prevention, investigation, and remediation of leaks and spills.

We are required to comply with federal and state financial responsibility requirements to demonstrate that we have the ability to pay for cleanups or to compensate third parties for damages incurred as a result of a release of regulated materials from our underground storage tank systems. We seek to comply with these requirements by maintaining insurance that we purchase from private insurers and in certain circumstances, rely on applicable state trust funds, which are funded by underground storage tank registration fees and taxes on wholesale purchases of motor fuels. Coverage afforded by each fund varies and is dependent upon the continued maintenance and solvency of each fund.

We are responsible for investigating and remediating contamination at a number of our current and former properties. We are entitled to reimbursement for certain of these costs under various third-party contractual indemnities and insurance policies, subject to eligibility requirements, deductibles, per incident, annual and aggregate caps. To the extent third parties (including insurers) do not pay for investigation and remediation, and/or insurance is not available, we will be obligated to make these additional payments, which could have a material adverse impact on our business, liquidity, results of operations and cash available for distribution to our unitholders.

Although we believe that we have a comprehensive environmental, health, and safety program, we may not have identified all environmental liabilities at all of our current and former locations; material environmental or pipeline safety conditions not known to us may exist; existing and future laws, ordinances or regulations may impose material environmental or pipeline safety liability or compliance costs on us; or we may be required to make material expenditures for the remediation of contamination or pipeline integrity and safety matters.

The occurrence of any of the events described above could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders.

***Our operations are subject to a series of risks related to climate change.***

The threat of climate change continues to attract considerable attention in the United States and in foreign countries. In the United States to date, no comprehensive climate change legislation has been implemented at the federal level. Additionally, federal regulators, state and local governments, and private parties have taken (or announced that they plan to take) actions related to climate change that have or may have a significant impact on our operations. For example, in response to findings that emissions of carbon dioxide, methane and other GHGs endanger public health and the environment, the EPA has adopted regulations under existing provisions of the Clean Air Act that, among other things, establish PSD construction and Title V operating permit reviews for certain large stationary sources that are already potential major sources of certain principal, or criteria, pollutant emissions. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet “best available control technology” standards that will be established by the states or, in some cases, by the EPA for those emissions. The EPA has also adopted rules requiring the monitoring and reporting of GHG emissions from certain sources in the United States on an annual basis, including certain of our operations; moreover, the EPA issued new methane standards for both new and existing sources in the oil and gas sector. For more information, see our regulatory disclosure titled “Air Emissions and Climate Change.”

Internationally, the United Nations-sponsored Paris Agreement requires member states to individually determine and submit non-binding emissions reduction targets every five years after 2020. President Biden recommitted the United States to the Paris agreement and, in April 2021, announced a goal of reducing the United States’ emissions by 50-52% below 2005 levels by 2030. However, in January 2025, President Trump issued an executive order calling for the withdrawal of the United States from the Paris Agreement and revoking any related financial commitments thereunder as part of a broader series of executive orders announcing a deregulatory approach with respect to climate change matters. State or local governments may, however, elect to continue to participate in international climate change initiatives and pursue state- or regional-level climate change-related regulations. Any efforts to control and/or reduce GHG emissions by the United States or other countries, or concerted conservation efforts that result in reduced consumption, could adversely impact demand for our products and, in turn, our financial position and results of operations. Increasingly, fossil fuel companies are also exposed to litigation risks from climate change is uncertain at this time. However, any efforts to control and/or reduce GHG emissions by the United States or other countries, or concerted conservation efforts that result in reduced consumption, could adversely impact demand for our products and, in turn, our financial position and results of operations. Increasingly, fossil fuel companies are also exposed to litigation risks from climate change.

Additionally, there is also a risk that financial institutions will be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. While we cannot predict what policies may result from these developments, a material reduction in the capital available to the fossil fuel industry could make it more difficult to secure funding for exploration, development, production, transportation, and processing activities, or for us to obtain funding for growth projects, and consequently could both indirectly affect demand for our services and directly affect our ability to fund construction or other capital projects. Separately, in March of 2024, the SEC released a proposed rule establishing a framework for reporting of climate risks, targets and metrics. However, the rule is currently paused pending litigation and we cannot predict the final outcome. Further, the Trump Administration is expected to repeal the SEC climate rule; however, the timeline for any repeal is subject to a number of uncertainties and likely could face legal challenges that would further delay the implementation of any repeal. Similarly, California has recently enacted a set of laws that may require climate-related disclosures from companies “doing business in California” with certain total annual revenue thresholds. Moreover, some other states in which we operate, such as New York and Illinois, are considering adopting climate disclosure laws. For more information, see our regulatory disclosure titled “Air Emissions and Climate Change.” Although the final form and substance of these requirements is not yet known, these rules and laws may result in additional costs to comply with any such disclosure requirements.

Climate change may also result in various physical risks, such as the increased frequency or intensity of extreme weather events or changes in meteorological and hydrological patterns that could adversely impact our operations or those of our supply chains. Such physical risks may result in damage to our facilities or otherwise adversely impact our operations, such as to the extent changing weather and temperature trends reduce the demand for our products or frequency with which consumers may visit our locations or impact the cost or availability of insurance. Moreover, certain parties, including local and state governments, have from time to time filed lawsuits against various fossil fuel energy companies seeking damages for alleged physical impacts resulting from climate change or relating to false or misleading statements related to fossil fuel’s contribution to climate change. These various political, regulatory, financial, physical and litigation risks related to climate change have the potential to adversely impact our operations and financial performance.

***A climate-related decrease in demand for crude oil could negatively affect our business.***

Supply and demand for crude oil is dependent upon a variety of factors, many of which are beyond our control. These factors include, among others, the potential adoption of new government regulations, including those related to fuel conservation measures and climate change regulations, technological advances in fuel economy and energy generation devices. For example, legislative,

regulatory or executive actions intended to reduce emissions of GHGs could increase the cost of consuming crude oil, thereby potentially causing a reduction in the demand for this product. A broader transition to alternative fuels or energy sources, whether resulting from potential new government regulation, carbon taxes, governmental incentives and funding such as those provided in the IRA 2022, or consumer preferences could result in decreased demand for products like crude oil. Any decrease in demand could consequently reduce demand for our services and could have a negative effect on our business.

***Increased attention to environmental, social and governance (“ESG”) matters and conservation measures may adversely impact our business.***

Attention from investors, customers, employees, regulatory bodies and other stakeholders to climate change, societal expectations on companies to address climate change or social and employment initiatives and other ESG matters, investor and societal expectations regarding voluntary ESG disclosures, and consumer demand for alternative forms of energy may result in increased costs, reduced demand for our products, reduced profits, increased investigations and litigation, heightened scrutiny of our statements and initiatives, and negative impacts on our common unit price and access to capital markets. Increasing attention to climate change and environmental conservation, for example, may result in reduced demand for fossil fuel products and additional governmental investigations and private litigation against us. To the extent that societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to our causation of or contribution to climate change or asserted damage to the environment, or to other mitigating factors.

Moreover, while we may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures may be based on expectations, assumptions and hypothetical scenarios. Such expectations, assumptions and hypothetical scenarios are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established approach to identifying, measuring and reporting on many ESG matters. Additionally, while we may announce various voluntary ESG targets, such targets are often aspirational. We may not be able to meet such targets in the manner or on such a timeline as initially contemplated, including but not limited to as a result of unforeseen costs or technical difficulties associated with achieving such results. To the extent we meet such targets, it may be achieved through various contractual arrangements, including the purchase of various credits or offsets that may be deemed to mitigate our ESG impact instead of actual changes in our business operations. Some of these arrangements may receive scrutiny from certain constituencies. Also, despite these aspirational goals and any other actions taken, we may receive pressure from investors, lenders, or other groups to adopt more aggressive climate or other ESG-related goals, but we cannot guarantee that we will be able to pursue or implement such goals because of potential costs or technical or operational obstacles.

Certain statements or initiatives with respect to ESG matters that we may pursue or assert are increasingly subject to heightened scrutiny from the public and governmental authorities, as well as other parties. For example, the SEC has recently taken enforcement action against companies for ESG-related misconduct, including alleged “greenwashing,” (i.e., the process of conveying misleading information or making false claims that overstate potential ESG benefits). Certain regulators, such as the SEC and various state agencies, as well as nongovernmental organizations and other private actors have filed lawsuits under various securities and consumer protection laws alleging that certain ESG statements, goals or standards were misleading, false or otherwise deceptive. Certain social and inclusion initiatives are the subject of scrutiny by both those calling for the continued advancement of such policies, as well as those who believe they should be curbed, including government actors, and the complex regulatory and legal frameworks applicable to such initiatives continue to evolve. More recent political developments could mean that the Partnership faces increasing criticism or litigation risks from certain “anti-ESG” parties, including various governmental agencies. Such sentiment may focus on the Partnership’s environmental commitments (such as reducing GHG emissions) or its pursuit of certain employment practices or social initiatives that are alleged to be political or polarizing in nature or are alleged to violate laws based, in part, on changing priorities of, or interpretations by, federal agencies or state governments. Consideration of ESG-related factors in the Partnership’s decision-making could be subject to increasing scrutiny and objection from such anti-ESG parties. As a result, the Partnership may be subject to pressure in the media or through other means, such as governmental investigations, enforcement actions, or other proceedings, all of which could adversely affect our reputation, business, financial performance, market access and growth. Accordingly, there may be increased costs related to reviewing, implementing and managing such policies, as well as compliance and litigation risks based both on positions we do or do not take, or work we do or do not perform.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. While such ratings do not impact all investors’ investment or voting decisions, unfavorable ESG ratings and activism directed at shifting funding away from companies with fossil fuel-related assets could lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our common unit price and our access to and costs of capital. Also, institutional lenders may decide not to provide funding for fossil fuel companies based on climate change related concerns, which could affect our access to capital.

***We are subject to federal laws related to the RFS.***

New laws, new interpretations of existing laws, increased governmental enforcement of existing laws or other developments could require us to make additional capital expenditures or incur additional liabilities. For example, at times, certain independent refiners have initiated discussions with the EPA to change the way the RFS is administered in an attempt to shift the burden of compliance from refiners and importers to blenders and distributors. Under the RFS, which requires an annually increasing amount of biofuels to be blended into the fuels used by U.S. drivers, refiners/importers are obligated to obtain renewable identification numbers (“RINs”) either by blending biofuel into gasoline or through purchase in the open market. If the obligation was shifted from the importer/refiner to the blender/distributor, the Partnership would potentially have to utilize the RINs it obtains through its blending activities to satisfy a new obligation and would be unable to sell RINs to other obligated parties, which may cause an impact on the fuel margins associated with the Partnership’s sale of gasoline. Additionally, the price of RINs is not fixed and is subject to change due to various considerations, including regulatory actions. In June 2023, the EPA released a final rule under the RFS for renewable fuel volumes for the years 2023-2025 that further increases targets for the production of renewable fuels. Subject to certain limitations, the EPA now has significant discretion to set renewable fuel targets under the RFS, which could result in increased compliance obligations on refiners and importers and transportation fuels. It remains unclear how the Trump Administration may adjust existing or future renewable fuel targets under the RFS.

The occurrence of any of the events described above could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders.

***We are subject to federal, state and local laws and regulations that govern the product quality specifications of refined petroleum products we purchase, store, transport, and sell to our distribution customers.***

Various federal, state, and local government agencies have the authority to prescribe specific product quality specifications for certain commodities, including commodities that we distribute. Changes in product quality specifications, such as reduced sulfur content in refined petroleum products, or other more stringent requirements for fuels, could reduce our ability to procure product, require us to incur additional handling costs and/or require the expenditure of capital. If we are unable to procure product or recover these costs through increased selling price, we may not be able to meet our financial obligations. Failure to comply with these regulations could result in substantial penalties.

***We operate assets outside of the United States, which exposes us to different legal and regulatory requirements and additional risk.***

A portion of our revenues are generated from our assets located in northern Mexico and Europe. Our operations are subject to various risks that could have a material adverse effect on our business, results of operations and financial condition, including political and economic instability from civil unrest; labor strikes; war and other armed conflict; inflation; currency fluctuations, devaluation and conversion restrictions or other factors. Any deterioration of social, political, labor or economic conditions, including the increasing threat of terrorist organizations and drug cartels in Mexico, or affecting a customer with whom we do business, as well as difficulties in staffing, obtaining necessary equipment and supplies and managing foreign operations, may adversely affect our operations or financial results. We are also exposed to the risk of foreign and domestic governmental actions that may: impose additional costs on us; delay permits or otherwise impede our operations; limit or disrupt markets for our operations, restrict payments or limit the movement of funds; impose sanctions on or otherwise restrict our ability to conduct business with certain customers or persons or in certain countries; or result in the deprivation of contract rights. Our operations outside the United States may also be affected by changes in trade protection laws, policies and measures, and other regulatory requirements affecting trade and investment, including the Foreign Corrupt Practices Act and foreign laws prohibiting corrupt payments, as well as travel restrictions and import and export regulations.

***Disputes regarding a failure to maintain product quality specifications or other claims related to the operation of our assets and the services we provide to our customers may result in unforeseen expenses and could result in the loss of customers.***

Certain of the products we store and transport are produced to precise customer specifications. If the quality and purity of the products we receive are not maintained or a product fails to perform in a manner consistent with the quality specifications required by our customers, customers have sought, and could in the future seek, replacement of the product or damages for costs incurred as a result of the product failing to perform as guaranteed. We also have faced, and could in the future face, other claims by our customers if our assets do not operate as expected by our customers or our services otherwise do not meet our customers’ expectations. Successful claims or a series of claims against us result in unforeseen expenditures and could result in the loss of one or more customers.

***The swaps regulatory provisions of the Dodd-Frank Act and the rules adopted thereunder could have an adverse effect on our ability to use derivative instruments to mitigate the risks of changes in commodity prices and interest rates and other risks associated with our business.***

Provisions of the Dodd-Frank Act and rules adopted by the Commodity Futures Trading Commission (the “CFTC”), the SEC and other prudential regulators establish federal regulation of the physical and financial derivatives, including over-the-counter derivatives market and entities, such as us, participating in that market. While most of these regulations are already in effect, the implementation

process is still ongoing and the CFTC continues to review and refine its initial rulemakings through additional interpretations and supplemental rulemakings. As a result, any new regulations or modifications to existing regulations could significantly increase the cost of derivative contracts, materially alter the terms of derivative contracts, reduce the availability and/or liquidity of derivatives to protect against risks we encounter, reduce our ability to monetize or restructure our existing derivative contracts, and increase our exposure to less creditworthy counterparties. Any of these consequences could have a material adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.

The CFTC has re-proposed speculative position limits for certain futures and option contracts in the major energy markets and for swaps that are their economic equivalents, although certain bona fide hedging transactions would be exempt from these position limits provided that various conditions are satisfied. The CFTC has also finalized a related aggregation rule that requires market participants to aggregate their positions with certain other persons under common ownership and control, unless an exemption applies, for purposes of determining whether the position limits have been exceeded. If adopted, the revised position limits rule and its finalized companion rule on aggregation may create additional implementation or operational exposure. In addition to the CFTC federal speculative position limit regime, designated contract markets (“DCMs”) also maintain speculative position limit and accountability regimes with respect to contracts listed on their platform as well as aggregation requirements similar to the CFTC’s final aggregation rule. Any speculative position limit regime, whether imposed at the federal-level or at the DCM-level may impose added operating costs to monitor compliance with such position limit levels, addressing accountability level concerns and maintaining appropriate exemptions, if applicable.

The Dodd-Frank Act requires that certain classes of swaps be cleared on a derivatives clearing organization and traded on a DCM or other regulated exchange, unless exempt from such clearing and trading requirements, which could result in the application of certain margin requirements imposed by derivatives clearing organizations and their members. The CFTC and prudential regulators have also adopted mandatory margin requirements for uncleared swaps entered into between swap dealers and certain other counterparties. We currently qualify for and rely upon an end-user exception from such clearing and margin requirements for the swaps we enter into to hedge our commercial risks. However, the application of the mandatory clearing and trade execution requirements and the uncleared swaps margin requirements to other market participants, such as swap dealers, may adversely affect the cost and availability of the swaps that we use for hedging.

In addition to the Dodd-Frank Act, the European Union and other foreign regulators have adopted and are implementing local reforms generally comparable with the reforms under the Dodd-Frank Act. Implementation and enforcement of these regulatory provisions may reduce our ability to hedge our market risks with non-U.S. counterparties and may make transactions involving cross-border swaps more expensive and burdensome. Additionally, the lack of regulatory equivalency across jurisdictions may increase compliance costs and make it more difficult to satisfy our regulatory obligations.

***If third-party pipelines and other facilities interconnected to our fuel storage terminals and transmix processing facilities become partially or fully unavailable to transport refined products, our revenues could be adversely affected.***

We depend upon third-party pipelines and other facilities that provide delivery options to and from our fuel storage terminals and transmix processing facilities. Since we do not own or operate these pipelines or other facilities, their continuing operation in their current manner is not within our control. If any of these third-party facilities become partially or fully unavailable, or if the quality specifications for their facilities change so as to restrict our ability to utilize them, our financial condition and results of operations could be adversely affected.

***We may be unable to obtain or renew permits necessary for our current or proposed operations, which could inhibit our ability to conduct or expand our business.***

Our facilities operate under a number of federal, state and local permits, licenses and approvals with terms and conditions containing a significant number of prescriptive limits and performance standards in order to operate. These limits and standards require a significant amount of monitoring, recordkeeping and reporting in order to demonstrate compliance with the underlying permit, license or approval. Noncompliance or incomplete documentation of our compliance status may result in the imposition of fines, penalties and injunctive relief. In addition, public protest, political activism and responsive government intervention have made it more difficult for energy companies to acquire the permits required to complete planned infrastructure projects. A decision by a government agency to deny or delay issuing a new or renewed permit, license or approval, or to revoke or substantially modify an existing permit, license or approval, or to impose additional requirements on the renewal could have a material adverse effect on our ability to continue or expand our operations and on our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

***Certain of our interstate common carrier pipelines are subject to regulation by the FERC and the STB, which could have an adverse impact on our ability to recover the full cost of operating our pipelines and the revenue we are able to receive from those operations.***

Pursuant to the ICA and various other laws, the FERC regulates tariff rates and terms and conditions of service for interstate crude oil and refined products movements on common carrier pipelines. The FERC requires that these rates be just and reasonable and not



unduly discriminatory with respect to any shipper. The FERC or shippers may challenge required pipeline tariff filings, including rates and terms and conditions of service. Further, other than for rates set under market-based rate authority, if a new rate is challenged by protest and investigated by the FERC, the FERC may require amounts refunded where such amounts were collected in excess of the deemed just and reasonable rate. In addition, shippers may challenge by complaint tariff rates and terms and conditions of service even after they take effect, and the FERC may order a carrier to change its rates prospectively to a just and reasonable level. A complaining shipper also may obtain reparations for damages sustained during the two years prior to the date of the complaint.

We are able to use various FERC-authorized rate change methodologies for our interstate pipelines, including indexed rates, cost-of-service rates, market-based rates and negotiated rates. Typically, we adjust our rates annually in accordance with the FERC indexing methodology, which currently allows a pipeline to change its rates within prescribed ceiling levels that are tied to an inflation index. It is possible that the index may result in negative rate adjustments in some years, or that changes in the index might not be large enough to fully reflect actual increases in our costs. The FERC's indexing methodology is subject to review and revision every five years, with the most recent five-year review occurring in 2020. See our regulatory disclosure titled "Regulation of Interstate Crude Oil and Products Pipelines" for additional information on FERC's indexing methodology.

The FERC has granted us authority to charge market-based rates on some of our pipelines, which are not subject to cost-of-service or indexing constraints. If we were to lose market-based rate authority, however, we could be required to establish rates on some other basis, such as cost-of-service, which could reduce our revenues and cash flows. Additionally, competition constrains our rates in various markets, which may force us to reduce certain rates to remain competitive.

Pursuant to the ICC Termination Act of 1995 ("ITA"), the STB regulates interstate pipelines carrying products other than gas, oil or water, including the anhydrous ammonia we transport. Unlike the ICA, which allows the FERC to investigate a carrier's rates on its own initiative, ITA prescribes the STB may only investigate issues in response to complaints by shippers and other interested parties. Further, carriers are not required by the ITA or the STB to report rates charged to transport anhydrous ammonia or other commodities, and the STB does not routinely collect such information. Adverse changes in the FERC's or STB's rate change methodologies or challenges to our rates that result in significant damages could negatively affect our cash flows, results of operations and our ability to make distributions to our unitholders.

***The third parties on whom we rely for transportation services to our fuel storage terminals and transmix processing facilities are subject to complex federal, state, and other laws that could adversely affect our financial condition and results of operations.***

The operations of the third parties on whom we rely for transportation services are subject to complex and stringent laws and regulations that require obtaining and maintaining numerous permits, approvals and certifications from various federal, state and local government authorities. These third parties may incur substantial costs in order to comply with existing laws and regulations. If existing laws and regulations governing such third-party services are revised or reinterpreted, or if new laws and regulations become applicable to their operations, these changes may affect the costs that we pay for services. Similarly, a failure to comply with such laws and regulations by the third parties could have a material adverse effect on our financial condition and results of operations.

### **Indebtedness**

***Our debt levels may impair our financial condition and our ability to make distributions to our unitholders.***

We had \$7.5 billion of debt outstanding as of December 31, 2024, which includes the \$2.57 billion aggregate principal amount of debt we assumed in connection with the NuStar acquisition. We have the ability to further incur additional debt under our Credit Facility (as defined herein) and the indentures governing our senior notes. The level of our future indebtedness could have important consequences to us, including:

- making it more difficult for us to satisfy our obligations with respect to our senior notes and our credit agreement governing our Credit Facility;
- limiting our ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, the execution of our growth strategy and other activities;
- requiring us to dedicate a substantial portion of our cash flow from operations to pay interest on our debt, which would reduce our cash flow available to make distributions to our unitholders and to fund working capital, capital expenditures, acquisitions, execution of our growth strategy and other activities;
- making us more vulnerable to adverse changes in general economic conditions, our industry and government regulations and in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions; and
- placing us at a competitive disadvantage compared with our competitors that have less debt.

In addition, we may not be able to generate sufficient cash flow from our operations to repay our indebtedness when it becomes due and to meet other cash needs. Our ability to service our debt depends upon, among other things, our financial and operating



performance as impacted by prevailing economic conditions, and financial, business, regulatory and other factors, some of which are beyond our control. In addition, our ability to service our debt will depend on market interest rates, since the rates applicable to a portion of our borrowings fluctuate. If we are not able to pay our debts as they become due, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness or selling additional debt or equity securities. We may not be able to refinance our debt or sell additional debt or equity securities or our assets on favorable terms, if at all, and if we must sell our assets, it may negatively affect our ability to generate revenues.

***Increases in interest rates could reduce the amount of cash we have available for distributions as well as the relative value of those distributions to yield-oriented investors, which could cause a decline in the market value of our common units.***

Approximately \$203 million of our outstanding indebtedness as of December 31, 2024 bears interest at variable interest rates. Should variable interest rates rise, the amount of cash we would otherwise have available for distribution would ordinarily be expected to decline, which could impact our ability to maintain or grow our quarterly distributions. Additionally, an increase in interest rates in lower risk investment alternatives, such as United States treasury securities, could cause investors to demand a relatively higher distribution yield on our common units, which, unless we are able to raise our distribution, would imply a lower trading price for our common units. Consequently, rising interest rates could cause a significant decline in the market value of our common units.

***Our existing debt agreements have substantial restrictions and financial covenants that may restrict our business and financing activities and our ability to pay distributions to our unitholders.***

We are dependent upon the earnings and cash flow generated by our operations in order to meet our debt service obligations and to allow us to make cash distributions to our unitholders. The operating and financial restrictions and covenants in our credit agreement, the indentures governing our senior notes, the indentures governing NuStar's senior notes, the agreements governing the revenue bonds issued by the Parish of St. James, Louisiana pursuant to the Gulf Opportunity Zone Act of 2005 (the "GoZone Bonds") and any future financing agreements may restrict our ability to finance future operations or capital needs, to engage in or expand our business activities or to pay distributions to our unitholders. For example, our credit agreement, the indentures governing our senior notes, the indentures governing the NuStar senior notes and the agreements governing the GoZone Bonds restrict our ability to, among other things:

- incur certain additional indebtedness;
- incur, permit, or assume certain liens to exist on our properties or assets;
- make certain investments or enter into certain restrictive material contracts;
- make distributions;
- repurchase units; and
- merge or dispose of all or substantially all of our assets.

In addition, our credit agreement contains covenants requiring us to maintain certain financial ratios. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" for additional information.

Our future ability to comply with these restrictions and covenants is uncertain and will be affected by the levels of cash flow from our operations and other events or circumstances beyond our control. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we violate any provisions of our credit agreement, the indentures governing our senior notes, the indentures governing the NuStar senior notes, the agreements governing the GoZone Bonds or any agreements governing future indebtedness that are not cured or waived within the appropriate time period provided therein, a significant portion of our indebtedness may become immediately due and payable, our ability to make distributions to our unitholders will be inhibited and our lenders' commitment to make further loans to us may terminate. We might not have, or be able to obtain, sufficient funds to make these accelerated payments.

### **Detail of Risk Factors Related to Our Structure**

#### **Our General Partner**

***Energy Transfer owns and controls our General Partner, which has sole responsibility for conducting our business and managing our operations. Our General Partner and its affiliates, including Energy Transfer, have conflicts of interest with us and limited contractual duties and they may favor their own interests to the detriment of us and our unitholders.***

Energy Transfer owns and controls our General Partner and appoints all of the officers and directors of our General Partner. Although our General Partner has a contractual obligation to manage us in a manner it believes is not adverse to us, the executive officers and directors of our General Partner also have a contractual duty to manage our General Partner in a manner beneficial to Energy Transfer. Therefore, conflicts of interest may arise between Energy Transfer and its affiliates, including our General Partner, on the one hand,

and us and our unitholders, on the other hand. In resolving these conflicts of interest, our General Partner may favor its own interests and the interests of its affiliates over the interests of our common unitholders. These conflicts include the following situations, among others:

- Our General Partner's affiliates, including Energy Transfer and its affiliates, are not prohibited from engaging in other business or activities, including those in direct competition with us.
- In addition, neither our partnership agreement nor any other agreement requires Energy Transfer to pursue a business strategy that favors us. The affiliates of our General Partner have contractual duties to make decisions in their own best interests and in the best interest of their owners, which may be contrary to our interests. In addition, our General Partner is allowed to take into account the interests of parties other than us or our unitholders, such as Energy Transfer, in resolving conflicts of interest.
- Certain officers and directors of our General Partner are officers or directors of affiliates of our General Partner, and also devote significant time to the business of these entities and are compensated accordingly.
- Affiliates of our General Partner, including Energy Transfer, are not limited in their ability to compete with us and may offer business opportunities or sell assets to parties other than us.
- Our partnership agreement provides that our General Partner may, but is not required to, in connection with its resolution of a conflict of interest, seek "special approval" of such resolution by appointing a conflicts committee of the General Partner's board of directors composed of one or more independent directors to consider such conflicts of interest and to either, itself, take action or recommend action to the board of directors, and any resolution of the conflict of interest by the conflicts committee shall be conclusively deemed to be approved by our unitholders.
- Except in limited circumstances, our General Partner has the power and authority to conduct our business without unitholder approval.
- Our General Partner determines the amount and timing of asset purchases and sales, borrowings, repayment of indebtedness and issuances of additional partnership securities and the level of reserves, each of which can affect the amount of cash that is distributed to our unitholders.
- Our General Partner determines the amount and timing of any capital expenditure and whether a capital expenditure is classified as a maintenance capital expenditure or an expansion capital expenditure. These determinations can affect the amount of cash that is distributed to our unitholders.
- Our General Partner may cause us to borrow funds in order to permit the payment of cash distributions, even if the purpose or effect of the borrowing is to make incentive distributions on the IDRs.
- Our partnership agreement permits us to distribute up to \$25 million as operating surplus, even if it is generated from asset sales, non-working capital borrowings or other sources that would otherwise constitute capital surplus. This cash may be used to fund distributions on the IDRs.
- Our General Partner determines which costs incurred by it and its affiliates are reimbursable by us.
- Our partnership agreement does not restrict our General Partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with its affiliates on our behalf. There is no limitation on the amounts our General Partner can cause us to pay it or its affiliates.
- Our General Partner has limited its liability regarding our contractual and other obligations.
- Our General Partner may exercise its right to call and purchase common units if it and its affiliates own more than 80% of the common units.
- Our General Partner controls the enforcement of obligations owed to us by it and its affiliates. In addition, our General Partner will decide whether to retain separate counsel or others to perform services for us.
- Energy Transfer may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to Energy Transfer's IDRs without the approval of the conflicts committee of the board of directors of our General Partner or our unitholders. This election may result in lower distributions to our common unitholders in certain situations.

***Our General Partner has limited its liability regarding our obligations.***

Our General Partner has limited its liability under contractual arrangements so that the counterparties to such arrangements have recourse only against our assets, and not against our General Partner or its assets. Our General Partner may therefore cause us to incur indebtedness or other obligations that are nonrecourse to our General Partner. Our partnership agreement provides that any action taken by our General Partner to limit its liability is not a breach of our General Partner's contractual duties to us, even if we could have obtained more favorable terms without the limitation on liability. In addition, we are obligated to reimburse or indemnify our General Partner to the extent that it incurs obligations on our behalf. Any such reimbursement or indemnification payments would reduce the amount of cash otherwise available for distribution to our unitholders.

***Our General Partner may, in its sole discretion, approve the issuance of partnership securities and specify the terms of such partnership securities.***

Pursuant to our partnership agreement, our General Partner has the ability, in its sole discretion and without the approval of our unitholders, to approve the issuance of securities by the Partnership at any time and to specify the terms and conditions of such securities. The securities authorized to be issued may be issued in one or more classes or series, with such designations, preferences,

rights, powers and duties (which may be senior to existing classes and series of partnership securities), as shall be determined by our General Partner, including:

- the right to share in the Partnership's profits and losses;
- the right to share in the Partnership's distributions;
- the rights upon dissolution and liquidation of the Partnership;
- whether, and the terms upon which, the Partnership may redeem the securities;
- whether the securities will be issued, evidenced by certificates and assigned or transferred; and
- the right, if any, of the security to vote on matters relating to the Partnership, including matters relating to the relative rights, preferences and privileges of such security.

***Cost reimbursements due to our General Partner and its affiliates for services provided to us or on our behalf will reduce cash available for distribution to our unitholders. The amount and timing of such reimbursements will be determined by our General Partner.***

Prior to making any distribution on the common units, we will reimburse our General Partner and its affiliates for all expenses they incur and payments they make on our behalf pursuant to our partnership agreement. Our partnership agreement does not limit the amount of expenses for which our General Partner and its affiliates may be reimbursed. Our partnership agreement provides that our General Partner will determine in good faith the expenses that are allocable to us. Reimbursement of expenses and payment of fees to our General Partner and its affiliates will reduce the amount of cash available to pay distributions to our unitholders.

#### **Our Partnership Agreement**

***Our partnership agreement requires that we distribute all of our available cash, which could limit our ability to grow and make acquisitions.***

Our partnership agreement requires that we distribute all of our available cash to our unitholders. Our General Partner will determine the amount and timing of such distributions and has broad discretion to establish and make additions to our reserves in amounts it determines in its reasonable discretion to be necessary or appropriate. As such, we rely primarily upon external financing sources, including borrowings under our Credit Facility and the issuance of debt and equity securities, to fund our acquisitions and expansion capital requirements. To the extent we are unable to finance growth externally, our cash distribution policy may significantly impair our ability to grow.

In addition, because we distribute all of our available cash, our growth rate may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations. To the extent we issue additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per unit distribution level. There are no limitations in our partnership agreement on our ability to issue additional units, including units ranking senior to existing common units. The incurrence of bank borrowings or other debt to finance our growth strategy may result in increased interest expense, which, in turn, may impact the available cash that we have to distribute to our unitholders.

***Our partnership agreement limits the liability and duties of our General Partner and restricts the remedies available to us and our common unitholders for actions taken by our General Partner that might otherwise constitute breaches of fiduciary duty if we were a Delaware corporation.***

Our partnership agreement limits the liability and duties of our General Partner, while also restricting the remedies available to our common unitholders for actions that, without these limitations, might constitute breaches of fiduciary duty under Delaware law. Delaware partnership law permits such contractual reductions or elimination of fiduciary duty. By purchasing common units, common unitholders consent to be bound by the partnership agreement, and pursuant to our partnership agreement, each unitholder consents to various actions and conflicts of interest contemplated in our partnership agreement that might otherwise constitute a breach of fiduciary or other duties under Delaware law. For example:

- Our partnership agreement permits our General Partner to make a number of decisions in its individual capacity, as opposed to its capacity as General Partner. This entitles our General Partner to consider only the interests and factors that it desires, with no duty or obligation to give consideration to the interests of, or factors affecting, our common unitholders. Decisions made by our General Partner in its individual capacity will be made by Energy Transfer, as the owner of our General Partner, and not by the board of directors of our General Partner. Examples of such decisions include:
  - whether to exercise limited call rights;

- how to exercise voting rights with respect to any units it owns;
- whether to exercise registration rights; and
- whether to consent to any merger or consolidation, or amendment to our partnership agreement.
- Our partnership agreement provides that our General Partner will not have any liability to us or our unitholders for decisions made in its capacity as General Partner so long as it acted in good faith as defined in the partnership agreement, meaning it believed that the decisions were not adverse to the interests of our partnership.
- Our partnership agreement provides that our General Partner and the officers and directors of our General Partner will not be liable for monetary damages to us for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our General Partner or those persons acted in bad faith or, in the case of a criminal matter, acted with knowledge that such person's conduct was criminal.
- Our partnership agreement provides that our General Partner will not be in breach of its obligations under the partnership agreement or its duties to us or our limited partners with respect to any transaction involving an affiliate if:
  - the transaction with an affiliate or the resolution of a conflict of interest is:
    - approved by the conflicts committee of the board of directors of our General Partner, although our General Partner is not obligated to seek such approval; or
    - approved by the vote of a majority of the outstanding common units, excluding any common units owned by our General Partner and its affiliates; or
    - the board of directors of our General Partner acted in good faith in taking any action or failing to act.

If an affiliate transaction or the resolution of a conflict of interest is not approved by our common unitholders or the conflicts committee then it will be presumed that, in making its decision, taking any action or failing to act, the board of directors acted in good faith, and in any proceeding brought by or on behalf of any limited partner or the partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption.

***Energy Transfer may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to its IDRs, without the approval of the conflicts committee of our General Partner's board of directors or the holders of our common units. This could result in lower distributions to holders of our common units.***

Energy Transfer has the right, at any time it has received incentive distributions at the highest level to which it is entitled (50%) for each of the prior four consecutive whole fiscal quarters (and the amount of each such did not exceed adjusted operating surplus for each such quarter), to reset the initial target distribution levels at higher levels based on our cash distributions at the time of the exercise of the reset election. Following a reset election by Energy Transfer, the minimum quarterly distribution will be adjusted to equal the reset minimum quarterly distribution, and the target distribution levels will be reset to correspondingly higher levels based on the same percentage increases above the reset minimum quarterly distribution reflected by the current target distribution levels.

If Energy Transfer elects to reset the target distribution levels, it will be entitled to receive a number of common units equal the number of common units which would have entitled their holder to an average aggregate quarterly cash distribution in the prior two quarters equal to the average of the distributions to Energy Transfer on the IDRs in the prior two quarters. We anticipate that Energy Transfer would exercise this reset right in order to facilitate acquisitions or internal growth projects that would not be sufficiently accretive to cash distributions per common unit without such conversion. It is possible, however, that Energy Transfer could exercise this reset election at a time when it is experiencing, or expects to experience, declines in the cash distributions it receives related to its IDRs and may, therefore, desire to be issued common units rather than retain the right to receive incentive distributions based on the initial target distribution levels. As a result, a reset election may cause our common unitholders to experience a reduction in the amount of cash distributions that they would have otherwise received had we not issued new common units to Energy Transfer in connection with resetting the target distribution levels.

***Holders of our common units have limited voting rights and are not entitled to elect our General Partner or its directors.***

Unlike the holders of common stock in a corporation, our common unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management's decisions regarding our business. Our common unitholders have no right on an annual or ongoing basis to elect our General Partner or its board of directors. The board of directors of our General Partner, including the independent directors, are chosen entirely by Energy Transfer due to its ownership of our General Partner, and not by our common unitholders. Unlike a publicly traded corporation, we do not conduct annual meetings of our unitholders to elect directors or conduct other matters routinely conducted at annual meetings of stockholders of corporations. Our partnership agreement also

contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting our unitholders' ability to influence the manner or direction of management.

***Even if holders of our common units are dissatisfied, they cannot easily remove our General Partner without its consent.***

If our unitholders are dissatisfied with the performance of our General Partner, they have limited ability to remove our General Partner. Our General Partner generally may not be removed except upon the vote of the holders of 66⅔% of our outstanding common units, including units owned by our General Partner and its affiliates. As of December 31, 2024, Energy Transfer and its affiliates held approximately 20.9% of our outstanding common units.

***Our General Partner interest or the control of our General Partner may be transferred to a third party without unitholder consent.***

Our General Partner may transfer its General Partner interest to a third party without the consent of our unitholders in a merger, in a sale of all or substantially all of its assets or in other transactions so long as certain conditions are satisfied. Furthermore, our partnership agreement does not restrict the ability of Energy Transfer to transfer all or a portion of its interest in our General Partner to a third party. Any new owner of our General Partner or our General Partner interest would then be in a position to replace the board of directors and executive officers of our General Partner with its own designees without the consent of unitholders and thereby exert significant control over us, and may change our business strategy.

***Our General Partner has a limited call right that may require unitholders to sell their common units at an undesirable time or price.***

If at any time our General Partner and its affiliates own more than 80% of the common units, our General Partner will have the right, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price equal to the greater of (1) the average of the daily closing price of the common units over the 20 trading days preceding the date three 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. As a result, unitholders may be required to sell their common units at an undesirable time or price and may not receive any return or a negative return on their investment. Unitholders may also incur a tax liability upon a sale of their units. Our General Partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon exercise of the limited call right. There is no restriction in our partnership agreement that prevents our General Partner from issuing additional common units and exercising its call right.

***We may issue additional units without unitholder approval, which would dilute existing unitholder ownership interests.***

Our partnership agreement does not limit the number of additional limited partner interests we may issue at any time without the approval of our unitholders. The issuance of additional common units or other equity interests of equal or senior rank will have the following effects:

- our existing unitholders' proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each unit may decrease;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding unit may be diminished; and
- the market price of the common units may decline.

***The market price of our common units could be adversely affected by sales of substantial amounts of our common units in the public or private markets, including sales by Energy Transfer.***

As of December 31, 2024, Energy Transfer owned 28,463,967 of our common units. The sale or disposition of a substantial portion of these units in the public or private markets could reduce the market price of our outstanding common units.

***Our partnership agreement restricts the voting rights of unitholders owning 20% or more of our outstanding common units.***

Our partnership agreement restricts unitholders' voting rights by providing that any units held by a person or group that owns 20% or more of any class of units then outstanding, other than our General Partner and its affiliates, their transferees and persons who acquired such units with the prior approval of the board of directors of our General Partner, cannot vote on any matter.

***The amount of cash we have available for distribution to holders of our units depends primarily on our cash flow and not solely on profitability, which may prevent us from making cash distributions during periods when we record net income.***

The amount of cash we have available for distribution depends primarily upon our cash flow, including cash flow from working capital or other borrowings, and not solely on profitability, which will be affected by non-cash items. As a result, we may pay cash



distributions during periods when we record net losses for financial accounting purposes and may not pay cash distributions during periods when we record net income.

***Unitholders may have liability to repay distributions.***

Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act (the “Delaware Act”), we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of an impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. A purchaser of units who becomes a limited partner is liable for the obligations of the transferring limited partner to make contributions to the partnership that are known to such purchaser at the time it became a limited partner and for unknown obligations if the liabilities could be determined from the partnership agreement. Liabilities to partners on account of their partnership interests and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

***Our partnership agreement limits the forum, venue and jurisdiction of claims, suits, actions or proceedings.***

Our partnership agreement is governed by Delaware law. Our partnership agreement requires that any claims, suits, actions or proceedings:

- arising out of or relating in any way to our partnership agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of our partnership agreement or the duties, obligations or liabilities among our limited partners or of our limited partners to us, or the rights or powers of, or restrictions on, our limited partners or us);
- brought in a derivative manner on our behalf;
- asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of us or our General Partner, or owed by our General Partner, to us or the limited partners;
- asserting a claim arising pursuant to any provision of the Delaware Act; or
- asserting a claim governed by the internal affairs doctrine,

will be exclusively brought in the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, any other court located in the State of Delaware with subject matter jurisdiction). By purchasing a common unit, a limited partner is irrevocably consenting to these limitations and provisions regarding claims, suits, actions or proceedings and submitting to the exclusive jurisdiction of the Court of Chancery of the State of Delaware in connection with any such claims, suits, actions or proceedings.

The provisions may have the effect of discouraging lawsuits against our directors, officers, employees and agents. The enforceability of similar forum selection 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 one or more actions or proceedings described above, a court could find that the forum selection provision contained in our partnership agreement is inapplicable or unenforceable in such action or actions, including with respect to claims arising under the federal securities laws. Limited partners will not be deemed, by operation of the forum selection provision alone, to have waived claims arising under the federal securities laws and the rules and regulations thereunder.

The forum selection provision is intended to apply “to the fullest extent permitted by applicable law” to the above-specified types of actions and proceedings, including, to the extent permitted by the federal securities laws, to lawsuits asserting both the above-specified claims and federal securities claims. However, application of the forum selection provision may in some instances be limited by applicable law. Section 27 of the Exchange Act provides: “The district courts of the United States ... shall have exclusive jurisdiction of violations of the Exchange Act or the rules and regulations thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by the Exchange Act or the rules and regulations thereunder.” As a result, the forum selection provision will not apply to actions arising under the Exchange Act or the rules and regulations thereunder. However, Section 22 of the Securities Act of 1933, as amended (the “Securities Act”) provides for concurrent federal and state court jurisdiction over actions under the Securities Act and the rules and regulations thereunder, subject to a limited exception for certain “covered class actions” as defined in Section 16 of the Securities Act and interpreted by the courts. Accordingly, we believe that the forum selection provision would apply to actions arising under the Securities Act or the rules and regulations thereunder, except to the extent a particular action fell within the exception for covered class actions.

***The NYSE does not require a publicly traded partnership like us to comply with certain corporate governance requirements.***

Because we are a publicly traded partnership, the NYSE does not require us to have a majority of independent directors on our General Partner’s board of directors or to establish a compensation committee or a nominating and corporate governance committee.



Accordingly, unitholders do not have the same protections afforded to stockholders of corporations that are subject to all of the corporate governance requirements of the applicable stock exchange.

### **Detail of Tax Risks to Common Unitholders**

***Our tax treatment depends on our status as a partnership for U.S. federal income tax purposes, as well as our not being subject to a material amount of entity-level taxation by individual states. If the Internal Revenue Service (“IRS”) were to treat us as a corporation for U.S. federal income tax purposes or we were otherwise subject to a material amount of entity-level taxation, then our cash available for distribution to our unitholders would be substantially reduced.***

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for U.S. federal income tax purposes.

Despite the fact that we are organized as a limited partnership under Delaware law, we will be treated as a corporation for U.S. federal income tax purposes unless we satisfy a “qualifying income” requirement. Based upon our current operations, we believe we satisfy the qualifying income requirement. However, no ruling has been or will be requested regarding our treatment as a partnership for U.S. federal income tax purposes. Failing to meet the qualifying income requirement or a change in current law could cause us to be treated as a corporation for U.S. federal income tax purposes or otherwise subject us to taxation as an entity.

If we were treated as a corporation for U.S. federal income tax purposes, we would pay U.S. federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 21%, and would likely pay state income tax at varying rates. Distributions to our unitholders who are treated as holders of corporate stock would generally be taxed again as corporate distributions, and no income, gains, losses, deductions or credits would flow through to our unitholders. Because a tax would be imposed upon us as a corporation, our cash available for distribution to our unitholders would be substantially reduced.

Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal, state or local income tax purposes, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law on us.

In addition, changes in current state law may subject us to additional entity-level taxation by individual states. Several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. For example, we are currently subject to the entity-level Texas franchise tax. Imposition of any such additional taxes on us or an increase in the existing tax rates would reduce the cash available for distribution to our unitholders. Therefore, if we were treated as a corporation for U.S. federal income tax purposes or otherwise subjected to a material amount of entity-level taxation, there would be a material reduction in the anticipated cash flow and after-tax return to our unitholders, likely causing a substantial reduction in the value of our common units.

***The tax treatment of publicly traded partnerships or an investment in our common units could be subject to potential legislative, judicial or administrative changes or differing interpretations, possibly applied on a retroactive basis.***

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 changes or differing interpretations at any time. Members of Congress have frequently proposed and considered substantive changes to the existing U.S. federal income tax laws that would affect publicly traded partnerships, including proposals that would eliminate our ability to qualify for partnership tax treatment. Recent proposals have provided for the expansion of the qualifying income exception for publicly traded partnerships in certain circumstances and other proposals have provided for the total elimination of the qualifying income exception upon which we rely for our partnership tax treatment. Further, while unitholders of publicly traded partnerships are, subject to certain limitations, entitled to a deduction equal to 20% of their allocable share of a publicly traded partnership’s “qualified business income,” this deduction is scheduled to expire with respect to taxable years beginning after December 31, 2025.

In addition, the Treasury Department has issued, and in the future may issue, regulations interpreting those laws that affect publicly traded partnerships. There can be no assurance that there will not be further changes to U.S. federal income tax laws or the Treasury Department’s interpretation of the qualifying income rules in a manner that could impact our ability to qualify as a partnership in the future.

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 for us to meet the exception for certain publicly traded partnerships to be treated as partnerships for U.S. federal income tax purposes. We are unable to predict whether any changes or other proposals will ultimately be enacted. Any future legislative changes could negatively impact the value of an investment in our common units.

***If the IRS makes audit adjustments to our income tax returns, it (and some states) may assess and collect directly from us taxes (including any applicable penalties and interest) resulting from such audit adjustments, in which case our cash available for distribution to our unitholders might be substantially reduced.***

If the IRS makes audit adjustments to our income tax returns, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from us. To the extent possible, our General Partner may elect to either pay the taxes (including any applicable penalties and interest) directly to the IRS or, if we are eligible, issue an information statement to our current and former unitholders with respect to an audited and adjusted return. Although our General Partner may elect to have our current and former unitholders take such audit adjustment into account and pay any resulting taxes (including applicable penalties or interest) in accordance with their interests in us during the tax year under audit, there can be no assurance that such election will be practical, permissible or effective in all circumstances. As a result, our current unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such unitholders did not own units in us during the tax year under audit. If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties and interest, our cash available for distribution to our unitholders might be substantially reduced.

***We have subsidiaries that are treated as corporations for U.S. federal income tax purposes and are subject to corporate-level income taxes.***

Even though we (as a partnership for U.S. federal income tax purposes) are not subject to U.S. federal income tax, some of our operations are currently conducted through subsidiaries that are organized as corporations for U.S. federal income tax purposes. The taxable income, if any, of these subsidiaries is subject to corporate-level U.S. federal income taxes, which may reduce the cash available for distribution to us and, in turn, to our unitholders. If the IRS or other state or local jurisdictions were to successfully assert that these corporations have more tax liability than we anticipate or legislation is enacted that increases the corporate tax rate, then cash available for distribution could be further reduced. The income tax return filing positions taken by these corporate subsidiaries requires significant judgment, use of estimates, and the interpretation and application of complex tax laws. Significant judgment is also required in assessing the amounts of deductible and taxable items. Despite our belief that the income tax return positions taken by these subsidiaries are fully supportable, certain positions may be successfully challenged by the IRS, state or local jurisdictions.

***Our unitholders will be required to pay taxes on their share of our income even if they do not receive any cash distributions from us.***

Because our unitholders will be treated as partners to whom we will allocate taxable income that could be different in amount than the cash we distribute, our unitholders will be required to pay U.S. federal income taxes and, in some cases, state and local income taxes on their share of our taxable income whether or not they receive cash distributions from us. Our unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax liability that results from that income.

***Tax gain or loss on the disposition of our common units could be more or less than expected.***

If a unitholder sells its common units, it will recognize a gain or loss equal to the difference between the amount realized and its tax basis in those common units. Because distributions in excess of a unitholder's allocable share of our net taxable income result in a decrease in its tax basis in its common units, the amount, if any, of such prior excess distributions with respect to the common units it sells will, in effect, become taxable income to the unitholder if it sells such common units at a price greater than its tax basis in those common units, even if the price the unitholder receives is less than its original cost. In addition, because the amount realized includes a unitholder's share of our nonrecourse liabilities, if a unitholder sells its common units, such unitholder may incur a tax liability in excess of the amount of cash received from the sale.

Furthermore, a substantial portion of the amount realized, whether or not representing gain, may be taxed as ordinary income due to potential recapture of depreciation deductions and certain other items. Thus, a unitholder may recognize both ordinary income and capital loss from the sale of units if the amount realized on a sale of such units is less than such unitholder's adjusted basis in the units. Net capital loss may only offset capital gains and, in the case of individuals, up to \$3,000 of ordinary income per year. In the taxable period in which a unitholders sells their units, such unitholder may recognize ordinary income from our allocations of income and gain to such unitholder prior to the sale and from recapture items that generally cannot be offset by any capital loss recognized upon the sale of units.

***Tax-exempt entities face unique tax issues from owning common units that may result in adverse tax consequences to them.***

Investments in our common units by tax-exempt entities, such as employee benefit plans and individual retirement accounts ("IRAs") raise issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from U.S. federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Additionally, all or part of any gain recognized by such tax-exempt organization upon a sale or other disposition of our units may be unrelated business taxable income. Tax-exempt entities should consult a tax advisor before investing in our common units.

***If the IRS contests the U.S. federal income tax positions we take, the market for our common units may be adversely impacted and the cost of any IRS contest will reduce our cash available for distribution to our unitholders.***

The IRS may adopt positions that differ from the positions we take, and the IRS's positions may ultimately be sustained. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions we take. A court may not agree with some or all of the positions we take. Any contest by the IRS may materially and adversely impact the market for our common units and the price at which they trade. The costs of any contest by the IRS will be borne indirectly by our unitholders because the costs will reduce our cash available for distribution.

***We treat each purchaser of our common units as having the same tax benefits without regard to the actual common units purchased. The IRS may challenge this treatment, which could result in a unitholder owing more tax and may adversely affect the value of the common units.***

Because we cannot match transferors and transferees of common units, we have adopted certain methods for allocating depreciation and amortization deductions that may not conform to all aspects of existing Treasury regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to a unitholder. It also could affect the timing of these tax benefits or the amount of gain from a unitholder's sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to a unitholder's tax returns.

***We generally prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first day of each month, instead of on the basis of the date a particular common unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our unitholders.***

We generally prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first day of each month (the "Allocation Date"), instead of on the basis of the date a particular common unit is transferred. Similarly, we generally allocate certain deductions for depreciation of capital additions, gain or loss realized on a sale or other disposition of our assets and, in the discretion of the General Partner, any other extraordinary item of income, gain, loss or deduction based upon ownership on the Allocation Date. Treasury regulations allow a similar monthly simplifying convention, but such regulations do not specifically authorize all aspects of the proration method we have currently adopted. If the IRS were to successfully challenge our proration method, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders.

***A unitholder whose common units are the subject of a securities loan (e.g., a loan to a "short seller" to cover a short sale of common units) may be considered as having disposed of those common units. If so, the unitholder would no longer be treated for U.S. federal income tax purposes as a partner with respect to those common units during the period of the loan and may recognize gain or loss from the disposition.***

Because there are no specific rules governing the U.S. federal income tax consequences of loaning a partnership interest, a unitholder whose common units are the subject of a securities loan may be considered as having disposed of the loaned common units. In that case, he may no longer be treated for U.S. federal income tax purposes as a partner with respect to those common units during the period of the loan and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan, any of our income, gain, loss or deduction with respect to those common units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those common units could be fully taxable as ordinary income. Unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a securities loan 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 their common units.

***We have adopted certain valuation methodologies in determining a unitholder's allocations of income, gain, loss and deduction. The IRS may challenge these methods or the resulting allocations, and such a challenge could adversely affect the value of our common units.***

In determining the items of income, gain, loss and deduction allocable to our unitholders, we must routinely determine the fair market value of our respective assets. Although we may from time to time consult with professional appraisers regarding valuation matters, we make many fair market value estimates using a methodology based on the market value of our common units as a means to measure the fair market value of our respective assets. Our methodology may be viewed as understating the value of our assets. In that case, there may be a shift of income, gain, loss and deduction between certain unitholders and our general partner, which may be unfavorable to such unitholders. Moreover, under our current valuation methods, subsequent purchasers of our units may have a greater portion of their Internal Revenue Code Section 743(b) ("Section 743(b)") adjustment allocated to our tangible assets and a lesser portion allocated to our intangible assets. The IRS may challenge our valuation methods, or our allocation of Section 743(b) adjustment attributable to our tangible and intangible assets, and allocations of income, gain, loss and deduction between our general partner and certain of our unitholders.

A successful IRS challenge to these methods or allocations could adversely affect the amount, character, and timing of taxable income or loss being allocated to our unitholders. It also could affect the amount of gain from our unitholders' sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to our unitholders' tax returns without the benefit of additional deductions.

***Unitholders will likely be subject to state and local taxes and return filing requirements in states where they do not live as a result of investing in our common units.***

In addition to U.S. federal income taxes, unitholders may be subject to other taxes, including state and local income taxes, unincorporated business taxes, and estate, inheritance or intangibles taxes that may be imposed by the various jurisdictions in which we conduct business or own property now or in the future or in which the unitholder is a resident. We currently own property or do business in a substantial number of states, most of which impose a personal income tax and many of which impose an income tax on corporations and other entities. We may also own property or do business in other states in the future. Although an analysis of those various taxes is not presented here, each prospective unitholder should consider their potential impact on its investment in us.

Although you may not be required to file a return and pay taxes in some jurisdictions because your income from that jurisdiction falls below the filing and payment requirement, you will be required to file income tax returns and to pay income taxes in many of the jurisdictions in which we do business or own property and may be subject to penalties for failure to comply with those requirements. Some of the jurisdictions may require us, or we may elect, to withhold a percentage of income from amounts to be distributed to a unitholder who is not a resident of the jurisdiction. Withholding, the amount of which may be greater or less than a particular unitholder's income tax liability to the jurisdiction, generally does not relieve a nonresident unitholder from the obligation to file an income tax return.

It is the responsibility of each unitholder to investigate the legal and tax consequences, under the laws of pertinent jurisdictions, of its investment in us. We strongly recommend that each prospective unitholder consult, and depend on, its own tax counsel or other advisor with regard to those matters. Further, it is the responsibility of each unitholder to file all state, local, and non-U.S., as well as U.S. federal tax returns that may be required of it.

***Unitholders may be subject to limitations on their ability to deduct interest expense we incur.***

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 "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 expense or business interest income.

If our "business interest" is subject to limitation under these rules, our unitholders will be limited in their ability to deduct their share of any interest expense that has been allocated to them. As a result, unitholders may be subject to limitation on their ability to deduct interest expense incurred by us.

***Non-U.S. unitholders will be subject to U.S. federal income taxes and withholding with respect to their income and gain from owning our common units.***

Non-U.S. unitholders are generally taxed and subject to U.S. federal income tax filing requirements on income effectively connected with a U.S. trade or business. Income allocated to our unitholders and any gain from the sale of our units will generally be considered to be "effectively connected" with a U.S. trade or business. As a result, distributions to a non-U.S. unitholder will be subject to withholding at the highest applicable effective tax rate and a non-U.S. unitholder who sells or otherwise disposes of a common unit will also be subject to U.S. federal income tax on the gain realized from the sale or disposition of that unit. In addition to the withholding tax imposed on distributions of effectively connected income, distributions to a non-U.S. unitholder will also be subject to a 10% withholding tax on the amount of any distribution in excess of our cumulative net income. As we do not compute our cumulative net income for such purposes due to the complexity of the calculation and lack of clarity in how it would apply to us, we intend to treat all of our distributions as being in excess of our cumulative net income for such purposes and subject to such 10% withholding tax. Accordingly, distributions to a non-U.S. unitholder will be subject to a combined withholding tax rate equal to the sum of the highest applicable effective tax rate and 10%.

Moreover, the transferee of an interest in a partnership that is engaged in a U.S. trade or business is generally required to withhold 10% of the "amount realized" by the transferor unless the transferor certifies that it is not a foreign person. While the determination of a partner's "amount realized" generally includes any decrease of a partner's share of the partnership's liabilities, the Treasury regulations provide that the "amount realized" on a transfer of an interest in a publicly traded partnership, such as our common units, will generally be the amount of gross proceeds paid to the broker effecting the applicable transfer on behalf of the transferor, and thus will be determined without regard to any decrease in that partner's share of a publicly traded partnership's liabilities. For a transfer of interests in a publicly traded partnership that is effected through a broker the obligation to withhold is imposed on the transferor's broker. Current and prospective non-U.S. unitholders should consult their tax advisors regarding the impact of these rules on an investment in our common units.

## **Item 1B. Unresolved Staff Comments**

None.

## **Item 1C. Cybersecurity**

### **Description of Processes for Assessing, Identifying, and Managing Cybersecurity Risks**

The information and operational technology infrastructure we use is important to the operation of our business and to our ability to perform day-to-day operations. In the normal course of business, we may collect and store certain sensitive information of the Partnership, including proprietary and confidential business information, trade secrets, intellectual property, sensitive third-party and employee information, and certain personally identifiable information.

The Partnership maintains a shared services cybersecurity program for assessing, identifying, and managing material risks from cybersecurity threats. This program includes processes that are modeled after the National Institute of Standards and Technology's Cybersecurity Framework and focuses on using business drivers to guide cybersecurity activities. This program is managed by a team of full-time employees, overseen by our Chief Information Officer, that are tasked with conducting our day-to-day IT operations (collectively, the "IT team"). Furthermore, the Partnership considers cybersecurity risks as part of, and has incorporated its cybersecurity program into, the Partnership's overall risk management processes. Through engagement with the guidance of the Federal Bureau of Investigation (FBI), Cybersecurity and Infrastructure Security Agency (CISA), Transportation Security Administration (TSA) and the U.S. Coast Guard (USCG), we seek to follow industry cybersecurity standards and protect our infrastructure against cyberattacks from domestic and international threats.

We seek to use a defense-in-depth approach for cybersecurity management, layers of technology, policies, and training at all levels of the enterprise designed to keep the Partnership's assets secure and operational. We use various processes as part of our efforts to maintain the confidentiality, integrity, and availability of our systems, including security threat intelligence, incident response, identity and access management, supply-chain security assessments, endpoint extended detection and response protection, network segmentation, data encryption, event monitoring, and a Security Operations Center (SOC). In an effort to validate the effectiveness of our cybersecurity program and assess such program's compliance with legal and regulatory requirements, we engage third-party service providers to perform audits, assessments, and penetration tests.

Cybersecurity awareness among our employees is promoted with regular training and awareness programs. All employees who have access to our systems are required to undergo annual cybersecurity training and, each year, our employees must review and acknowledge our cybersecurity policies. Further, our IT team is trained to understand how to manage, use and protect personally identifiable information. User access controls have been implemented to limit unauthorized access to sensitive information and critical systems. Employees are required to use multifactor authentication and keep their passwords confidential, among other measures.

We recognize that third-party service providers may introduce cybersecurity risks. In an effort to mitigate these risks, before contracting with certain technology services providers, when possible, we conduct due diligence to evaluate their cybersecurity capabilities. Additionally, we endeavor to include cybersecurity requirements in our contracts with these providers and endeavor to require them to adhere to security standards and protocols. Further, we also endeavor to engage with any third-party service providers with access to personally identifiable employee information to evaluate their security controls.

Finally, the Partnership maintains cybersecurity insurance coverage.

### **Impact of Risks from Cybersecurity Threats**

The energy industry's increasing dependence on IT and operational technology to support critical functions, such as energy distribution and management activities, has heightened its vulnerability to cybersecurity incidents. Consequently, the global surge in cybersecurity incidents, whether caused by intentional attacks or accidental events, presents a significant challenge to our sector. As cybersecurity threats grow in complexity and scale, preventing, detecting, mitigating and remediating these incidents remains a continuous and increasingly demanding task for the industry. Compliance with evolving cybersecurity reporting requirements, such as those mandated by FERC, presents significant challenges. These regulations necessitate timely and detailed reporting of cyber incidents, demanding substantial resources and robust internal processes to ensure adherence. Failure to comply could result in legal penalties, increased regulatory scrutiny and reputational damage. Moreover, the dynamic nature of these requirements may lead to overlapping or inconsistent obligations, further complicating compliance efforts. Monitoring these developments and integrating them into our cybersecurity and compliance frameworks is essential to mitigate potential risks.

As of the date of this Annual Report on Form 10-K, though the Partnership and our service providers have experienced certain cybersecurity incidents, we are not aware of any cybersecurity threats that have materially affected, or are reasonably likely to materially affect, the Partnership, either financially or operationally. Cybersecurity incident response is a component of both the Partnership's cybersecurity program and the Partnership's business continuity plans, which are designed to limit service interruptions and provide for continued business operation in the event of disaster, whether physical, environmental or cyber in nature. However, we



recognize that cybersecurity threats are continually evolving, and there remains a risk that a cybersecurity incident could potentially negatively impact the Partnership. Despite the implementation of our cybersecurity processes, we cannot guarantee that a significant cybersecurity attack will not occur. A successful attack on our information system or operational technology system could have significant consequences to the business, including the interruption of key services that our customers depend on. While we devote resources to our security measures to protect our systems and information, these measures cannot provide absolute security. Due to the number of acquisitions made by the Partnership over the past few years and the time it takes to implement technology standards across the enterprise, certain assets may be in different stages of integration and may have incomplete cybersecurity controls applied. For additional information on cybersecurity risks, see “Item 1A. Risk Factors - *Cybersecurity attacks, data breaches and other disruptions affecting us, or our service providers, could materially and adversely affect our business, operations, reputation, and financial results; and - We rely on our information systems to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business.*”

### **Board of Directors’ Oversight and Management’s Role**

Our Chief Information Officer oversees the Partnership’s functions of IT, cybersecurity, infrastructure and IT governance (including the Partnership’s IT team) and has more than 35 years of experience leading business technology functions. The Partnership’s IT team is responsible for our efforts to comply with applicable cybersecurity standards, establish effective cybersecurity protocols and protect the integrity, confidentiality and availability of our IT infrastructure. The members of this team have over 50 years of combined experience in the field of IT, including 20 years dedicated to cybersecurity, and hold various certifications, including Global Industrial Cyber Security Professional (GICSP), Certified Information Systems Security Professional (CISSP) and Certified Ethical Hacker (CEH) certifications. This team is responsible for cybersecurity threat prevention, detection, mitigation, and remediation for the combined organization. Our cyber incident response plan requires IT team members who detect suspicious activity in our IT environment to escalate that activity to a supervisor who then evaluates the threat. If necessary, the suspicious activity is reported to the Chief Information Officer. Management (including representatives from the legal, human resources, IT and corporate security departments) is notified by the IT team whenever a discovered cybersecurity incident may potentially have a significant impact on our business operations.

The Partnership’s Board of Directors has delegated the responsibility for the oversight of cybersecurity risks to the Audit Committee, which is ultimately responsible for assessing and managing the Partnership’s material risks from cybersecurity threats. The IT team provides periodic cybersecurity program updates to senior management and to the Audit Committee. Management also updates the Audit Committee as new risks are identified and regarding the steps taken to mitigate such risks. The Audit Committee reviews periodic reporting and updates regarding our cybersecurity risk management.

### **Item 2. Properties**

A description of our properties is included in “Item 1. Business.” In addition, we own and lease warehouses and offices in Pennsylvania, Texas, Hawaii and Puerto Rico. While we may require additional warehouse and office space as our business expands, we believe that our existing facilities are adequate to meet our needs for the immediate future, and that additional facilities will be available on commercially reasonable terms as needed.

We believe that we have satisfactory title to or valid rights to use all of our material properties. Although some of our properties are subject to liabilities and leases, liens for taxes not yet due and payable, encumbrances securing payment obligations under non-competition agreements and immaterial encumbrances, easements and restrictions, we do not believe that any such burdens will materially interfere with our continued use of such properties in our business, taken as a whole. In addition, we believe that we have, or are in the process of obtaining, all required material approvals, authorizations, orders, licenses, permits, franchises and consents of, and have obtained or made all required material registrations, qualifications and filings with, the various state and local government and regulatory authorities which relate to ownership of our properties or the operations of our business.

### **Item 3. Legal Proceedings**

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we do not believe that we are party to any litigation that will have a material adverse impact to our financial condition or results of operations.

### **Item 4. Mine Safety Disclosures**

Not applicable.



## Part II

### Item 5. Market for Registrant's Common Equity, Related Unitholder Matters and Issuer Purchases of Equity Securities

#### Our Partnership Interest

As of February 7, 2025, we had outstanding 136,235,878 common units, 16,410,780 Class C units representing limited partner interests in the Partnership ("Class C Units"), a non-economic general partner interest and IDRs. As of February 7, 2025, Energy Transfer directly owned approximately 20.9% of our outstanding common units. Our General Partner is 100% owned by Energy Transfer and owns a non-economic general partner interest in us. Energy Transfer also owns all of our IDRs. As discussed below, the IDRs represent the right to receive increasing percentages, up to a maximum of 50%, of the cash we distribute from operating surplus (as defined below) in excess of \$0.503125 per unit per quarter. Our common units, which represent limited partner interests in us, are listed on the NYSE under the symbol "SUN." Our common units have been traded on the NYSE since September 20, 2012.

#### Holders

At the close of business on February 7, 2025, we had 216 holders of record of our common units and two holders of record of our Class C Units. The number of record holders does not include holders of units in "street names" or persons, partnerships, associations, corporations or other entities identified in security position listings maintained by depositories.

#### Distributions of Available Cash

Our partnership agreement requires that within 60 days after the end of each quarter, we distribute 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 the quarter; *less*, the amount of cash reserves established by our General Partner at the date of determination of available cash for the quarter to:

- provide for the proper conduct of our business;
- comply with applicable law, any of our debt instruments or other agreements or any other obligation; or
- provide funds for distributions to our unitholders for any one or more of the next four quarters;

*plus*, if our General Partner so determines on the date of determination, all or any portion of the cash on hand immediately prior to the date of determination of available cash for the quarter, including cash on hand resulting from working capital borrowings made after the end of the quarter.

#### Minimum Quarterly Distributions

We intend to make a cash distribution to the holders of our common units and Class C Units on a quarterly 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 payments to our General Partner and its affiliates. However, there is no guarantee that we will pay the minimum quarterly distribution, as described below, on our common units in any quarter. Even if our cash distribution policy is not modified or revoked, 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 our partnership agreement.

#### Incentive Distribution Rights

The following table illustrates the percentage allocations of available cash from operating surplus, after the payment of distributions to the Class C unitholders, between our common unitholders and the holder of our IDRs based on the specified target distribution levels. The amounts set forth under "marginal percentage interest in distributions" are the percentage interests of the holder of our IDRs and the common unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column "total quarterly distribution per common unit target amount." The percentage interests shown for our common unitholders and the holder of our IDRs for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. Energy Transfer currently owns all of our IDRs.

|                                | Total quarterly distribution per common unit target amount | Marginal percentage interest in distributions |            |
|--------------------------------|------------------------------------------------------------|-----------------------------------------------|------------|
|                                |                                                            | Common Unitholders                            | IDR Holder |
| Minimum Quarterly Distribution | \$0.4375                                                   | 100 %                                         | —          |
| First Target Distribution      | Above \$0.4375 up to \$0.503125                            | 100 %                                         | —          |
| Second Target Distribution     | Above \$0.503125 up to \$0.546875                          | 85 %                                          | 15 %       |
| Third Target Distribution      | Above \$0.546875 up to \$0.656250                          | 75 %                                          | 25 %       |
| Thereafter                     | Above \$0.656250                                           | 50 %                                          | 50 %       |

### **Class C Units**

We have outstanding an aggregate of 16,410,780 Class C Units, all of which are held by wholly owned subsidiaries of the Partnership.

Class C Units are entitled to receive quarterly distributions at a rate of \$0.8682 per Class C Unit. The distributions on the Class C Units are paid out of our available cash, except that the Class C Units do not share in distributions of available cash to the extent such cash is derived from or attributable to any distribution received by us from Sunoco Retail LLC, our indirect wholly owned subsidiary that is subject to state and federal income tax (“Sunoco Retail”), the proceeds of any sale of the membership interests in Sunoco Retail, or any interest or principal payments we receive with respect to indebtedness of Sunoco Retail or its subsidiaries. The Class C Units are entitled to receive distributions of available cash (other than available cash attributable to Sunoco Retail) prior to distributions of such cash being made on our common units. Any unpaid distributions on the Class C Units will accrue interest at a rate of 1.5% per annum until paid in full in cash. The Class C Units are perpetual, do not have any rights of redemption or conversion, do not have the right to vote on any matter except as otherwise required by any non-waivable provision of law, and are not traded on any public securities market.

### **Equity Compensation Plan**

For disclosures regarding securities authorized for issuance under equity compensation plans, see “Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Unitholder Matters.”

## **Item 6. [Reserved]**

## **Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

(Tabular dollar and unit amounts, except per unit data, are in millions)

*The following discussion and analysis of our financial condition and results of operations for the years ended December 31, 2024 and 2023 should be read in conjunction with our audited consolidated financial statements and notes to audited consolidated financial statements included elsewhere in this report.*

*Discussion and analysis of matters pertaining to the year ended December 31, 2022 and year-to-year comparisons between the years ended December 31, 2023 and 2022 are not included in this Form 10-K, but can be found under Part II, Item 7 of our annual report on Form 10-K for the year ended December 31, 2023 that was filed with the SEC on February 16, 2024 and in Exhibit 99.1 to the Partnership’s Current Report on Form 8-K filed with the Securities and Exchange Commission on October 24, 2024.*

*Adjusted EBITDA is a non-GAAP financial measure of performance that has limitations and should not be considered as a substitute for net income or cash provided by operating activities. Please see “Key Measures Used to Evaluate and Assess Our Business” below for a discussion of our use of Adjusted EBITDA in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and a reconciliation to net income for the periods presented.*

### **Overview**

As used in this Management’s Discussion and Analysis of Financial Condition and Results of Operations, the terms “Partnership,” “SUN,” “we,” “us” or “our” should be understood to refer to Sunoco LP and our consolidated subsidiaries, unless the context clearly indicates otherwise.

We are primarily engaged in energy infrastructure and distribution of motor fuels in over 40 U.S. states, Puerto Rico, Europe and Mexico. Our midstream operations include an extensive network of over 14,000 miles of pipeline and over 100 terminals. Our fuel distribution operations serve approximately 7,400 Sunoco and partner branded locations and additional independent dealers and commercial customers.

## **Acquisitions**

### *NuStar Acquisition*

On May 3, 2024, we completed the acquisition of 100% of the common units of NuStar Energy L.P. (“NuStar”). Under the terms of the agreement, NuStar common unitholders received 0.400 SUN common units for each NuStar common unit. In connection with the acquisition, we issued approximately 51.5 million common units, which had a fair value of approximately \$2.85 billion, assumed debt totaling approximately \$3.5 billion, including approximately \$56 million of lease related financing obligations, and assumed preferred units with a fair value of approximately \$800 million. Subsequent to the closing of the NuStar acquisition, the Partnership redeemed all outstanding NuStar preferred units totaling \$784 million, redeemed NuStar's subordinated notes totaling \$403 million and repaid and terminated the NuStar credit facility totaling \$455 million. NuStar has approximately 9,500 miles of pipeline and 63 terminal and storage facilities that store and distribute crude oil, refined products, renewable fuels, ammonia and specialty liquids. The acquisition is expected to diversify the Partnership's business, increase scale and provide vertical integration, as well as improving the Partnership's credit profile and enhancing growth.

### *Zenith European Terminals Acquisition*

On March 13, 2024, we completed the acquisition of liquid fuels terminals in Amsterdam, Netherlands and Bantry Bay, Ireland from Zenith Energy for €170 million (\$185 million), including working capital. The acquisition is expected to supply optimization for the Partnership's existing East Coast business and continues its focus on growing its portfolio of stable midstream income.

### *Other Acquisition*

On August 30, 2024, we acquired a terminal in Portland, Maine for approximately \$24 million, including working capital.

## **Divestiture**

### *West Texas Sale*

On April 16, 2024, we completed the sale of 204 convenience stores located in West Texas, New Mexico and Oklahoma to 7-Eleven, Inc. for approximately \$1.0 billion, including customary adjustments for fuel and merchandise inventory. As part of the sale, SUN also amended its existing take-or-pay fuel supply agreement with 7-Eleven, Inc. to incorporate additional fuel gross profit.

## **Other Transactions**

### *ET-S Permian*

Effective July 1, 2024, SUN and Energy Transfer formed ET-S Permian, a joint venture combining their respective crude oil and produced water gathering assets in the Permian Basin. SUN contributed all of its Permian crude oil gathering assets and operations to ET-S Permian. Energy Transfer contributed its Permian crude oil and produced water gathering assets and operations to ET-S Permian. Energy Transfer's long-haul crude pipeline network that provides transportation of crude oil out of the Permian Basin to Nederland, Houston, and Cushing is excluded from ET-S Permian.

ET-S Permian operates more than 5,000 miles of crude oil and water gathering pipelines with crude oil storage capacity in excess of 11 million barrels.

SUN holds a 32.5% interest, with Energy Transfer holding the remaining 67.5% interest in ET-S Permian. Energy Transfer serves as the operator of ET-S Permian.

The formation of the joint venture was effective on July 1, 2024. Upon formation, the SUN Permian entities were deconsolidated, and the net book value of the related assets was recorded as the initial carrying value of SUN's equity method investment in the joint venture.

## **Market and Industry Trends and Outlook**

We expect that certain trends and economic or industry-wide factors will continue to affect our business, both in the short-term and long-term. Inflation has a minimal impact on our results of operations, because we are generally able to pass along energy cost increases in the form of increased sales prices to our customers. We have recently completed and recently announced multiple strategic transactions, which we expect will continue to diversify the Partnership's business, add scale and expand cash for reinvestment and distribution growth. We base our expectations on information currently available to us and assumptions made by us. To the extent our underlying assumptions about or interpretation of available information prove to be incorrect, our actual results may vary materially from our expected results. Read “Item 1A. Risk Factors” included herein for additional information about the risks associated with purchasing our common units.

## **Seasonality**

Our business exhibits some seasonality due to our customers' increased demand for motor fuel during the late spring and summer months, as compared to the fall and winter months. Travel, recreation, and construction activities typically increase in these months,

driving up the demand for motor fuel sales. Our gallons sold are typically somewhat higher in the second and third quarters of our fiscal years due to this seasonality. Results of operations may therefore vary from period to period.

### Key Measures Used to Evaluate and Assess Our Business

Adjusted EBITDA, as used throughout this document, is defined as earnings before net interest expense, income taxes, depreciation, amortization and accretion expense, allocated non-cash unit-based compensation expense, unrealized gains and losses on commodity derivatives, inventory adjustments and certain other operating expenses reflected in net income that we do not believe are indicative of ongoing core operations, such as gain or loss on disposal of assets and non-cash impairment charges. Inventory adjustments that are excluded from the calculation of Adjusted EBITDA represent changes in lower of cost or market reserves on the Partnership's inventory. These amounts are unrealized valuation adjustments applied to fuel volumes remaining in inventory at the end of the period.

Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to the most directly comparable financial measure calculated and presented in accordance with GAAP, read "Results of Operations" below.

We believe Adjusted EBITDA is useful to investors in evaluating our operating performance because:

- Adjusted EBITDA is used as a performance measure under our Credit Facility;
- securities analysts and other interested parties use Adjusted EBITDA as a measure of financial performance; and
- our management uses Adjusted EBITDA for internal planning purposes, including aspects of our consolidated operating budget and capital expenditures.

Adjusted EBITDA is not a recognized term under GAAP and does not purport to be an alternative to net income as a measure of operating performance. Adjusted EBITDA has limitations as an analytical tool, and one should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations include:

- it does not reflect interest expense or the cash requirements necessary to service interest or principal payments on our Credit Facility or senior notes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements; and
- as not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

Adjusted EBITDA reflects amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliates as those excluded from the calculation of Adjusted EBITDA, such as interest, taxes, depreciation, amortization and accretion and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliate. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

### Results of Operations

#### Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023

#### Consolidated Results of Operations

|                          | Year Ended December 31, |               | Change        |
|--------------------------|-------------------------|---------------|---------------|
|                          | 2024                    | 2023          |               |
| Segment Adjusted EBITDA: |                         |               |               |
| Fuel Distribution        | \$ 908                  | \$ 865        | \$ 43         |
| Pipeline Systems         | 377                     | 11            | 366           |
| Terminals                | 172                     | 88            | 84            |
| Total                    | <u>\$ 1,457</u>         | <u>\$ 964</u> | <u>\$ 493</u> |

|                                                          | Year Ended December 31, |               |               |
|----------------------------------------------------------|-------------------------|---------------|---------------|
|                                                          | 2024                    | 2023          | Change        |
| Reconciliation of net income to Adjusted EBITDA:         |                         |               |               |
| Net income                                               | \$ 874                  | \$ 394        | \$ 480        |
| Depreciation, amortization and accretion                 | 368                     | 187           | 181           |
| Interest expense, net                                    | 391                     | 217           | 174           |
| Non-cash unit-based compensation expense                 | 17                      | 17            | —             |
| (Gain) loss on disposal of assets and impairment charges | 45                      | (7)           | 52            |
| Loss on extinguishment of debt                           | 2                       | —             | 2             |
| Unrealized (gains) losses on commodity derivatives       | 12                      | (21)          | 33            |
| Inventory valuation adjustments                          | 86                      | 114           | (28)          |
| Equity in earnings of unconsolidated affiliates          | (60)                    | (5)           | (55)          |
| Adjusted EBITDA related to unconsolidated affiliates     | 101                     | 10            | 91            |
| Gain on West Texas Sale                                  | (586)                   | —             | (586)         |
| Other non-cash adjustments                               | 32                      | 22            | 10            |
| Income tax expense                                       | 175                     | 36            | 139           |
| Adjusted EBITDA (consolidated)                           | <u>\$ 1,457</u>         | <u>\$ 964</u> | <u>\$ 493</u> |

The following discussion of results compares the operations for the years ended December 31, 2024 and 2023.

**Net Income.** For the year ended December 31, 2024 compared to the prior year, net income increased primarily due to a \$586 million gain on the West Texas Sale in April 2024, as discussed below. In addition, the increase in net income reflected favorable results from our operations, as reflected in the increases in Segment Adjusted EBITDA. These increases were partially offset by unfavorable inventory valuation adjustments, unrealized losses on commodity derivatives, increases in depreciation, amortization and accretion, and losses on disposal of asset and impairment charges. The increases in net income were also offset by increases in interest expense and income tax expense. These changes are discussed in more detail below.

**Adjusted EBITDA.** For the year ended December 31, 2024 compared to the prior year, Adjusted EBITDA increased primarily due to an increase in segment profit of \$705 million, excluding inventory valuation adjustments (see below for explanation of inventory adjustments), primarily related to the acquisitions of NuStar and Zenith European terminals, partially offset by increases in operating costs (including operating expenses, general and administrative expenses and lease expense) of \$344 million, primarily related to the acquisitions of NuStar and Zenith European terminals.

Additional discussion on the changes impacting net income and Adjusted EBITDA for the year ended December 31, 2024 compared to the prior year is available below and in “Segment Operating Results.”

**Depreciation, Amortization and Accretion.** Depreciation, amortization and accretion was \$368 million in 2024, an increase of \$181 million from 2023. This increase was primarily due to additional depreciation and amortization from assets recently placed in service and from recent acquisitions, as well as changes in certain estimates.

**Interest Expense.** Interest expense was \$391 million in 2024, an increase of \$174 million from 2023. This increase was primarily attributable to an increase in average total long-term debt, including debt assumed in the NuStar acquisition.

**(Gain) Loss on Disposal of Assets and Impairment Charges.** For the year ended December 31, 2024, loss on disposal of assets and impairment charges primarily related to the termination of a lease in June 2024.

**Unrealized (Gains) Losses on Commodity Derivatives.** The unrealized gains and losses on our commodity derivatives represent the changes in fair value of our commodity derivatives. The change in unrealized gains and losses between periods was impacted by the notional amounts and commodity price changes on our commodity derivatives. Additional information on commodity derivatives is included in “Item 7A. Quantitative and Qualitative Disclosures about Market Risk” below.

**Inventory Valuation Adjustments.** Inventory valuation adjustments represent changes in lower of cost or market reserves using the last-in, first-out method (“LIFO”) on the Partnership’s inventory. These amounts are unrealized valuation adjustments applied to fuel volumes remaining in inventory at the end of the period. For the years ended December 31, 2024 and 2023, the Partnership’s cost of sales included unfavorable inventory adjustments of \$86 million and \$114 million, respectively, which decreased net income for the respective periods.

**Equity in Earnings of Unconsolidated Affiliates and Adjusted EBITDA Related to Unconsolidated Affiliates.** For the year ended December 31, 2024, the increase in the amounts reported related to unconsolidated affiliates was primarily due to the formation of ET-S Permian effective July 1, 2024.

**Gain on West Texas Sale.** The gain on West Texas Sale related to the gain recognized by SUN upon completion of the sale of convenience stores to 7-Eleven Inc. in April 2024. During the fourth quarter of 2024, the Partnership recorded a \$12 million reduction to the gain to reflect adjustments to the cash proceeds and certain balance sheet accounts associated with the business sold.

**Income Tax Expense.** Income tax expense was \$175 million in 2024, an increase of \$139 million from 2023. The increase was primarily due to the taxable gain recognized by a corporate subsidiary on the sale of convenience stores in April 2024.

## Segment Operating Results

We evaluate segment performance based on Segment Adjusted EBITDA, which we believe is an important performance measure of the core profitability of our operations. This measure represents the basis of our internal financial reporting and is one of the performance measures used by senior management in deciding how to allocate capital resources among business segments.

The following tables identify the components of Segment Adjusted EBITDA, which is calculated as follows:

- *Segment profit, operating expenses and selling, general and administrative expenses.* These amounts represent the amounts included in our consolidated financial statements that are attributable to each segment.
- *Adjusted EBITDA related to unconsolidated affiliates.* Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA, such as interest, taxes, depreciation, amortization and accretion and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates.

The following analysis of segment operating results includes a measure of segment profit. Segment profit is a non-GAAP financial measure and is presented herein to assist in the analysis of segment operating results and particularly to facilitate an understanding of the impacts that changes in sales revenues have on the segment performance measure of Segment Adjusted EBITDA. Segment profit is similar to the GAAP measure of gross profit, except that segment profit excludes charges for depreciation, amortization and accretion. The most directly comparable measure to segment profit is gross profit. The following table presents a reconciliation of segment profit to gross profit.

|                                                                         | Year Ended December 31, |          |         |
|-------------------------------------------------------------------------|-------------------------|----------|---------|
|                                                                         | 2024                    | 2023     | Change  |
| Fuel Distribution segment profit                                        | \$ 1,187                | \$ 1,225 | \$ (38) |
| Pipeline Systems segment profit                                         | 535                     | 3        | 532     |
| Terminals segment profit                                                | 376                     | 137      | 239     |
| Total segment profit                                                    | 2,098                   | 1,365    | 733     |
| Depreciation, amortization and accretion, excluding corporate and other | 364                     | 186      | 178     |
| Gross profit                                                            | \$ 1,734                | \$ 1,179 | \$ 555  |

In addition, the following sections include information on the components of segment profit by sales type (for the fuel distribution segment), which components are included in order to provide additional disaggregated information to facilitate the analysis of segment profit and Segment Adjusted EBITDA. These components of segment profit are calculated consistent with the calculation of segment profit; therefore, these components also exclude charges for depreciation, amortization and accretion.

## Fuel Distribution

|                                    | Year Ended December 31, |          |         |
|------------------------------------|-------------------------|----------|---------|
|                                    | 2024                    | 2023     | Change  |
| Motor fuel gallons sold (millions) | 8,578                   | 8,317    | 261     |
| Motor fuel profit cents per gallon | 11.6 ¢                  | 12.5 ¢   | (0.9)¢  |
| Fuel profit                        | \$ 909                  | \$ 926   | \$ (17) |
| Non-fuel profit                    | 153                     | 148      | 5       |
| Lease profit                       | 125                     | 151      | (26)    |
| Fuel Distribution segment profit   | \$ 1,187                | \$ 1,225 | \$ (38) |
| Expenses                           | \$ 427                  | \$ 480   | \$ (53) |
| Segment Adjusted EBITDA            | \$ 908                  | \$ 865   | \$ 43   |

**Volumes.** For the year ended December 31, 2024 compared to the prior year, volumes increased primarily due to growth from investments and profit optimization strategies.



**Segment Adjusted EBITDA.** For the year ended December 31, 2024 compared to the prior year, Segment Adjusted EBITDA related to our Fuel Distribution segment increased due to the net impact of the following:

- an increase of \$31 million related to a 3% increase in gallons sold, partially offset by a decrease in profit per gallon primarily due to the West Texas Sale in April 2024; and
- a decrease of \$53 million in expenses primarily due to the West Texas Sale and lower allocated overhead; partially offset by
- a decrease of \$26 million in lease profit due to the West Texas Sale.

### **Pipeline Systems**

|                                                 | Year Ended December 31, |       |        |
|-------------------------------------------------|-------------------------|-------|--------|
|                                                 | 2024                    | 2023  | Change |
| Pipelines throughput (thousand barrels per day) | 1,000                   | —     | 1,000  |
| Pipeline Systems segment profit                 | \$ 535                  | \$ 3  | \$ 532 |
| Expenses                                        | \$ 260                  | \$ 2  | \$ 258 |
| Segment Adjusted EBITDA                         | \$ 377                  | \$ 11 | \$ 366 |

**Volumes.** For the year ended December 31, 2024 compared to the prior year, volumes increased due to recently acquired assets.

**Segment Adjusted EBITDA.** For the year ended December 31, 2024 compared to the prior year, Segment Adjusted EBITDA related to our Pipeline Systems segment increased due to the acquisition of NuStar on May 3, 2024.

### **Terminals**

|                                       | Year Ended December 31, |        |        |
|---------------------------------------|-------------------------|--------|--------|
|                                       | 2024                    | 2023   | Change |
| Throughput (thousand barrels per day) | 584                     | 399    | 185    |
| Terminals segment profit              | \$ 376                  | \$ 137 | \$ 239 |
| Expenses                              | \$ 207                  | \$ 68  | \$ 139 |
| Segment Adjusted EBITDA               | \$ 172                  | \$ 88  | \$ 84  |

**Volumes.** For the year ended December 31, 2024 compared to the prior year, volumes increased due to recently acquired assets.

**Segment Adjusted EBITDA.** For the year ended December 31, 2024 compared to the prior year, Segment Adjusted EBITDA related to our Terminals segment increased primarily due to the recent acquisitions of NuStar, Zenith European terminals and Zenith Energy terminals located across the East Coast and Midwest.

## **Liquidity and Capital Resources**

### **Liquidity**

Our principal liquidity requirements are to finance current operations, to fund capital expenditures, including acquisitions from time to time, to service our debt and to make distributions. We expect our ongoing sources of liquidity to include cash generated from operations, borrowings under our Credit Facility and the issuance of additional long-term debt or partnership units as appropriate given market conditions. We expect that these sources of funds will be adequate to provide for our short-term and long-term liquidity needs.

Our ability to meet our debt service obligations and other capital requirements, including capital expenditures and acquisitions, will depend on our future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control. As a normal part of our business, depending on market conditions, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness. Changes in our operating plans, lower than anticipated sales, increased expenses, acquisitions or other events may cause us to seek additional debt or equity financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations and additional covenants and operating restrictions. In addition, any of the items discussed in detail under “Item 1A. Risk Factors” included in this Annual Report on Form 10-K may also significantly impact our liquidity.

The Partnership is party to a Third Amended and Restated Credit Agreement among the Partnership, as borrower, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent, collateral agent, swingline lender and a line of credit issuer (the “Credit Facility”). As of December 31, 2024, we had \$94 million of cash and cash equivalents on hand and borrowing capacity of \$1.25 billion under the Credit Facility. Based on our current estimates, we expect to utilize capacity under the Credit

Facility, along with cash from operations, to fund our announced growth capital expenditures and working capital needs; however, we may issue debt or equity securities prior to that time as we deem prudent to provide liquidity for new capital projects or other partnership purposes.

### **Cash Flows**

Our cash flows may change in the future due to a number of factors, some of which we cannot control. These factors include regulatory changes, the price of products and services, the demand for such products and services, margin requirements resulting from significant changes in commodity prices, operational risks, the successful integration of our acquisitions and other factors.

|                                                             | Year Ended December 31, |                |
|-------------------------------------------------------------|-------------------------|----------------|
|                                                             | 2024                    | 2023           |
| <b>Net cash provided by (used in)</b>                       |                         |                |
| Operating activities                                        | \$ 549                  | \$ 600         |
| Investing activities                                        | 477                     | (288)          |
| Financing activities                                        | (961)                   | (365)          |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>\$ 65</b>            | <b>\$ (53)</b> |

### **Operating Activities**

Changes in cash flows from operating activities between periods primarily result from changes in earnings, excluding the impacts of non-cash items and changes in operating assets and liabilities (net of effects of acquisitions and divestitures). Non-cash items include recurring non-cash expenses, such as depreciation, amortization and accretion expense and non-cash unit-based compensation expense. Cash flows from operating activities also differ from earnings as a result of non-cash charges that may not be recurring, such as impairment charges. Our daily working capital requirements fluctuate within each month, primarily in response to the timing of payments for motor fuels, motor fuels tax and rent.

Net cash provided by operations was \$549 million and \$600 million for 2024 and 2023, respectively. The increase in cash flows provided by operations was primarily due to a \$28 million net increase in net income (excluding the impacts of the gain on West Texas Sale in 2024, as well as depreciation, amortization and accretion, inventory valuation adjustments and other non-cash items) compared to the prior year; partially offset by a decrease in net cash flow from operating assets and liabilities of \$79 million compared to the prior year.

### **Investing Activities**

Cash flows from investing activities primarily consist of capital expenditures, cash contributions to unconsolidated affiliates, cash amounts paid for acquisitions and cash proceeds from sale or disposal of assets. Changes in capital expenditures between periods primarily result from increases or decreases in our growth capital expenditures to fund our expansion projects.

Net cash provided by investing activities was \$477 million in 2024 and net cash used in investing activities was \$288 million in 2023. Capital expenditures were \$344 million and \$215 million in 2024 and 2023, respectively. Net cash used in investing activities included \$224 million and \$111 million of cash paid for acquisitions of terminals and other assets in 2024 and 2023, respectively. In 2024, we received \$27 million in cash from the NuStar acquisition and we received \$987 million in cash proceeds from the West Texas Sale.

Distributions from unconsolidated affiliates in excess of cumulative earnings were \$8 million in 2024 and \$9 million in 2023. Proceeds from disposal of property and equipment were \$23 million and \$31 million in 2024 and 2023, respectively.

### **Financing Activities**

Changes in cash flows from financing activities between periods primarily result from changes in the levels of borrowings and equity issuances, which are primarily used to fund our acquisitions and growth capital expenditures. Distributions increase between the periods based on increases in the number of common units outstanding or increases in the distribution rate.

Net cash used in financing activities was \$961 million and \$365 million for 2024 and 2023, respectively.

During the year ended December 31, 2024 we:

- borrowed \$1.50 billion and repaid \$421 million in senior notes;
- borrowed \$2.79 billion and repaid \$3.45 billion under the Credit Facility to fund daily operations;
- paid \$19 million in loan origination costs;
- redeemed \$784 million of preferred units;
- paid \$566 million in distributions to our unitholders, of which \$226 million was paid to Energy Transfer; and

- paid \$8 million in distributions to noncontrolling interests.

During the year ended December 31, 2023 we:

- borrowed \$500 million in senior notes;
- borrowed \$3.3 billion and repaid \$3.8 billion under the Credit Facility to fund daily operations;
- paid \$5 million in loan origination costs; and
- paid \$371 million in distributions to our unitholders, of which \$171 million was paid to Energy Transfer.

We intend to pay cash distributions to the holders of our common units and Class C Units on a quarterly basis, to the extent we have sufficient cash from our operations after establishment of cash reserves and payment of fees and expenses, including payments to our General Partner and its affiliates. Class C unitholders receive distributions at a fixed rate equal to \$0.8682 per quarter for each Class C Unit outstanding. There is no guarantee that we will pay a distribution on our units. On January 27, 2025, we declared a quarterly distribution of \$0.8865 per common unit based on the results for the three months ended December 31, 2024, excluding distributions to Class C unitholders. The distribution will be approximately \$121 million in the aggregate for common units and approximately \$37 million with respect to IDRs, and will be paid on February 19, 2025 to unitholders of record on February 7, 2025.

### Capital Expenditures

For the year ended December 31, 2024, total capital expenditures were \$344 million, which included \$220 million for growth capital and \$124 million for maintenance capital.

We currently expect to spend approximately \$150 million in maintenance capital and at least \$400 million in growth capital for the full year 2025.

### Description of Indebtedness

Our outstanding consolidated indebtedness was as follows:

|                                                                 | December 31,<br>2024 | December 31,<br>2023 |
|-----------------------------------------------------------------|----------------------|----------------------|
| Credit Facility                                                 | \$ 203               | \$ 411               |
| 5.750% senior notes due 2025 <sup>(1) (2)</sup>                 | 600                  | —                    |
| 6.000% senior notes due 2026 <sup>(1)</sup>                     | 500                  | —                    |
| 6.000% senior notes due 2027                                    | 600                  | 600                  |
| 5.625% senior notes due 2027 <sup>(1)</sup>                     | 550                  | —                    |
| 5.875% senior notes due 2028                                    | 400                  | 400                  |
| 7.000% senior notes due 2028                                    | 500                  | 500                  |
| 4.500% senior notes due 2029                                    | 800                  | 800                  |
| 7.000% senior notes due 2029                                    | 750                  | —                    |
| 4.500% senior notes due 2030                                    | 800                  | 800                  |
| 6.375% senior notes due 2030 <sup>(1)</sup>                     | 600                  | —                    |
| 7.250% senior notes due 2032                                    | 750                  | —                    |
| GoZone Bonds <sup>(1) (2)</sup>                                 | 322                  | —                    |
| Lease-related financing obligations                             | 132                  | 94                   |
| Net unamortized premiums, discounts, and fair value adjustments | 16                   | —                    |
| Deferred debt issuance costs                                    | (37)                 | (25)                 |
| Total debt                                                      | 7,486                | 3,580                |
| Less: current maturities                                        | 2                    | —                    |
| Total long-term debt, net                                       | \$ 7,484             | \$ 3,580             |

<sup>(1)</sup> These senior notes and bonds, totaling \$2.57 billion aggregate principal amount, were assumed by the Partnership in connection with the closing of the NuStar acquisition in May 2024.

<sup>(2)</sup> As of December 31, 2024, \$600 million of senior notes and \$75 million of GoZone Bonds due on or before December 31, 2025 were classified as long-term as management has the intent and ability to refinance the borrowings on a long-term basis.

### Credit Facility

As of December 31, 2024, the balance on the Credit Facility was \$203 million, and \$43 million in standby letters of credit were outstanding. The unused availability on the Credit Facility at December 31, 2024 was \$1.25 billion. The weighted average interest rate

on the total amount outstanding at December 31, 2024 was 6.57%. The Partnership was in compliance with all financial covenants at December 31, 2024.

### **Recent Financing Transaction**

On April 30, 2024, the Partnership issued \$750 million of 7.000% senior notes due 2029 and \$750 million of 7.250% senior notes due 2032 in a private offering. The Partnership used the net proceeds from the offering to: (i) repay certain outstanding indebtedness of NuStar in connection with the merger between the Partnership and NuStar, (ii) fund the redemption of NuStar's preferred units in connection with the merger and (iii) pay offering fees and expenses.

### **NuStar Acquisition**

During the second quarter of 2024, subsequent to the closing of the NuStar acquisition, the Partnership redeemed NuStar's subordinated notes totaling \$403 million and repaid and terminated NuStar's credit facility totaling \$455 million. Upon the closing of the NuStar acquisition, the commitments under NuStar's receivables financing agreement were reduced to zero during a suspension period, for which the period end has not been determined. As of December 31, 2024, this facility had no outstanding borrowings.

### **Guarantor Summarized Financial Information**

The senior notes issued by NuStar Logistics, L.P., a wholly owned subsidiary acquired in the NuStar acquisition ("NuStar Logistics") are fully and unconditionally guaranteed by the Partnership, Sunoco Finance Corp. and certain of its subsidiaries; the senior notes issued by the Partnership and Sunoco Finance Corp. are fully and unconditionally guaranteed by NuStar Logistics and certain other subsidiaries. Each guarantee of the senior notes (i) ranks equally in right of payment with all other existing and future unsecured senior indebtedness of that guarantor, (ii) is structurally subordinated to all existing and any future indebtedness and obligations of any subsidiaries of that guarantor that do not guarantee the notes and (iii) ranks senior to its guarantee of our subordinated indebtedness. See Note 9 to our consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data" for a discussion of certain of our debt obligations.

The following tables present summarized combined balance sheet and income statement information for the Partnership, Sunoco Finance Corp. and NuStar Logistics, L.P. (the "Issuers"), as well as the subsidiaries that guarantee the senior notes issued by those three entities (collectively with the Issuers, the "Guarantor Issuer Group"). Intercompany items among the Guarantor Issuer Group have been eliminated in the summarized combined financial information below, as well as intercompany balances and activity for the Guarantor Issuer Group with non-guarantor subsidiaries, including the Guarantor Issuer Group's investment balances in non-guarantor subsidiaries. Income statement information included below in the table and related disclosure includes the NuStar subsidiaries for May 3, 2024 (the acquisition date) through December 31, 2024 only.

In connection with the formation of ET-S Permian, certain guarantor subsidiaries were contributed to the joint venture and deconsolidated by the Partnership effective July 1, 2024. Those contributed subsidiaries were released from their guarantees concurrent with the formation of the joint venture. Accordingly, those former guarantor subsidiaries are excluded from the summarized combined balance sheet information presented below, and the summarized combined income statement information below only includes the results of those former guarantor subsidiaries for the period from the NuStar acquisition date of May 3, 2024 through June 30, 2024.

| <b>Summarized Combined Balance Sheet Information for the Guarantor Issuer Group:</b> | <b>December 31,<br/>2024</b> |
|--------------------------------------------------------------------------------------|------------------------------|
| Current assets                                                                       | \$ 2,225                     |
| Non-current assets                                                                   | 11,119                       |
| Current liabilities <sup>(a)</sup>                                                   | 1,903                        |
| Non-current liabilities, including long-term debt                                    | 8,244                        |

<sup>(a)</sup> Excludes \$73 million of net intercompany payable owed to the non-guarantor subsidiaries from the Guarantor Issuer Group.

Long-term assets for the non-guarantor subsidiaries totaled \$792 million as of December 31, 2024.

| <b>Summarized Combined Income Statement Information for the Guarantor Issuer Group:</b> | <b>Year Ended<br/>December 31, 2024</b> |
|-----------------------------------------------------------------------------------------|-----------------------------------------|
| Revenues                                                                                | \$ 21,912                               |
| Operating income                                                                        | 667                                     |
| Net income                                                                              | 757                                     |

Revenues and net income for the non-guarantor subsidiaries totaled \$781 million and \$117 million, respectively, for the year ended December 31, 2024

## Contractual Obligations

We periodically enter into derivatives, such as futures and options, to manage our fuel price risk on inventory in the distribution system. Fuel hedging positions are not significant to our operations. On a consolidated basis, the Partnership had a position of 0.3 million barrels with an aggregated unrealized loss of \$3.8 million at December 31, 2024.

## Off-Balance Sheet Arrangements

We do not maintain any off-balance sheet arrangements for the purpose of credit enhancement, hedging transactions or other financial or investment purposes.

## Critical Accounting Estimates

We prepare our consolidated financial statements in conformity with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting policies are those we believe are both most important to the portrayal of our financial condition and results of operations, and require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. Judgments and uncertainties affecting the application of those policies may result in materially different amounts being reported under different conditions or using different assumptions.

We believe the following policies will be the most critical in understanding the judgments that are involved in preparation of our consolidated financial statements.

***Fair Value Estimates in Business Combination Accounting and Impairment of Long-Lived Assets, Goodwill, Intangible Assets and Investments in Unconsolidated Affiliates.*** Business combination accounting and quantitative impairment testing are required from time to time due to the occurrence of events, changes in circumstances, or annual testing requirements. For business combinations, assets and liabilities are required to be recorded at estimated fair value in connection with the initial recognition of the transaction. For impairment testing, long-lived assets are required to be tested for recoverability whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Goodwill and intangibles with indefinite lives must be tested for impairment annually or more frequently if events or changes in circumstances indicate that the related asset might be impaired. An impairment of an investment in an unconsolidated affiliate is recognized when circumstances indicate that a decline in the investment value is other-than-temporary. An impairment loss should be recognized only if the carrying amount of the asset/goodwill is not recoverable and exceeds its fair value. Calculating the fair value of assets or reporting units in connection with business combination accounting or impairment testing requires management to make several estimates, assumptions and judgements, and in some circumstances management may also utilize third-party specialists to assist and advise on those calculations.

In order to allocate the purchase price in a business combination or to test for recoverability when performing a quantitative impairment test, we must make estimates of projected cash flows related to the asset, which include, but are not limited to, assumptions about the use or disposition of the asset, estimated remaining life of the asset, and future expenditures necessary to maintain the asset's existing service potential. In order to determine fair value, we make certain estimates and assumptions, including, among other things, changes in general economic conditions in regions in which our markets are located, the availability and prices of commodities, our ability to negotiate favorable sales agreements, the risks that exploration and production activities will not occur or be successful, our dependence on certain significant customers and producers, and competition from other companies, including major energy producers. While we believe we have made reasonable assumptions to calculate the fair value, if future results are not consistent with our estimates, we could be exposed to future impairment losses that could be material to our results of operations.

The Partnership determines the fair value of our reporting units using the discounted cash flow method, the guideline company method, or a weighted combination of these methods. Determining the fair value of a reporting unit requires judgment and the use of significant estimates and assumptions. Such estimates and assumptions include revenue growth rates, operating margins, weighted average costs of capital and future market conditions, among others. The Partnership believes the estimates and assumptions used in our impairment assessments are reasonable and based on available market information, but variations in any of the assumptions could result in materially different calculations of fair value and determinations of whether or not an impairment is indicated. Under the discounted cash flow method, the Partnership determines fair value based on estimated future cash flows of each reporting unit including estimates for capital expenditures, discounted to present value using the risk-adjusted industry rate, which reflect the overall level of inherent risk of the reporting unit. Cash flow projections are derived from one year budgeted amounts plus an estimate of later period cash flows, all of which are determined by management. Subsequent period cash flows are developed for each reporting unit using growth rates that management believes are reasonably likely to occur. Under the guideline company method, the Partnership determines the estimated fair value of each of our reporting units by applying valuation multiples of comparable publicly-traded companies to each reporting unit's projected EBITDA and then averaging that estimate with similar historical calculations using a

three year average. In addition, the Partnership estimates a reasonable control premium representing the incremental value that accrues to the majority owner from the opportunity to dictate the strategic and operational actions of the business.

One key assumption in these fair value calculations is management's estimate of future cash flows and EBITDA. In accounting for a business combination, these estimates are generally based on the forecasts that were used to analyze the deal economics. For impairment testing, these estimates are based on the annual budget for the upcoming year and forecasted amounts for multiple subsequent years. The annual budget process is typically completed near the annual goodwill impairment testing date, and management uses the most recent information for the annual impairment tests. The forecast is also subjected to a comprehensive update annually in conjunction with the annual budget process and is revised periodically to reflect new information and/or revised expectations. The estimates of future cash flows and EBITDA are subjective in nature and are subject to impacts from the business risks described in "Item 1A. Risk Factors." Therefore, the actual results could differ significantly from the amounts used for business combination accounting and impairment testing, and significant changes in fair value estimates could occur in a given period. Such changes in fair value estimates could result in changes to the fair value estimates used in business combination accounting, which could significantly impact results of operations in a period subsequent to the business combination, depending on multiple factors, including the timing of such changes. In the case of impairment testing, such changes could result in additional impairments in future periods; therefore, the actual results could differ significantly from the amounts used for goodwill impairment testing, and significant changes in fair value estimates could occur in a given period, resulting in additional impairments.

In addition, we may change our method of impairment testing, including changing the weight assigned to different valuation models. Such changes could be driven by various factors, including the level of precision or availability of data for our assumptions. Any changes in the method of testing could also result in an impairment or impact the magnitude of an impairment.

Management does not believe that any of the Partnership's goodwill balances, long-lived assets or investments in unconsolidated affiliates is currently at significant risk of a material impairment.

**Income Taxes.** As a limited partnership, we are generally not subject to state and federal income tax and would therefore not recognize deferred income tax liabilities and assets for the expected future income tax consequences of temporary differences between financial statement carrying amounts and the related income tax basis. We are, however, subject to a statutory requirement that our non-qualifying income cannot exceed 10% of our total gross income, determined on a calendar year basis under the applicable income tax provisions. If the amount of our non-qualifying income exceeds this statutory limit, we would be taxed as a corporation. Accordingly, certain activities that generate non-qualifying income are conducted through our wholly owned taxable corporate subsidiaries for which we have recognized deferred income tax liabilities and assets. These balances, as well as any income tax expense, are determined through management's estimations, interpretation of tax laws of multiple jurisdictions and tax planning strategies. If our actual results differ from estimated results due to changes in tax laws, our effective tax rate and tax balances could be affected. As such, these estimates may require adjustments in the future as additional facts become known or as circumstances change.

The benefit of an uncertain tax position can only be recognized in the consolidated financial statements if management concludes that it is more likely than not that the position will be sustained with the tax authorities. For a position that is likely to be sustained, the benefit recognized in the consolidated financial statements is measured at the largest amount that is greater than 50% likely of being realized. In determining the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns, judgment is required. Differences between the anticipated and actual outcomes of these future tax consequences could have a material impact on our consolidated results of operations or financial position.

## **Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

### **Interest Rate Risk**

We are subject to market risk from exposure to changes in interest rates based on our financing, investing and cash management activities. We had outstanding variable interest rate borrowings on the Credit Facility of \$203 million as of December 31, 2024. A hypothetical change of 100 basis points would result in a maximum potential change to interest expense of \$2 million annually. Our primary exposure relates to:

- interest rate risk on short-term borrowings; and
- the impact of interest rate movements on our ability to obtain adequate financing to fund future acquisitions.

While we cannot predict or manage our ability to refinance existing debt or the impact interest rate movements will have on our existing debt, management evaluates our financial position on an ongoing basis. From time to time, we may enter into interest rate swaps to reduce the impact of changes in interest rates on our floating rate debt. We had no interest rate swaps in effect during the years ended December 31, 2024 and 2023.



## **Commodity Price Risk**

Our subsidiaries hold working inventories of refined petroleum products, renewable fuels, gasoline blendstocks and transmix in storage. As of December 31, 2024, we held approximately \$960 million of such inventory. While in storage, volatility in the market price of stored motor fuel could adversely impact the price at which we can later sell the motor fuel. However, we may use futures, forwards and other derivative instruments (collectively, "positions") to hedge a variety of price risks relating to deviations in that inventory from a target base operating level established by management. Derivative instruments utilized consist primarily of exchange-traded futures contracts traded on the New York Mercantile Exchange, Chicago Mercantile Exchange and Intercontinental Exchange, as well as over-the-counter transactions (including swap agreements) entered into with established financial institutions and other credit-approved energy companies. Our policy is generally to purchase only products for which there is a market and to structure sales contracts so that price fluctuations do not materially affect profit. While these derivative instruments represent economic hedges, they are not designated as hedges for accounting purposes. We may also engage in controlled trading in accordance with specific parameters set forth in a written risk management policy.

On a consolidated basis, the Partnership had a position of 0.3 million barrels with an aggregated unrealized loss of \$3.8 million at December 31, 2024.

## **Item 8. Financial Statements and Supplementary Data**

See Index to Consolidated Financial Statements at Page [F-1](#).

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

## **Item 9A. Controls and Procedures**

### **Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act), that are designed to provide reasonable assurance that the information that we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. It should be noted that, because of inherent limitations, our disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the disclosure controls and procedures are met.

As required by paragraph (b) of Rule 13a-15 under the Exchange Act, our management with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-K. Based on such evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded, as of December 31, 2024, that our disclosure controls and procedures were effective at the reasonable assurance level for which they were designed in that the information required to be disclosed by the Partnership in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

### **Management's Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process that is designed under the supervision of our Chief Executive Officer and Chief Financial Officer and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures recorded by us are being made only in accordance with authorizations of our management and board of directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements.

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

Management conducted its evaluation of the effectiveness of internal control over financial reporting as of December 31, 2024, based on the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of its internal control over financial reporting and testing the operational effectiveness of its internal control over financial reporting. Management reviewed the results of the assessment with the audit committee of the board of directors. Based on its assessment, management determined that, as of December 31, 2024, it maintained effective internal control over financial reporting.

Grant Thornton LLP, the independent registered public accounting firm that audited the consolidated financial statements of the Partnership included in this Annual Report on Form 10-K, has issued an attestation report on the effectiveness of the Partnership's internal control over financial reporting as of December 31, 2024. The report, which expresses an unqualified opinion on the effectiveness of the Partnership's internal control over financial reporting as of December 31, 2024, is included in this Item under the heading "Report of Independent Registered Public Accounting Firm".

### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the three months ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

From time to time, we make changes to our internal control over financial reporting that are intended to enhance its effectiveness and which do not have a material effect on our overall internal control over financial reporting. We will continue to evaluate the effectiveness of our disclosure controls and procedures and internal control over financial reporting on an ongoing basis and will take action as appropriate.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors of Sunoco GP LLC and  
Unitholders of Sunoco LP

### Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Sunoco LP (a Delaware limited partnership) and subsidiaries (the “Partnership”) as of December 31, 2024, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Partnership as of and for the year ended December 31, 2024, and our report dated February 14, 2025 expressed an unqualified opinion on those financial statements.

### Basis for opinion

The Partnership’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and limitations of internal control over financial reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

/s/ GRANT THORNTON LLP

Dallas, Texas

February 14, 2025

## **Item 9B. Other Information**

### **Amended and Restated Agreement of Limited Partnership**

On February 12, 2025, our Board of Directors amended and restated our First Amended and Restated Agreement of Limited Partnership (as amended and restated, the “Second Amended and Restated LPA”), effective February 12, 2025. The Second Amended and Restated LPA (i) amended the definition of “Conflicts Committee” to replace a reference to Susser Holdings Corporation, the former ultimate publicly traded owner of our General Partner that, upon its acquisition by a predecessor of Energy Transfer in 2014, ceased to exist as a public company, with a general reference to publicly traded affiliates of our General Partner, to preserve the original intention of the First Amended and Restated Agreement of Limited Partnership, and (ii) incorporated previously adopted amendments to the First Amended and Restated Agreement of Limited Partnership. The foregoing description of the terms of the Second Amended and Restated LPA does not purport to be complete and is qualified in its entirety by reference to the Second Amended and Restated LPA, a copy of which is filed as Exhibit 3.2 to this Annual Report on Form 10-K and which is incorporated herein by reference.

### **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not Applicable.

## **Part III**

### **Item 10. Directors, Executive Officers and Corporate Governance**

#### **Board of Directors**

Our general partner, Sunoco GP LLC (our “General Partner”), manages and directs our operations and activities. The membership interest in our General Partner is solely owned by Energy Transfer LP (“Energy Transfer”). As the sole member of our General Partner, Energy Transfer is entitled under the limited liability company agreement of our General Partner to appoint all directors of our General Partner. Our General Partner’s limited liability company agreement provides that our General Partner’s Board of Directors (the “Board”) shall consist of between three and twelve persons, at least three of whom are required to qualify as independent directors. As of December 31, 2024, the Board consisted of seven persons, five of whom qualify as “independent” under the listing standards of the NYSE and our governance guidelines. Our Board has affirmatively determined that the directors who qualify as “independent” under the NYSE’s listing standards, SEC rules and our governance guidelines are Oscar A. Alvarez, Bradley C. Barron, W. Brett Smith, Ray W. Washburne and David K. Skidmore.

As a limited partnership, we are not required by the rules of the NYSE to seek unitholder approval for the election of any of our directors. We do not have a formal process for identifying director nominees, nor do we have a formal policy regarding consideration of diversity in identifying director nominees. We believe, however, that the individuals appointed as directors have experience, skills and qualifications relevant to our business and have a history of service in senior leadership positions with the qualities and attributes required to provide effective oversight of the Partnership.

#### ***The Board’s Role in Risk Oversight***

Our Board generally administers its risk oversight function as a whole. It does so in part through discussion and review of our business, financial and corporate governance practices and procedures, with opportunity for specific inquiries of management. In addition, at each regular meeting of the Board, management provides a report of the Partnership’s operational and financial performance, which often prompts questions and feedback from the Board. The audit committee provides additional risk oversight through its quarterly meetings, where it discusses policies with respect to risk assessment and risk management, reviews contingent liabilities and risks that may be material to the Partnership and assesses major legislative and regulatory developments that could materially impact the Partnership’s contingent liabilities and risks. The audit committee is required to discuss any material violations of our policies brought to its attention on an ad hoc basis. Additionally, the compensation committee reviews our overall compensation program and its effectiveness at both linking executive pay to performance and aligning the interests of our executives and our unitholders.

#### **Committees of the Board of Directors**

The Board has established standing committees to consider designated matters. The standing committees of the Board are: the audit committee and the compensation committee. The listing standards of the NYSE do not require boards of directors of publicly traded limited partnerships to be composed of a majority of independent directors, nor are they required to have a standing nominating or compensation committee. Notwithstanding, the Board has elected to have a standing compensation committee. We do not have a nominating committee in view of the fact that Energy Transfer, which owns our General Partner, appoints the directors to our Board. The Board has adopted governance guidelines for the Board and charters for each of the audit and compensation committees.

## **Audit Committee**

We are required to have an audit committee of at least three members, and all of its members are required to meet the independence and experience standards established by the NYSE and the Exchange Act. The current members of the audit committee are Oscar A. Alvarez, W. Brett Smith and David K. Skidmore, each of whom are independent under the NYSE's standards and SEC's rules for audit committee members. In addition, the Board has determined that Mr. Skidmore, who serves as chairman of the audit committee, has "accounting or related financial management expertise" and constitutes an "audit committee financial expert," in accordance with SEC and NYSE rules and regulations.

The audit committee assists the Board in its oversight of the integrity of our consolidated financial statements and our compliance with legal and regulatory requirements and partnership policies and controls. The audit committee meets on a regularly-scheduled basis with our independent accountants at least four times each year and is available to meet at their request. Our independent registered public accounting firm has been given unrestricted access to the audit committee and our management, as necessary. The audit committee has the authority and responsibility to review our external financial reporting, to review our procedures for internal auditing and the adequacy of our internal accounting controls, to consider the qualifications and independence of our independent accountants, to engage and resolve disputes with our independent accountants, including the letter of engagement and statement of fees relating to the scope of the annual audit work and special audit work that may be recommended or required by the independent accountants, and to engage the services of any other advisors and accountants as the audit committee deems advisable. The committee reviews and discusses the audited consolidated financial statements with management, discusses with our independent auditors matters and makes recommendations to the Board relating to our audited consolidated financial statements. In addition, the audit committee is authorized to recommend to the Board any changes or modifications to its charter that the committee believes may be required. The charter of the audit committee is publicly available on our website at <http://www.sunocolp.com/investors/corporate-governance>. The audit committee held four meetings during 2024.

## **Compensation Committee**

Although we are not required under NYSE rules to appoint a compensation committee because we are a limited partnership, the Board established a compensation committee to establish standards and make recommendations concerning the compensation of our officers and directors. The compensation committee is currently chaired by Mr. Alvarez and includes Mr. Smith. In addition, the compensation committee determines and establishes the standards for any awards to employees and officers providing services to us under the equity compensation plans adopted by our unitholders, including the performance standards or other restrictions pertaining to the vesting of any such awards. Pursuant to the charter of the compensation committee, a director serving as a member of the compensation committee may not be an officer of or employed by our General Partner, us or our subsidiaries. During 2024, neither Mr. Alvarez nor Mr. Smith was an officer or employee of affiliates of Energy Transfer, or served as an officer of any company with respect to which any of our executive officers served on such company's board of directors. In addition, neither Mr. Alvarez nor Mr. Smith is a former employee of affiliates of Energy Transfer. The charter of the compensation committee is publicly available on our website at <http://www.sunocolp.com/investors/corporate-governance>. The compensation committee held four meetings during 2024.

## **Code of Ethics**

The Board has approved a Code of Business Conduct and Ethics which is applicable to all directors, officers and employees of our General Partner and its affiliates, including the principal executive officer, the principal financial officer and the principal accounting officer. The Code of Business Conduct and Ethics is available on our website at <http://www.sunocolp.com/investors/corporate-governance> (under the 'Investor Relations/Corporate Governance' tab) and in print without charge to any unitholder who sends a written request to our secretary at our principal executive offices at 8111 Westchester Drive, Suite 400, Dallas, Texas 75225. We intend to post any amendments of this code, or waivers of its provisions applicable to directors or executive officers of our General Partner, including its principal executive officer, principal financial officer and principal accounting officer, at this location on our website.

## **Insider Trading Policy**

The Board has adopted insider trading policies and procedures that we believe are reasonably designed to promote compliance with insider trading laws, rules, and regulations, and the listing standards of the New York Stock Exchange. Our insider trading policy is applicable to all employees, officers and directors and, among other things, (i) prohibits our employees, officers, directors and related persons and entities from trading in securities of the Partnership and its affiliated companies while in possession of material, non-public information, (ii) prohibits our employees, officers and directors from disclosing material, non-public information to persons outside of the Partnership, other than in the course of performance of their duties, and (iii) requires that certain individuals who are designated as "Insiders" only transact in Partnership securities during an open trading window period, subject to limited exceptions. A copy of our insider trading policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

## **Corporate Governance Guidelines**

The Board has adopted a set of Corporate Governance Guidelines to promote a common set of expectations as to how the Board and its committees should perform their functions. These principles are published on our website at

<http://www.sunocolp.com/investors/corporate-governance> and reviewed by the Board annually or more often as the Board deems appropriate.

## Meetings of Non-Management Directors and Communications with Directors

In accordance with our Corporate Governance Guidelines, the Board holds executive sessions of non-management directors not less than twice annually. These meetings are presided over, on a rotating basis, by the chairman of the audit and compensation committees of the Board. Interested parties may contact the chairman of our audit or compensation committee, or our independent or non-management directors individually or as a group, utilizing the contact information set forth on our website at <http://www.sunocolp.com/investors/corporate-governance>.

Note that the preceding Internet addresses are for information purposes only and are not intended to be hyperlinked. Accordingly, no information found or provided at those Internet addresses or at our website in general is intended or deemed to be incorporated by reference herein.

## Executive Officers and Directors of our General Partner

The following table shows information about the current executive officers and directors of our General Partner. References to “our officers,” “our directors,” or “our Board” refer to the officers, directors and Board of Directors of our General Partner. Directors are appointed to hold office until their successors have been elected or qualified or until the earlier of their death, resignation, removal or disqualification. Executive officers serve at the discretion of the Board.

| Name                 | Age | Position With Our General Partner                      |
|----------------------|-----|--------------------------------------------------------|
| Joseph Kim           | 53  | President & Chief Executive Officer and Director       |
| Karl R. Fails        | 50  | Executive Vice President, Chief Operating Officer      |
| Brian A. Hand        | 57  | Executive Vice President, Chief Sales Officer          |
| Dylan A. Bramhall    | 48  | Chief Financial Officer                                |
| Austin B. Harkness   | 45  | Executive Vice President, Chief Commercial Officer     |
| Christopher R. Curia | 69  | Executive Vice President, Human Resources and Director |
| Ray W. Washburne     | 64  | Chairman of the Board                                  |
| Oscar A. Alvarez     | 69  | Director                                               |
| Bradley C. Barron    | 59  | Director                                               |
| David K. Skidmore    | 69  | Director                                               |
| W. Brett Smith       | 65  | Director                                               |

**Joseph Kim - President and Chief Executive Officer and Director.** Mr. Kim was appointed to the Board in January 2018 and has served as President and Chief Executive Officer of our General Partner since January 2018. From June 2017 through December 2017, he served as President and Chief Operating Officer and prior to that served as Executive Vice President and Chief Development Officer since October 2015. Prior to joining the Partnership in October 2015, Mr. Kim held various executive positions, including Chief Operating Officer for Pizza Hut and Senior Vice President - Retail Strategy and Growth for Valero Energy. Prior to his 18 years with Pizza Hut and Valero, Mr. Kim worked for Arthur Andersen within both the Audit and Consulting business units. He is a graduate of Trinity University with a bachelor’s degree in Business Administration.

**Karl R. Fails - Executive Vice President, Chief Operating Officer.** Mr. Fails has served as Executive Vice President, Chief Operating Officer of our General Partner since September 2021. He is responsible for overall performance of the business across all segments, both financial and operational, and has direct control of transportation and midstream operations. Mr. Fails previously held the positions of Senior Vice President, Chief Operations Officer from January 2019 to September 2021, Senior Vice President, Chief Commercial Officer from February 2018 to January 2019, and Executive Vice President - Supply & Trading from January 2017 to January 2018 and held various other leadership positions during his tenure at the Partnership and Sunoco, Inc. (now known as ETC Sunoco Holdings LLC). Prior to joining Sunoco, Inc. in 2010, Mr. Fails served in various operations and engineering roles in the refining business for both Valero Energy and Exxon. He holds Bachelor’s degrees in Chemical Engineering and Math from Brigham Young University and a Master of Business Administration degree from the University of California, Berkeley.

**Brian A. Hand - Executive Vice President, Chief Sales Officer.** Mr. Hand has served as Executive Vice President, Chief Sales Officer since March 2024. He is responsible for all aspects of the fuel distribution business, including strategic acquisition and divestment, branded wholesale, direct dealers, performance products, and sales. He is also responsible for all marketing functions, engineering, construction and strategic partnerships. Mr. Hand previously held the positions of Senior Vice President, Chief Sales Officer, Chief Development and Marketing Officer, Chief Procurement Officer and various other leadership positions during his tenure with the Partnership and Sunoco, Inc. (now known as ETC Sunoco Holdings LLC). Prior to joining Sunoco, Inc. in 2010, Mr. Hand served in



various leadership positions at Hewlett Packard, Blockbuster, Inc. and Cingular Wireless (now AT&T Mobility). He holds a Bachelor's degree in Accounting and Business Management from Lebanon Valley College and a Master of Business Administration degree from Widener University

**Dylan A. Bramhall - Chief Financial Officer.** Mr. Bramhall has served as Chief Financial Officer of our General Partner since October 2020 and currently is also Group Chief Financial Officer of Energy Transfer's General Partner since November 2022. Mr. Bramhall joined Energy Transfer in 2015 as a result of its merger with Regency Energy Partners and is responsible for oversight of the Partnership's Financial Planning and Analysis, Credit and Commodity Risk Management, Insurance, Cash Management, Capital Markets, Accounting, Financial Reporting and Investor Relations groups. He also serves as a member of Energy Transfer's Risk Oversight Committee. While at Regency, Mr. Bramhall held management positions in the finance, risk, commercial and operations groups. Mr. Bramhall holds a Bachelor of Business Administration in finance and Master of Business Administration in finance and operations management, both from the University of Iowa.

**Austin B. Harkness - Executive Vice President, Chief Commercial Officer.** Mr. Harkness has served as Executive Vice President, Chief Commercial Officer, since March 2024. He is responsible for all aspects of the Partnership's supply, trading, pricing, real estate and unbranded sales activity. Mr. Harkness previously held the positions of Senior Vice President, Commercial from June 2021 to March 2024 and Vice President, Pricing & Real Estate beginning in March 2020 when he joined the Partnership. Prior to joining the Partnership, Mr. Harkness held various executive positions, including Chief Operating Officer for Honor and Vice President, Operations at YUM! Brands. Prior to that, Mr. Harkness worked at McKinsey where he served clients on a variety of strategic and commercial topics spanning multiple industries. He holds a Bachelor's degree in Business Administration from the Business Honors Program and a Master of Business Administration degree from the McCombs School of Business, both at the University of Texas at Austin.

**Christopher R. Curia - Executive Vice President-Human Resources and Director.** Mr. Curia was appointed to the Board in August 2014. Mr. Curia has served as Executive Vice President-Human Resources of our General Partner since April 2015. Mr. Curia joined ETO in July 2008 and was appointed the Executive Vice President and Chief Human Resources Officer of Energy Transfer in January 2015. Mr. Curia has served on the board of directors of the general partner of USA Compression Partners, LP from April 2018 to April 2024. Prior to joining ET, Mr. Curia held HR leadership positions at both Valero Energy Corporation and Pennzoil and brings with him more than four decades of Human Resources experience in the oil and gas field. He also has several years' experience in the retail and refining sectors of the energy industry. Mr. Curia earned a master's degree in Industrial Relations from the University of West Virginia. Mr. Curia was selected to serve as a member of the Board due to the valuable perspective he brings from his extensive experience working as a human resources professional in the energy industry, and the insights he brings to the Board on matters such as succession planning, compensation, employee management and acquisition evaluation and integration.

**Ray W. Washburne - Chairman of the Board.** Mr. Washburne was appointed to the Board and elected as the Chairman of the Board in April 2022. He is currently President and Chief Executive Officer of Charter Holdings, Inc., a Dallas-based investment company involved in real estate, restaurants and diversified financial investments. From August 2017 to February 2019, Mr. Washburne served as the President and Chief Executive Officer of the Overseas Private Investment Corporation (OPIC), the United States government's development finance institution. From 2000 to 2017, Mr. Washburne served on the board of directors of Veritex Holdings, Inc. (Nasdaq: VBTX), a Texas-based bank holding company that conducts banking activities through its subsidiary, Veritex Community Bank. He has also served as an adjunct professor at the Cox School of Business at Southern Methodist University. Mr. Washburne is also a member of the Republican Governors Association Executive Roundtable, the American Enterprise Institute, the Council on Foreign Relations, and is on the Advisory Board of the United States Southern Command. Mr. Washburne was selected to serve on the Board of Directors because of his expertise in international finance, his relationships in government, and his experience on the board of a publicly traded company.

**Oscar A. Alvarez - Director.** Mr. Alvarez was appointed to the Board in March 2018. Mr. Alvarez chairs our compensation committee and serves on our audit committee. Mr. Alvarez served the Republic of Honduras for over 30 years, and was elected as a Representative in the National Congress of Honduras multiple times before retiring from politics in 2018. Over the course of his political career he was appointed to the cabinet position of Secretary of Security in both 2002 and 2010. Prior to this, he assisted with the diplomatic mission of the Honduran Embassy in Washington D.C. as Assistant Defense Attaché. In 1994, Mr. Alvarez entered the private sector and founded Atessa Seguridad S.A., providing turnkey security services for many major banks in the country of Honduras. A veteran of the Honduran Armed Forces, he is a graduate of United States Army Ranger School in Fort Benning, GA and the Special Forces Qualification Course at Fort Bragg, NC. Mr. Alvarez has a bachelor's degree from Texas A&M University, where he was the first cadet to be commissioned into a foreign army. He has also taken graduate courses in International Relations at Johns Hopkins University. Mr. Alvarez was selected to serve on our Board due to his extensive international experience.

**Bradley C. Barron - Director.** Mr. Barron was appointed to the Board in connection with our acquisition of NuStar in 2024. Mr. Barron previously served as the chairman of the board, President and Chief Executive Officer of NuStar Energy, LP. From 2003 until his 2013 promotion to Chief Executive Officer, Mr. Barron served in executive positions at NuStar ranging from Vice President, Executive Vice President, and General Counsel and Secretary. Prior to Mr. Barron's service with NuStar, he was with Valero Energy

Corporation from 2001 to 2003. He holds a Bachelor's degree in Business Administration at Texas Tech University and a Juris Doctorate degree from The University of Texas School of Law, where he was Order of the Coif. Mr. Barron also serves on the board of directors of the San Antonio branch of the Federal Reserve Bank of Dallas. Mr. Barron was selected to serve on the Board because of his experience, qualifications and skills in the logistics and refining industries and the extensive knowledge and experience he attained as an executive officer and director of public companies.

**David K. Skidmore - Director.** Mr. Skidmore was appointed to the Board in May 2021. Mr. Skidmore was elected as the Chair of our audit committee in January 2023. Mr. Skidmore previously served as a director of Energy Transfer Operating, L.P. from March 2013 to May 2021. He was also a member of the audit committee of Energy Transfer Operating, L.P. He has been Vice President of Ventex Oil & Gas, Inc. since 1995 and has been actively involved in exploration and production throughout the Gulf Coast and mid-Continent regions for over 35 years. He founded Skidmore Exploration, Inc. in 1981 and has been an independent oil and gas producer since that time. From 1977 to 1981, he worked for Paraffine Oil Corporation and Texas Oil & Gas in Houston. He holds BS degrees in both Geology and Petroleum Engineering, is a Certified Petroleum Geologist and Registered Professional Engineer (inactive), and active member of the AAPG, and SPE. Mr. Skidmore was selected to serve as a director because of his continual involvement in geological, geophysical, legal, engineering and accounting aspects of an active oil and gas exploration company. As an energy professional, active oil and gas producer and successful business owner, Mr. Skidmore possesses valuable first-hand knowledge of the energy transportation business and market conditions affecting its economics.

**W. Brett Smith - Director.** Mr. Smith was appointed to the Board and to serve as a member of the audit committee of the Board in March 2024. He has served as President and Managing Partner of Rubicon Oil & Gas, LLC since October 2000. He has also served as President of Rubicon Oil & Gas II, LP since May 2005, President of Quientesa Royalty LP since February 2005 and President of Action Energy LP since October 2008. Mr. Smith was President of Rubicon Oil & Gas, LP from October 2000 to May 2005. For more than 30 years, Mr. Smith has been active in assembling exploration prospects in the Permian Basin, Oklahoma, New Mexico and the Rocky Mountain areas. Mr. Smith previously served on the board of directors of LE GP, LLC, the general partner of Energy Transfer, and on the audit committee, and on the board of directors of USA Compression GP, LLC, the general partner of USA Compression Partners, LP. Mr. Smith was selected to serve as a director based on his experience as an executive and as a director in the oil and gas industry, particularly for other limited partnerships.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Each director and executive officer (and, for a specified period, certain former directors and executive officers) of our General Partner and each holder of more than 10% of a class of our equity securities is required to report to the SEC his or her pertinent position or relationship, as well as transactions in those securities, by specified dates.

#### **Delinquent Section 16(a) Reports**

Based solely upon a review of reports on Forms 3 and 4 (including any amendments) furnished to us during our most recent fiscal year and written representations from officers and directors of our General Partner that no Form 5 was required, we believe that all filings applicable to our General Partner's officers and directors, and our beneficial owners, required by Section 16(a) of the Exchange Act were filed on a timely basis during 2024.

#### **Reimbursement of Expenses of our General Partner**

Under our partnership agreement, our General Partner does not receive a management fee or other compensation for its role as our general partner. However, our General Partner is reimbursed for all expenses incurred on our behalf. These expenses include shared service fees, as well as all other expenses necessary or appropriate to the conduct of our business that are allocable to us, as provided for in our partnership agreement. There is no cap on the amount that may be paid or reimbursed to our General Partner.

## Item 11. Executive Compensation

As is commonly the case for many publicly traded limited partnerships, we do not have officers or directors. Instead, we are managed by the board of directors of our General Partner, and the executive officers of our General Partner perform all of our management functions. As a result, the executive officers of our General Partner are essentially our executive officers. Because Energy Transfer controls our General Partner and owns a significant limited partner interest in us, Energy Transfer will be referenced throughout this Item 11. References to “our officers” and “our directors” refer to the officers and directors of our General Partner.

### Compensation Discussion and Analysis

#### *Named Executive Officers*

This Compensation Discussion and Analysis is focused on the total compensation of the executive officers of our General Partner as set forth below. The executive officers we refer to in this discussion as our “named executive officers,” or “NEOs,” for the 2024 fiscal year are the following officers of our General Partner:

| Name               | Principal Position                                 |
|--------------------|----------------------------------------------------|
| Joseph Kim         | President and Chief Executive Officer              |
| Dylan A. Bramhall  | Chief Financial Officer                            |
| Karl R. Fails      | Executive Vice President, Chief Operating Officer  |
| Brian A. Hand      | Executive Vice President, Chief Sales Officer      |
| Austin B. Harkness | Executive Vice President, Chief Commercial Officer |

Our board of directors has established a compensation committee to review and make decisions with respect to the compensation determinations of our officers and directors. In this discussion, we refer to our compensation committee as the “Compensation Committee.” However, our Compensation Committee consults with and receives guidance and input, as appropriate, from Energy Transfer’s Compensation Committee, Energy Transfer’s Executive Chairman of the board of directors, and Energy Transfer’s Human Resources executives to ensure compensation decisions are undertaken consistent with the compensation philosophy and objectives set by Energy Transfer.

In addition to his role as the Chief Financial Officer of our General Partner, Mr. Bramhall also serves as Executive Vice President and Group Chief Financial Officer of Energy Transfer’s general partner. Prior to 2023, Mr. Bramhall’s compensation was handled on a dual basis with the management of Energy Transfer, setting Mr. Bramhall’s salary, long-term incentive pool targets and annual bonus targets and awards of long-term incentives and annual bonus amounts attributable to his services to Energy Transfer and the Compensation Committee directly approved the portions of Mr. Bramhall’s long-term incentives and annual bonus attributable to his services to SUN. Beginning with 2023, 100% of Mr. Bramhall’s compensation became attributable to Energy Transfer.

#### *Compensation Philosophy and Objectives*

Generally, our compensation philosophy and objectives are substantially the same as those set by Energy Transfer and are based on the premise that a significant portion of each executive’s total compensation should be incentive-based or “at-risk” compensation. We also share Energy Transfer’s philosophy that executives’ total compensation levels should be competitive in the marketplace for executive talent and abilities. Our General Partner seeks a total compensation program for our NEOs that provides for an annual base compensation rate slightly below the median market (i.e., approximately the 30<sup>th</sup> to 40<sup>th</sup> percentile of market) but incentive-based compensation composed of a combination of compensation vehicles designed to reward both short- and long-term performance that are both targeted to pay out at approximately the top-quartile of market for similarly situated businesses. Our General Partner believes the incentive-based balance is achieved by (i) the payment of annual discretionary cash bonuses that consider the achievement of the financial performance objectives for a fiscal year set at the beginning of such fiscal year and the individual contributions of our NEOs to the success of the achievement of the annual financial performance objectives, and (ii) the annual grant of time-based restricted, restricted phantom unit awards and/or cash restricted awards under the long-term incentive plan, which awards are intended to provide a long-term incentive and retentive value to our key employees to focus their efforts on increasing the market price of our publicly traded units and to increase the cash distribution we pay to our unitholders.

The Partnership historically granted restricted unit and/or phantom unit awards (“RSUs”) that vest, based generally upon continued employment, at a rate of 60% after the third year of service and the remaining 40% after the fifth year of service. Beginning in 2024, the Partnership began granting cash restricted units (“CRSUs”) that vest, based generally upon continued employment, at a rate of 1/3 annually over a three-year period. For 2024, the awards were split 75% RSUs and 25% CRSUs. The Partnership believes that these equity-based incentive arrangements are important in attracting and retaining executive officers and key employees as well as motivating these individuals to achieve stated business objectives. The equity-based compensation reflects the importance our General Partner places on aligning the interests of its named executive officers with those of Unitholders.

While the Partnership utilizes time-based forms of equity awards, the grant date valuation utilizes a modified total unitholder return (“TUR”) performance as measured against the average return of Alerian MLP index (AMZ) over defined periods of time. The modified TUR is designed to create a recognition of a performance adjustment to the equity awards based on the prior periods measured to add an element of performance impact in setting grant date value even though the RSUs themselves are a time-vested vehicle. As discussed below, our Compensation Committee, in consultation with our General Partner, and, as applicable Energy Transfer or the Energy Transfer Compensation Committee, are responsible for the compensation policies and compensation level of the named executive officers of our General Partner.

Our compensation program is structured to achieve the following:

- reward executives with an industry-competitive total compensation package of competitive base salaries and significant incentive opportunities yielding a total compensation package approaching the top-quartile of the market;
- attract, retain and reward talented executive officers and key management employees by providing total compensation competitive with that of other executive officers and key management employees employed by publicly traded limited partnerships or other peer companies of similar size and in similar lines of business;
- motivate executive officers and key employees to achieve strong financial and operational performance;
- emphasize performance-based or “at-risk” compensation; and
- reward individual performance.

### ***Components of Executive Compensation***

For the year ended December 31, 2024, the compensation paid to our NEOs consisted of the following components:

- annual base salary;
- non-equity incentive plan compensation consisting solely of discretionary cash bonuses based on stated performance objectives;
- time-vested RSUs and CRSUs under the equity incentive plan;
- payment of distribution equivalent rights (“DERs”) on unvested RSUs under our equity incentive plan;
- vesting of previously issued time-based RSUs issued pursuant to equity incentive plans of affiliates; and
- 401(k) plan employer matching contributions.

### ***Methodology***

The Compensation Committee considers relevant data available to it to assess our competitive position with respect to base salary, annual short-term incentives and long-term incentive compensation for our executives, including our NEOs. The Compensation Committee also considers individual performance, levels of responsibility, skills and experience.

Periodically, we engage a third-party consultant to provide the Compensation Committee of our General Partner with market information for compensation levels at peer companies in order to assist in the determination of compensation levels for executives, including the named executive officers. Most recently, in 2023, Meridian Compensation Partners (“Meridian”), the independent compensation advisor to Energy Transfer completed an evaluation of the market competitiveness of total compensation levels of the senior leadership team, including the named executive officers. The Meridian review provided market information with respect to compensation of Partnership executives, including the named executive officers during the year ended December 31, 2023. We continued to rely on the Meridian analysis for calendar year 2024.

In particular, the review by Meridian was designed to (i) evaluate the market competitiveness of total compensation levels for certain members of senior management, including our named executive officers; (ii) assist in the determination of appropriate compensation levels for our senior management, including the named executive officers; and (iii) confirm that our compensation programs were yielding compensation packages consistent with our overall compensation philosophy. The Partnership was reviewed by Meridian through various metrics in order to recognize the Partnership’s unique structure, including the facts that (i) the Partnership receives certain shared-service support from Energy Transfer; and (ii) in other functions, the Partnership operates in a manner consistent with an independent publicly-traded organization. As such, Meridian reviewed certain of our executives, including the named executive officers, in their specific functions to determine the appropriate benchmarking technique. In all circumstances, Meridian considered our annual revenues and market capitalization levels in its benchmarking. The compensation analysis provided by Meridian covered all major components of total compensation, including annual base salary, annual short-term cash bonus and long-term incentive awards for our named executive officers as compared to officers of companies similarly situated in terms of structure, annual revenues and market capitalization and made determinations with respect to such officers’ level (i.e. as a corporate officer, subsidiary officer or shared service function) given the unique characteristics of our structure. In addition to the companies reviewed as part of Meridian’s

review for benchmarking, SUN will continue to work to refine a “core peer” group that is more identifiable in similar business lines and types as SUN.

Following Meridian’s 2023 review, the Compensation Committee reviewed the information provided, including Meridian’s specific summary observations and recommended considerations for all compensation going forward. The observations addressed overall competitive benchmarking, peer company approaches to compensation and short and long-term incentive plan design, the Compensation Committee considered and reviewed the results of the study performed by Meridian to determine if the results indicated that the compensation programs were yielding a competitive total compensation model prioritizing incentive-based compensation and rewarding achievement of short and long-term performance objectives and considered Meridian’s conclusions and recommendations. While Meridian found that SUN is continuing to achieve its stated objectives with respect to the “at-risk” approach, Meridian also recommended certain adjustments for consideration, which considerations were designed to allow SUN to continue to achieve its targeted percentiles on base compensation and incentive compensation (short and long-term). In respect of the 2023 Meridian review, the Compensation Committee in consultation with Meridian and executive management approved the adoption of the Amended and Restated Sunoco GP LLC Annual Bonus Plan (the “Amended Bonus Plan”) effective as January 1, 2023.

In addition to the information received as part of Meridian’s review, the Compensation Committee also has access to information obtained from other sources in its determination of compensation levels for our named executive officers, such as annual third party surveys.

*Base salary.* Base salary is designed to provide for a competitive fixed level of pay that attracts and retains executive officers and compensates them for their level of responsibility and sustained individual performance (including experience, scope of responsibility and results achieved). The salaries of our named executive officers are targeted as an annual base salary slightly below median level of market and are determined by the Compensation Committee. Base salaries also are influenced by internal pay equity (fair and consistent application of compensation practices). At the NEO level, the balance of compensation is weighted toward pay-at-risk compensation (annual bonuses and long-term incentives).

During the 2024 merit review process in July, the Compensation Committee approved base salary increase to each of the named executive officers. Mr. Kim’s salary increased to \$850,000 from his previous level of \$800,000, Mr. Fails’ salary increased to \$520,000 from his previous level of \$500,000, Mr. Hand’s salary increased to \$405,600 from his previous level of \$390,000 and Mr. Harkness’ salary increased to \$395,200 from his previous level of \$380,000. As noted above, Mr. Bramhall no longer receives a salary allocation from SUN effective November 11, 2022. In general, SUN approved a merit pool increase of 4.0% for all of its employees, including the named executive officers and each of the named executives received merit increases consistent with the 4.0% pool, except Mr. Kim who received an approximately 6.25% merit adjustment.

*Annual Bonus.* In addition to base salary, the Compensation Committee makes a determination whether to award discretionary annual cash bonuses to employees, including our named executive officers, following the end of the year. These discretionary bonuses, if awarded, are intended to reward our named executive officers for the achievement of financial performance objectives during the year for which the bonuses are awarded in light of the contribution of each individual to our profitability and success during such year.

The Amended Bonus Plan is a discretionary annual cash bonus plan available to all employees, including the named executive officers. The purpose of the Amended Bonus Plan is to reward employees for contributions towards the Partnership’s business goals and to aid in motivating employees. The Amended Bonus Plan is administered by the Compensation Committee and the Compensation Committee has the authority to establish and interpret the rules and regulations relating to the Amended Bonus Plan, to select participants, to determine and approve the size of any actual award amount, to make all determinations, including factual determinations, under the Amended Bonus Plan, and to take all other actions necessary or appropriate for the proper administration of the Bonus Plan.

Under the Amended Bonus Plan, the Compensation Committee evaluates and determines an overall funded cash bonus pool based on achievement of (i) an internal Adjusted EBITDA Target, (ii) an internal distributable cash flow target (“DCF Target”) and (iii) performance of each department compared to the applicable department budget (“Departmental Budget Target”). Under the Amended Bonus Plan, the Budget Targets were weighted 60% on the achievement of the Adjusted EBITDA Target, 25% on the achievement of the DCF Target and 15% on the achievement of the Departmental Budget Target. The total amount of cash to be allocated to the funded bonus pool will range from 0% to 135% for each of the budgeted DCF Target and Adjusted EBITDA Target and will range from 0% to 100% of the Departmental Budget Target. Under the Amended Bonus Plan, the maximum bonus pool funding is 130% of the bonus pool target.

While the funded bonus pool will reflect an aggregation of performance under each target, in the event performance under the Adjusted EBITDA Target is below 80% of its target, no bonus pool will be funded. If the bonus pool is funded, a participant may earn a cash award for the Performance Period based upon the level of attainment of the Budget Targets and his or her individual performance. Awards under both the Bonus Plan and the Amended Bonus Plan are paid in cash as soon as practicable after the end of the Performance Period but in no event later than two and one-half months after the end of the Performance Period.



For 2024, the short-term annual cash bonus pool targets for Messrs. Kim, Fails, Hand and Harkness were as follows: 130% for Mr. Kim, 110% for Mr. Fails, and 105% for Messrs. Hand and Harkness. As noted above, Mr. Bramhall no longer receives a bonus allocation from SUN effective November 11, 2022.

While the achievement of the various budget targets sets a bonus pool under the Bonus Plan and the Amended Bonus Plan, actual bonus awards are discretionary. These discretionary bonuses, if awarded, are intended to reward our named executive officers for the achievement of the budget targets during the performance period in light of the contribution of each individual to our profitability and success during such year. The Compensation Committee does not establish its own financial performance objectives in advance for purposes of determining whether to approve any annual bonuses, and it does not utilize any formulaic approach to determine annual bonuses.

In February 2025, the Compensation Committee certified Partnership results to achieve a bonus payout of the bonus pool. The actual results reflected the achievement of approximately 106.3% of the Adjusted EBITDA Target, 112.8% of the DCF Target and 100% of the Departmental Budget Target. The Compensation Committee based on achieved results approved a 124% of the achieved pool target. The cash bonuses approved for Messrs. Kim, Fails, Hand and Harkness were \$1,291,150, \$675,000, \$515,000 and \$515,000, respectively.

In approving the 2024 bonuses of the named executive officers, the Compensation Committee took into account the achievement by the Partnership of all of the targeted performance objectives for 2024 and the individual performances of each of the named executive officers. The cash bonuses awarded to each of the named executive officers for 2024 performance were materially consistent with their applicable bonus pool targets.

*Equity Awards.* Each of the Sunoco LP 2012 Long-Term Incentive Plan (the “2012 LTIP”) and the Sunoco LP 2018 Long-Term Incentive Plan (the “2018 LTIP,” and together with the 2012 LTIP, the “LTIPs”) is designed to provide long-term incentive awards in order to promote achievement of our long-term strategic business objectives. The LTIPs are designed to align the economic interests of the named executive officers, key employees and directors with those of our unitholders and to provide an incentive to management for continuous employment with the General Partner and its affiliates. Each of our named executive officers is eligible to participate in the LTIPs. These awards are intended to align the interests of plan participants (including our NEOs) with those of our unitholders and to give plan participants the opportunity to share in our long-term performance.

In addition, in 2024, we adopted the Sunoco LP Long-Term Cash Restricted Unit Plan (the “CRU Plan”). The CRU Plan authorizes the Compensation Committee, in its discretion, to grant awards, as applicable, of CRSUs, upon such terms and conditions as it may determine appropriate and in accordance with general guidelines as defined by the CRU Plan. Like awards from the LTIP, awards from the CRU Plan will be used to incentivize and reward eligible employees over a long-term basis.

From time to time, the Compensation Committee may make grants under the plan to employees and/or directors containing such terms as the Compensation Committee shall determine under the LTIPs or the CRU Plan. The Compensation Committee determines the conditions upon which the restricted units granted may become vested or forfeited, and whether or not any such restricted units will have DERs entitling the grantee to receive an amount in cash equal to cash distributions made by us with respect to a like number of our common units during the restricted period.

For 2024, the annual long-term incentive targets set by the Compensation Committee for the named executive officers were 500% of annual base salary for Mr. Kim, 350% for Mr. Fails, and 250% for Messrs. Hand and Harkness. Mr. Bramhall’s 2024 Energy Transfer equity award was at a target of 500%.

The annual long-term incentive targets are used as the basis to determine the target number of units to be awarded to the eligible participant, including the named executive officers. A multiple of base salary is used to set the pool target, that number is then divided by a weighted average price determined by considering SUN’s modified TUR performance as measured against the average return of Alerian MLP index (AMZ) over defined time periods. In previous years, the comparison was conducted against an independently identified peer group. The change to using the AMZ for the TUR analysis beginning for 2022 awards was a recognition of the challenge of matching SUN’s business with an adequate set of peer companies for performance evaluation. It was determined that the AMZ would provide the most adequate basis for analysis. SUN will continue to evaluate the best and most adequate tool to appropriately measure an appropriate modified TUR analysis and will make changes as appropriate in future years. The modified TUR is designed to create a recognition of performance adjustment based on the prior periods measured to an element of performance impact in setting grant date value even though the RSUs themselves are a time-vested vehicle. For purposes of establishing an initial price, we utilize a 60 trading-day trailing weighted average price of SUN common units prior to November 1 of the respective year. This average trading price is then subject to adjustment when our TUR is more than 10% greater or less than that of companies within the AMZ. If the TUR analysis yields a result that is within 10% of the AMZ, the Compensation Committee will simply use the 60 trading day trailing weighted average price divided by the applicable salary multiple to establish a target pool for each eligible participant, including the named executive officers. If our TUR is outside of the 10% deviation, the 60 trading day trailing weighted average will be adjusted. For purposes of the adjustment to the trailing average we will consider deviations from 10% to 30% up or



down, which number will then be divided by two to establish a maximum of 15% either way from the trailing weighted average price based on SUN's performance as compared to the AMZ.

For 2024, the Partnership's TUR underperformed the AMZ by more than 10% for the applicable measurement period. As such, the 60 day trailing weighted average price to establish the total available pool was adjusted up by 7.92% resulting in a smaller available pool for issuance and a lesser aggregate grant date valuation for eligible participants, including the named executive officers.

In December 2024, the Compensation Committee granted RSU awards to Messrs. Kim, Fails, Hand, and Harkness 56,250 units, 24,750 units, 15,000 units and 15,000 units, respectively, under the LTIP. The Compensation Committee also approved grants of CRSUs to Messrs. Kim, Fails, Hand, and Harkness of 18,750 units, 8,250 units, 5,000 units and 5,000 units, respectively. In approving the grant of such RSUs, the Compensation Committee considered several factors, including the long-term objective of retaining such individuals as key drivers of the Partnership's future success, the existing level of equity ownership of such individuals and the previous awards to such individuals of equity awards subject to vesting.

In December 2024, Mr. Bramhall received a grant of equity awards by the Energy Transfer Compensation Committee in connection with his service to Energy Transfer's general partner, with such awards including 153,750 Energy Transfer restricted units and 51,250 Energy Transfer cash restricted units.

Vesting of the 2024 awards would accelerate in the event of the death or disability of the named executive officer or in the event of a change in control of the partnership as that term is defined under the LTIPs and the CRU Plan.

All of the RSUs granted, including to the named executive officers, provided for the vesting of 60% of the units at the end of the third year from the date of the grant and the vesting of the remaining 40% of the units at the end of the fifth year, subject to continued employment of the named executive officers through each specified vesting date. These RSUs entitle the grantee of the unit awards to receive, with respect to each Partnership common unit subject to such RSU that has not either vested or been forfeited, a DER cash payment promptly following each such distribution by us to our unitholders. In approving the grant of such unit awards, the Compensation Committee took into account a number of performance factors as well as the long-term objective of retaining such individuals as key drivers of the Partnership's future success, the existing level of equity ownership of such individuals and the previous awards to such individuals of equity awards subject to vesting.

The CRSUs granted in 2024 provide for incremental vesting over a three-year period, with 1/3 vesting at the end of each year. Each CRSU entitles the award recipient to receive cash equal to the market value of one Energy Transfer common unit upon vesting. The CRSU do not include rights to DER cash payments.

As discussed below under "Potential Payments Upon a Termination or Change of Control," all outstanding equity awards would automatically accelerate upon a change in control event, which means vesting automatically accelerates upon a change of control irrespective of whether the officer is terminated. In addition, the award agreements also include certain acceleration provisions upon retirement with the ability to accelerate 40% of outstanding unvested awards under the Energy Transfer Incentive Plans at age 65 and 50% at age 68. These acceleration provisions require that the participant have not less than five (5) years of employment service to the Partnership or an affiliate and are subject to the applicable provisions of IRC Section 409(A), which may include a six (6) month delay in the vesting after retirement. The retirement provision also requires that the award be held for at least one year after the grant date in order to be eligible for acceleration.

The issuance of common units pursuant to our equity incentive plans is intended to serve as a means of incentive compensation; therefore, no consideration will be payable by the plan participants upon vesting and issuance of the common units.

We believe that permitting the accelerated vesting of equity awards upon a change in control creates an important retention tool for us by enabling employees to realize value from these awards in the event that we undergo a change in control transaction. The actual value to be realized upon any acceleration is discussed below under "Potential Payments Upon a Termination or Change of Control."

*Executive Compensation Clawback Policy.* In November 2023, the Compensation Committee adopted the Sunoco LP Executive Officer Incentive Compensation Clawback Policy (the "Clawback Policy"), which requires the Partnership to recover erroneously awarded incentive-based compensation from executive officers in the event the Partnership is required to prepare an accounting restatement. The Clawback Policy applies to any individual who is currently or was previously designated as an "officer" of the Partnership as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, including all of our current NEOs. The Clawback Policy is designed to comply with the requirements of the SEC and the NYSE Listed Company Manual, including (i) the definition of an accounting restatement, (ii) the applicable types of incentive-based compensation, (iii) the relevant recovery period, and (iv) the approach for calculating the recovery amount.

*Benefit Plans.* Our NEOs are provided compensation in the form of other benefits, including medical, life, dental, and disability insurance in line with competitive market conditions in retail non-store plans sponsored by Sunoco GP LLC. Our NEOs receive the

same benefits and are responsible to pay the same premiums, deductibles and out of pocket maximums as other employees participating in these plans.

*Sunoco GP LLC 401(k) Plan.* Effective December 31, 2018, our previous 401(k) benefit plan, the Sunoco GP LLC 401(k), was merged into the Energy Transfer LP 401(k) Plan (the “ET 401(k) Plan”). The ET 401(k) Plan is a defined contribution 401(k) plan, which covers substantially all of our employees, including the named executive officers. Employees may elect to defer up to 100% of their eligible compensation after applicable taxes, as limited under the Internal Revenue Code. We make a matching contribution that is not less than the aggregate amount of matching contributions that would be credited to a participant’s account based on a rate of match equal to 100% of each participant’s elective deferrals up to 5% of covered compensation. The amounts deferred by the participant are fully vested at all times, and the amounts contributed by the Partnership become vested based on years of service. We provide this benefit as a means to incentivize employees and provide them with an opportunity to save for their retirement.

The Partnership provides a 3% profit sharing contribution to employee 401(k) accounts for all employees with a base compensation below a specified threshold. The contribution is in addition to the 401(k) matching contribution and employees become vested based on years of service.

*Sunoco GP LLC Severance Plan.* In addition, Sunoco GP LLC has also adopted the SUN Severance Plan, which provides for payment of certain severance benefits in the event of Qualifying Termination (as that term is defined in the SUN Severance Plan). In general, the Severance Plan provides payment of one (1) week of annual base salary for each year or partial year of employment service, up to a maximum of fifty-two weeks or one year of annual base salary (with a minimum of eight weeks of annual base salary) and up to three months of continued group health insurance coverage. The SUN Severance Plan also provides that additional benefits in addition to those provided under the Severance Plan may be paid based on special circumstances, which additional benefits shall be unique and non-precedent setting. The Severance Plan is available to all salaried employees on a nondiscriminatory basis; therefore, amounts that would be payable to the named executive officers upon a Qualified Termination have been excluded from “Compensation Tables - Potential Payments Upon a Termination or Change of Control” below.

The benefit levels are summarized below:

| Employee Level              | Minimum Severance Pay | Maximum Severance Pay |
|-----------------------------|-----------------------|-----------------------|
| Senior Manager or below     | 8 weeks of Base Pay   | 26 weeks of Base Pay  |
| Director or Senior Director | 16 weeks of Base Pay  | 39 weeks of Base Pay  |
| Vice President and above    | 26 weeks of Base Pay  | 52 weeks of Base Pay  |

*Other Energy Transfer Sponsored Benefit Plans.* Our NEOs participate in certain retirement and deferred compensation plans sponsored by Energy Transfer or its affiliates as described below. The Partnership is not allocated any compensation expense nor does it make any contributions to the plans sponsored by Energy Transfer or its affiliates.

*Energy Transfer Non-Qualified Deferred Compensation Plan* (the “ET NQDC Plan”) is a deferred compensation plan, which permits eligible highly compensated employees to defer a portion of their salary, bonus and/or quarterly non-vested restricted unit and/or restricted phantom unit distribution equivalent income until retirement, termination of employment or other designated distribution event. Energy Transfer may make annual discretionary matching contributions to participants’ accounts; however, Energy Transfer has not made any discretionary contributions to participants’ accounts and currently has no plans to make any discretionary contributions to participants’ accounts.

### ***Risk Assessment Related to Our Compensation Structure***

We believe our compensation plans and programs for our named executive officers, as well as the other employees who provide services to us, are appropriately structured and are not reasonably likely to result in material risk to us. We believe our compensation plans and programs are structured in a manner that does not promote excessive risk-taking that could harm our value or reward poor judgment. We also believe we have allocated our compensation among base salary and short and long-term compensation in such a way as to not encourage excessive risk-taking. We use restricted units and/or restricted phantom units rather than unit options for equity awards because restricted units and/or restricted phantom units retain value even in a depressed market so that employees are less likely to take unreasonable risks to get, or keep, options “in-the-money.” Finally, the time-based vesting over five years for our long-term incentive awards ensures that our employees’ interests align with those of our unitholders for our long-term performance.

### ***Accounting and Tax Considerations***

We account for the equity compensation expense for equity awards granted under our LTIP in accordance with U.S. generally accepted accounting principles (“GAAP”), which requires us to estimate and record an expense for each equity award over the vesting period of the award. For restricted units and/or restricted phantom units that are paid out in the form of common units, the value of our common units on the date of grant is used for determining the expense. The expense for restricted units and/or restricted phantom units settled in common units is recognized ratably over the vesting period. For cash compensation, the accounting rules require us to record it as

an expense at the time the obligation is accrued. Because we are a partnership, and our General Partner is a limited liability company, Internal Revenue Code (“Code”) Section 162(m) does not apply to the compensation paid to our NEOs and, accordingly, our Compensation Committee did not consider its impact in making the compensation recommendations discussed above.

### **Compensation Committee Interlocks and Insider Participation**

Messrs. Alvarez, Anbouba and Smith were the only members of the Compensation Committee during 2024. Mr. Smith joined the Compensation Committee in March 2024 after Mr. Anbouba’s passing in February 2024. During 2024, none of Messrs. Alvarez, Anbouba nor Mr. Smith was an officer or employee of affiliates of Energy Transfer, or served as an officer of any company with respect to which any of our executive officers served on such company’s board of directors. In addition, neither of the current Compensation Committee members is a former employee of affiliates of Energy Transfer.

### **Compensation Committee Report**

The Compensation Committee of the board of directors of our General Partner has reviewed and discussed the section of this report entitled “Compensation Discussion and Analysis” with the management of the Partnership and approved its inclusion on this annual report on Form 10-K.

#### **Compensation Committee**

Oscar A. Alvarez (Chairman)

W. Brett Smith

The foregoing report shall not be deemed to be incorporated by reference by any general statement or reference to this Annual Report on Form 10-K into any filing under the Securities Act, as amended, or the Exchange Act, as amended, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under those Acts.

#### **Summary Compensation Table**

| Name and Principal Position                        | Year | Salary<br>(\$) <sup>(1)</sup> | Unit Awards<br>(\$) <sup>(2)</sup> | Non-Equity<br>Incentive<br>Plan<br>Compensation<br>(\$) <sup>(3)</sup> | Change in<br>Nonqualified<br>Deferred<br>Compensation<br>Earnings | All Other<br>Compensation<br>(\$) <sup>(4)</sup> | Total (\$)   |
|----------------------------------------------------|------|-------------------------------|------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------|--------------|
| Joseph Kim                                         | 2024 | \$ 800,962                    | \$ 4,145,250                       | \$ 1,291,150                                                           | \$ 44,221                                                         | \$ 16,817                                        | \$ 6,298,400 |
| President and Chief Executive Officer              | 2023 | 649,500                       | 3,759,700                          | 1,015,000                                                              | 44,275                                                            | 16,832                                           | 5,485,307    |
|                                                    | 2022 | 612,000                       | 3,385,740                          | 922,900                                                                | —                                                                 | 15,471                                           | 4,936,111    |
| Dylan A. Bramhall <sup>(5)</sup>                   | 2024 | —                             | —                                  | —                                                                      | —                                                                 | —                                                | —            |
| Chief Financial Officer                            | 2023 | —                             | —                                  | —                                                                      | —                                                                 | —                                                | —            |
|                                                    | 2022 | 137,644                       | 621,960                            | —                                                                      | —                                                                 | 2,088                                            | 761,692      |
| Karl R. Fails                                      | 2024 | 492,787                       | 1,823,910                          | 675,000                                                                | 245,334                                                           | 21,111                                           | 3,258,142    |
| Executive Vice President, Chief Operating Officer  | 2023 | 401,187                       | 1,611,300                          | 530,000                                                                | 240,541                                                           | 19,494                                           | 2,802,522    |
|                                                    | 2022 | 384,343                       | 1,160,700                          | 470,000                                                                | (302,824)                                                         | 18,199                                           | 1,730,418    |
| Brian A. Hand                                      | 2024 | 394,915                       | 1,105,400                          | 515,000                                                                | 152,697                                                           | 19,224                                           | 2,187,236    |
| Executive Vice President, Chief Sales Officer      | 2023 | 359,629                       | 1,101,055                          | 454,000                                                                | 136,917                                                           | 18,836                                           | 2,070,437    |
|                                                    | 2022 | 337,634                       | 821,250                            | 392,000                                                                | (110,748)                                                         | 16,171                                           | 1,456,307    |
| Austin B. Harkness                                 | 2024 | 381,831                       | 1,105,400                          | 515,000                                                                | —                                                                 | 18,189                                           | 2,020,420    |
| Executive Vice President, Chief Commercial Officer | 2023 | 327,500                       | 1,101,055                          | 413,000                                                                | —                                                                 | 16,905                                           | 1,858,460    |
|                                                    | 2022 | 281,915                       | 1,095,500                          | 330,000                                                                | —                                                                 | 14,544                                           | 1,721,959    |

(1) In accordance with the terms of our partnership agreement, we reimburse our General Partner and its affiliates for compensation related expenses attributable to the portion of the named executive officer’s time dedicated to providing services to us. For the periods presented, amounts reported herein reflect 100% of the base salary associated with the NEO’s services, except for Mr. Bramhall’s base salary which is allocated at 40% based on the portion of his compensation attributable to SUN prior to his promotion on November 11, 2022. Cash compensation expenses for each NEO were allocated on the basis of total cash compensation earned by the NEO during the period.

(2) The amounts reported for unit awards represent the full grant date fair value of RSUs and CRSUs granted to each of our NEOs, computed in accordance with FASB ASC Topic 718, disregarding any estimates for forfeitures. For Mr. Bramhall, the amounts reported above include only his grants of Sunoco LP restricted units and exclude grants of Energy Transfer plan-based awards.

- (3) Sunoco LP maintains the Amended Bonus Plan which provides for discretionary bonuses. Awards of discretionary bonuses are tied to achievement of targeted performance objectives and described in the Compensation Discussion and Analysis. In respect of Mr. Bramhall, 100% of his bonuses for the periods presented were awarded under the Energy Transfer bonus plan and are 100% attributable to Energy Transfer.
- (4) The amounts reflected for 2024 in this column include (i) 401(k) Plan matching contributions made on behalf of the named executive officers of \$12,885 for Mr. Kim, \$17,250 for Mr. Fails, \$14,429 for Mr. Hand, and \$17,250 for Mr. Harkness, (ii) health savings account contributions made on behalf of the named executive officers of \$2,000 each for Messrs. Kim, Fails and Hand, and (iii) the dollar value of life insurance premiums paid for the benefit of the named executive officers of \$1,932 for Mr. Kim, \$1,861 for Mr. Fails, \$2,796 for Mr. Hand and \$939 for Mr. Harkness.
- (5) Mr. Bramhall's compensation is reported in detail in Item 11 of the Energy Transfer LP Annual Report on Form 10-K. All compensation decisions impacting Mr. Bramhall are made by the Compensation Committee of LE GP LLC, the general partner of Energy Transfer LP. As noted in the compensation discussion and analysis above, 100% of Mr. Bramhall's 2024 compensation, other than the \$144,302 in DERs paid on his unvested Sunoco LP restricted units was attributable to Energy Transfer LP. All compensation decisions for 2024, were made by the Compensation Committee of LE GP LLC. Prior to 2023, Mr. Bramhall's compensation was handled on a dual basis with the management of Energy Transfer, setting Mr. Bramhall's salary, long-term incentive pool targets and annual bonus targets and awards of long-term incentives and annual bonus amounts attributable to his services to Energy Transfer and the Compensation Committee directly approving the portions of Mr. Bramhall's long-term incentives and annual bonus attributable to his services to SUN.

The amounts reflected for all periods exclude distribution payments in connection with DERs on unvested unit awards, because the dollar value of such distributions are factored into the grant date fair value reported in the "Unit Awards" column of the Summary Compensation Table at the time that the unit awards and DERs were originally granted. For 2024, distribution payments in connection with DERs totaled \$945,199 for Mr. Kim, \$144,302 for Mr. Bramhall (excluding distributions related to Energy Transfer unit awards), \$394,056 for Mr. Fails, \$274,556 for Mr. Hand, and \$251,488 for Mr. Harkness.

#### Grants of Plan-Based Awards in 2024

The table below reflects awards granted to our NEOs under the LTIP during 2024.

| Name                                          | Grant Date | Type of Award <sup>(1)</sup> | All Other Unit Awards:<br>Number of<br>Shares of Units<br>(#) <sup>(1)</sup> | Grant Date<br>Fair Value of<br>Unit Awards<br>(\$) <sup>(1)</sup> |
|-----------------------------------------------|------------|------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>Sunoco LP Unit Awards:</b>                 |            |                              |                                                                              |                                                                   |
| Joseph Kim                                    | 12/5/2024  | Restricted units             | 56,250                                                                       | \$ 3,108,938                                                      |
| Karl R. Fails                                 | 12/5/2024  | Restricted units             | 24,750                                                                       | 1,367,933                                                         |
| Brian A. Hand                                 | 12/5/2024  | Restricted units             | 15,000                                                                       | 829,050                                                           |
| Austin B. Harkness                            | 12/5/2024  | Restricted units             | 15,000                                                                       | 829,050                                                           |
| <b>Sunoco LP Cash Restricted Unit Awards:</b> |            |                              |                                                                              |                                                                   |
| Joseph Kim                                    | 12/5/2024  | Cash restricted units        | 18,750                                                                       | \$ 1,036,313                                                      |
| Karl R. Fails                                 | 12/5/2024  | Cash restricted units        | 8,250                                                                        | 455,978                                                           |
| Brian A. Hand                                 | 12/5/2024  | Cash restricted units        | 5,000                                                                        | 276,350                                                           |
| Austin B. Harkness                            | 12/5/2024  | Cash restricted units        | 5,000                                                                        | 276,350                                                           |

- (1) The reported grant date fair value of unit awards was determined in compliance with FASB ASC Topic 718 and are more fully described in Note 19 to our consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data." For Mr. Bramhall, the amounts reported above include only his grants of Sunoco LP restricted units and exclude grants of Energy Transfer plan-based awards.

## Outstanding Equity Awards at December 31, 2024

The following table reflects NEO equity awards granted under the LTIP Plan that were outstanding at December 31, 2024.

| Name                                   | Grant Date <sup>(1)</sup> | Unit Awards <sup>(1)</sup>               |                                                                |
|----------------------------------------|---------------------------|------------------------------------------|----------------------------------------------------------------|
|                                        |                           | Number of Units That Have Not Vested (#) | Market Value of Units That Have Not Vested (\$) <sup>(2)</sup> |
| Sunoco LP Unit Awards:                 |                           |                                          |                                                                |
| Joseph Kim                             | 12/5/2024                 | 56,250                                   | \$ 2,893,500                                                   |
|                                        | 12/8/2023                 | 70,000                                   | 3,600,800                                                      |
|                                        | 12/12/2022                | 77,300                                   | 3,976,312                                                      |
|                                        | 12/16/2021                | 23,200                                   | 1,193,408                                                      |
|                                        | 12/30/2020                | 39,540                                   | 2,033,938                                                      |
| Dylan A. Bramhall <sup>(3)</sup>       | 12/12/2022                | 14,200                                   | 730,448                                                        |
|                                        | 12/16/2021                | 5,200                                    | 267,488                                                        |
|                                        | 12/30/2020                | 6,400                                    | 329,216                                                        |
|                                        | 10/27/2020                | 8,000                                    | 411,520                                                        |
| Karl R. Fails                          | 12/5/2024                 | 24,750                                   | 1,273,140                                                      |
|                                        | 12/8/2023                 | 30,000                                   | 1,543,200                                                      |
|                                        | 12/12/2022                | 26,500                                   | 1,363,160                                                      |
|                                        | 12/16/2021                | 10,200                                   | 524,688                                                        |
|                                        | 9/2/2021                  | 8,000                                    | 411,520                                                        |
|                                        | 12/30/2020                | 13,200                                   | 679,008                                                        |
| Brian A. Hand                          | 12/5/2024                 | 15,000                                   | 771,600                                                        |
|                                        | 12/8/2023                 | 20,500                                   | 1,054,520                                                      |
|                                        | 12/12/2022                | 18,750                                   | 964,500                                                        |
|                                        | 12/16/2021                | 7,400                                    | 380,656                                                        |
|                                        | 12/30/2020                | 12,000                                   | 617,280                                                        |
| Austin B. Harkness                     | 12/5/2024                 | 15,000                                   | 771,600                                                        |
|                                        | 12/8/2023                 | 20,500                                   | 1,054,520                                                      |
|                                        | 12/12/2022                | 16,500                                   | 848,760                                                        |
|                                        | 9/24/2022                 | 10,000                                   | 514,400                                                        |
|                                        | 12/16/2021                | 5,800                                    | 298,352                                                        |
|                                        | 12/30/2020                | 8,000                                    | 411,520                                                        |
| Sunoco LP Cash Restricted Unit Awards: |                           |                                          |                                                                |
| Joseph Kim                             | 12/5/2024                 | 18,750                                   | \$ 964,500                                                     |
| Karl R. Fails                          | 12/5/2024                 | 8,250                                    | 424,380                                                        |
| Brian A. Hand                          | 12/5/2024                 | 5,000                                    | 257,200                                                        |
| Austin B. Harkness                     | 12/5/2024                 | 5,000                                    | 257,200                                                        |

<sup>(1)</sup> RSUs outstanding vest as follows:

- at a rate of 60% in December 2027 and 40% in December 2029 for awards granted in December 2024;
- at a rate of 60% in December 2026 and 40% in December 2028 for awards granted in December 2023;
- at a rate of 60% in December 2025 and 40% in December 2027 for awards granted in September and December 2022;
- 100% in December 2026 the remaining outstanding portion of awards granted in December 2021; and
- 100% in December 2025 for the remaining outstanding portion of awards granted in October 2020, December 2020 and September 2021.

Such awards may be settled at the election of the Compensation Committee in (i) common units of Sunoco LP; (ii) cash equal to the Fair Market Value (as such term is defined in the LTIPs) of Sunoco LP common units that would otherwise be delivered pursuant to the terms of each named executive officers grant agreement; or (iii) other securities or property in an amount equal to Fair Market Value of Sunoco LP common units that would otherwise be delivered pursuant to the terms of the grant agreement, or a combination thereof as determined by the Compensation Committee in its discretion.

CRSU awards granted in December 2024 vest 1/3 per year in December 2025, 2026 and 2027.

- (2) Based on the closing market price of our common units of \$51.44 on December 31, 2024.
- (3) For Mr. Bramhall, the amounts reported above include only his outstanding grants of Sunoco LP restricted units and exclude grants of Energy Transfer plan-based awards.

### Units Vested in 2024

The following table provides information regarding the vesting of SUN restricted units held by certain of our NEOs during 2024. There are no options outstanding on our common units.

| Name                          | Unit Awards                             |                                               |
|-------------------------------|-----------------------------------------|-----------------------------------------------|
|                               | Number of Units Acquired on Vesting (#) | Value Realized on Vesting (\$) <sup>(1)</sup> |
| <b>Sunoco LP Unit Awards:</b> |                                         |                                               |
| Joseph Kim                    | 62,446                                  | \$ 3,451,390                                  |
| Dylan A. Bramhall             | 7,800                                   | 431,106                                       |
| Karl R. Fails                 | 25,700                                  | 1,420,439                                     |
| Brian A. Hand                 | 20,500                                  | 1,133,035                                     |
| Austin B. Harkness            | 11,700                                  | 646,659                                       |

- <sup>(1)</sup> Amounts presented represent the number of unit awards vested during 2024 and the value realized upon vesting of these awards, which is calculated as the number of units vested multiplied by the closing price of Sunoco LP's common units upon the vesting date.

### Non-Qualified Deferred Compensation

The Energy Transfer NQDC Plan is a deferred compensation plan which permits eligible highly compensated employees to defer a portion of their salary, bonus, and/or quarterly non-vested phantom unit distribution equivalent income until retirement, termination of employment or other designated distribution event. Each year under the Energy Transfer NQDC Plan, eligible employees are permitted to make an irrevocable election to defer up to 50% of their annual base salary, 50% of their quarterly non-vested phantom unit distribution income, and/or 50% of their discretionary performance bonus compensation during the following year. Pursuant to the Energy Transfer NQDC Plan, Energy Transfer may make annual discretionary matching contributions to participants' accounts; however, Energy Transfer has not made any discretionary contributions to participants' accounts and currently has no plans to make any discretionary contributions to participants' accounts. All amounts credited under the Energy Transfer NQDC Plan (other than discretionary credits) are immediately 100% vested. Participant accounts are credited with deemed earnings or losses based on hypothetical investment fund choices made by the participants among available funds.

Participants may elect to have their account balances distributed in one lump sum payment or in annual installments over a period of three or five years upon retirement, and in a lump sum upon other termination events. Participants may also elect to take lump sum in-service withdrawals five years or longer in the future, and such scheduled in-service withdrawals may be further deferred prior to the withdrawal date. Upon a change in control (as defined in the Energy Transfer NQDC Plan) of Energy Transfer, all Energy Transfer NQDC Plan accounts are immediately vested in full. However, distributions are not accelerated and, instead, are made in accordance with the Energy Transfer NQDC Plan's normal distribution provisions unless a participant has elected to receive a change of control distribution pursuant to his deferral agreement.

The following table provides the voluntary salary deferrals made by the named executive officers in 2024 under the Energy Transfer NQDC Plan and Sunoco Executive DC Plan.



| Name          | Executive Contributions in Last FY (\$) | Registrant Contributions in Last FY (\$) | Aggregate Earnings in Last FY (\$) <sup>(1)</sup> | Aggregate Withdrawals/Distributions (\$) | Aggregate Balance at Last FYE (\$) |
|---------------|-----------------------------------------|------------------------------------------|---------------------------------------------------|------------------------------------------|------------------------------------|
| Joseph Kim    | \$ —                                    | \$ —                                     | \$ 44,221                                         | \$ —                                     | \$ 411,510                         |
| Karl R. Fails | —                                       | —                                        | 245,334                                           | —                                        | 1,586,754                          |
| Brian A. Hand | 163,178                                 | —                                        | 152,697                                           | —                                        | 1,037,816                          |

<sup>(1)</sup> Amounts included in the aggregate earnings column above have been included in the change in non-qualified deferred compensation earnings column of the summary compensation table.

### Potential Payments upon Termination or Change of Control

Pursuant to the terms of the award agreements issued under the LTIPs and/or the CRU Plan, in the event of a (i) Change of Control (as defined in the LTIPs and/or the CRU Plan, summarized below) or (ii) termination of employment due to death or disability, all RSUs and CRSUs shall vest. In the event of a termination of employment for any other reason, all RSUs and CRSUs that are still unvested shall be forfeited. The RSUs and CRSUs that would vest in the event of Change of Control are those awards described for each NEO in the table entitled “Outstanding Equity Awards at December 31, 2024”.

In addition, the Compensation Committee has approved a retirement provision, which provides that employees, including the named executive officers with at least five years of service with the general partner, who leave the respective general partner voluntarily due to retirement (i) after age 65 but prior to age 68 are eligible for accelerated vesting of 40% of his or her award; or (ii) after 68 are eligible for accelerated vesting of 50% of his or her award. The acceleration of the awards is subject to the applicable provisions of IRC Section 409A. The retirement provision also requires that the award be held for at least one year after the grant date in order to be eligible for acceleration.

Under the LTIPs, a “Change of Control” means, and shall be deemed to have occurred upon one or more of the following events: (i) any “person” or “group” within the meaning of those terms as used in Sections 13(d) and 14(d)(2) of the Exchange Act, other than members of the General Partner, the Partnership, or an affiliate of either the General Partner or the Partnership, shall become the beneficial owner, by way of merger, consolidation, recapitalization, reorganization or otherwise, of 50% or more of the voting power of the voting securities of the General Partner or the Partnership; (ii) the limited partners of the General Partner or the Partnership approve, in one transaction or a series of transactions, a plan of complete liquidation of the General Partner or the Partnership; (iii) the sale or other disposition by either the General Partner or the Partnership of all or substantially all of its assets in one or more transactions to any Person other than an affiliate; (iv) the General Partner or an affiliate of the General Partner or the Partnership ceases to be the General Partner of the Partnership; (v) any other event specified as a “Change of Control” in the equity incentive plan maintained by the Partnership at the time of such “Change of Control;” or (vi) any other event specified as a “Change of Control” in an applicable award agreement. Notwithstanding the above, with respect to a 409A award, a “Change of Control” shall not occur unless that Change of Control also constitutes a “change in the ownership of a corporation,” a “change in the effective control of a corporation,” or a “change in the ownership of a substantial portion of a corporation’s assets,” in each case, within the meaning of 1.409A-3(i)(5) of the 409A regulations, as applied to non-corporate entities.

The following table shows the amount of incremental value that would have been received by each of the NEOs upon certain events of termination or a change of control resulting in the accelerated vesting of the restricted units and/or restricted phantom units held by our NEOs on December 31, 2024:

| Name                             | Benefit      | Termination Due to Death or Disability (\$) <sup>(1)</sup> | Termination for any other reason (\$) | Change of Control with or without Continued Employment (\$) <sup>(1)</sup> | Not for Cause Termination (\$) |
|----------------------------------|--------------|------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------|--------------------------------|
| Joseph Kim                       | Unit Vesting | \$ 14,662,458                                              | \$ —                                  | \$ 14,662,458                                                              | \$ —                           |
| Dylan A. Bramhall <sup>(2)</sup> | Unit Vesting | 1,738,672                                                  | —                                     | 1,738,672                                                                  | —                              |
| Karl R. Fails                    | Unit Vesting | 6,219,096                                                  | —                                     | 6,219,096                                                                  | —                              |
| Brian A. Hand                    | Unit Vesting | 4,045,756                                                  | —                                     | 4,045,756                                                                  | —                              |
| Austin B. Harkness               | Unit Vesting | 4,156,352                                                  | —                                     | 4,156,352                                                                  | —                              |

<sup>(1)</sup> The amounts reflected above represent the product of the number of RSUs units that were subject to vesting/restrictions on December 31, 2024 multiplied by the closing price of applicable common units on that date.

<sup>(2)</sup> For Mr. Bramhall, the amounts reported above include only his outstanding grants of Sunoco LP restricted units and exclude grants of Energy Transfer plan-based awards.

## CEO Pay Ratio

In accordance with Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, set forth below is information about the relationship of the annual total compensation of Mr. Kim, our President and Chief Executive Officer, and the annual total compensation of our employees.

For the 2024 calendar year:

- The annual total compensation of Mr. Kim, as reported in the Summary Compensation Tables of this Item 11 was \$6,298,400; and
- The median total compensation of the employees supporting our Partnership (other than Mr. Kim) was \$111,268 for 2022, which “median employee” will be used for the 2024 analysis.

Based on this information, for 2024 the ratio of the annual total compensation of Mr. Kim to the median of the annual total compensation was approximately 57 to 1.

To identify the median of the annual total compensation of the employees supporting the Partnership, the following steps were taken:

1. It was determined that, as of December 31, 2024, the applicable employee populations consisted of 3,298 with all of the identified individuals being employed in the United States. This population consisted of all of our full-time and part-time employees. We did not engage any independent contractors in 2024 that are required to be included in our employee population for the CEO pay ratio evaluation.
2. To identify the “median employee” from our employee population, we compared the total earnings of our employees as reflected in our payroll records as reported on Form W-2 for 2024.
3. We identified our median employee using W-2 reporting and applied this compensation measure consistently to all of our employees required to be included in the calculation. We did not make any cost of living adjustments in identifying the “median employee”.
4. Once we identified our median employee, we combined all elements of the employee’s compensation for 2024 resulting in an annual compensation of \$111,268, with cash compensation of \$95,259. The difference between such employee’s total earnings and the employee’s total compensation represents the estimated value of the employee’s health care benefits (estimated for the employee and such employee’s eligible dependents at \$12,981 and the employee’s 401(k) matching contribution and profit sharing contribution, as applicable estimated at \$5,027 per employee).
5. With respect to Mr. Kim, we used the amount reported in the “Total” column of our 2024 Summary Compensation Table under this Item 11.

## Compensation of Directors

Our Board periodically reviews and determines the amounts payable to the members of our Board. For 2024, the directors of the General Partner who were not employees of the General Partner or its affiliates received, as applicable: an annual cash retainer of \$100,000; an annual cash retainer of \$15,000 (\$25,000 for the chair) for serving on our audit committee; an annual cash retainer of \$7,500 (\$15,000 for the chair) for serving on our Compensation Committee; and a cash fee for the engagement of the special committee of the Board (the “Special Committee”), as determined by the Board at the time of such engagement. Such directors also received an annual grant of RSUs under the LTIP equal to an aggregate of \$125,000 based on the same grant date valuation as is used for annual long-term incentive awards made to Partnership officers, including the named executive officers, through the annual modified total unitholder return analysis. Directors appointed during the year, or who cease to be directors during a year, receive a pro-rated portion of any cash retainers. In addition, each non-employee director who is appointed to the Board for the first time is entitled to receive 2,500 unvested SUN common units. Unit awards granted to non-employee directors will vest 60% after the third year and the remaining 40% after the fifth year after the grant date.

Under the LTIP, the director will forfeit all unvested RSUs upon a termination of his duties as a director for any reason. If the director ceases providing services due to death or disability (as defined by the LTIP) prior to the date all RSUs units have vested, then all restrictions lapse and all RSUs become immediately vested. If a Change of Control (as defined under the LTIP) occurs, then all unvested RSUs become fully vested as of the date of the Change of Control. In addition, our directors will be reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the Board or its committees.

The following table provides a summary of compensation paid to each of our current and former non-employee directors with respect to 2024:

| Name                             | Fees Earned or Paid in Cash (\$) <sup>(1)</sup> | Unit Awards (\$) <sup>(2)</sup> | Total (\$) |
|----------------------------------|-------------------------------------------------|---------------------------------|------------|
| Oscar A. Alvarez                 | 130,000                                         | 114,101                         | 244,101    |
| Imad Anboubia <sup>(3)</sup>     | 61,250                                          | —                               | 61,250     |
| Bradley C. Barron <sup>(4)</sup> | 25,000                                          | 114,101                         | 139,101    |
| David K. Skidmore                | 125,000                                         | 114,101                         | 239,101    |
| W. Brett Smith <sup>(4)</sup>    | 56,147                                          | 114,101                         | 170,248    |
| Ray W. Washburne                 | 100,000                                         | 114,101                         | 214,101    |

<sup>(1)</sup> The amounts in this column reflect the aggregate dollar amount of fees earned or paid in cash including the annual retainer fee.

<sup>(2)</sup> The amounts reported for unit awards represent the full grant date fair value of the awards granted in 2024, calculated in accordance with FASB ASC Topic 718, disregarding any estimate for forfeiture. These amounts do not correspond to the actual value that may be recognized by the recipient upon any disposition of vested units and do not give effect to any decline or increase in the trading price of our common units since the date of grant. For a discussion of the assumptions and methodologies used in calculating the grant date fair value of the unit awards reported above, see Note 19 in our consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data.”

As discussed above, the number of units awarded is based on the annual award amount of \$125,000 divided by the same grant-date valuation as is used for annual long-term incentive award to Partnership officers through the modified total unitholders return analysis.

Current year amounts reflect annual awards granted on January 2, 2025.

<sup>(3)</sup> Mr. Anboubia was previously a director until February 2024.

<sup>(4)</sup> Mr. Barron was appointed to the board of directors in July 2024. Mr. Smith was appointed to the board of directors in March 2024.

Mr. Christopher R. Curia did not receive compensation from SUN in 2024.

As of December 31, 2024, Mr. Alvarez had 10,805 outstanding RSUs, Mr. Skidmore had 9,108 outstanding RSUs and Mr. Washburne had 8,175 outstanding RSUs. Additionally, Mr. Curia had 38,687 outstanding RSUs.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Unitholder Matters

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the beneficial ownership of common units and Class C Units of the Partnership that are issued and outstanding as of February 7, 2025 and held by:

- each person or group of persons known by us to be beneficial owners of 5% or more of our common or Class C Units;
- each director, director nominee and named executive officer of our General Partner; and
- all of our directors and executive officers of our General Partner, as a group.

| <b>Name of Beneficial Owner <sup>(1)</sup></b>                   | <b>Common Units Beneficially Owned <sup>(5)</sup></b> | <b>Percentage of Common Units Beneficially Owned</b> |
|------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------|
| Energy Transfer <sup>(2)</sup>                                   | 28,463,967                                            | 20.9%                                                |
| Invesco Ltd. <sup>(3)</sup>                                      | 8,670,067                                             | 6.4%                                                 |
| ALPS Advisors, Inc. <sup>(4)</sup>                               | 20,603,455                                            | 15.1%                                                |
| Joseph Kim <sup>(6)</sup>                                        | 222,208                                               | *                                                    |
| Karl R. Fails                                                    | 132,902                                               | *                                                    |
| Brian A. Hand                                                    | 86,538                                                | *                                                    |
| Dylan A. Bramhall                                                | 17,829                                                | *                                                    |
| Austin B. Harkness                                               | 18,281                                                | *                                                    |
| Christopher R. Curia                                             | 91,141                                                | *                                                    |
| Ray W. Washburne                                                 | —                                                     | *                                                    |
| Oscar A. Alvarez                                                 | 12,988                                                | *                                                    |
| Bradley C. Barron                                                | 20,000                                                | *                                                    |
| David K. Skidmore                                                | 6,959                                                 | *                                                    |
| W. Brett Smith                                                   | 1,477                                                 | *                                                    |
| All executive officers and directors as a group (eleven persons) | 610,323                                               | *                                                    |

\* Represents less than 1%.

<sup>(1)</sup> As of the date set forth above, there are no arrangements for any listed beneficial owner to acquire within 60 days common units from options, warrants, rights, conversion privileges or similar obligations. Unless otherwise indicated, the address for all beneficial owners in this table is 8111 Westchester Drive, Suite 400, Dallas, Texas 75225.

<sup>(2)</sup> The address for Energy Transfer and Energy Transfer's subsidiaries is 8111 Westchester Drive, Suite 600, Dallas, Texas 75225.

<sup>(3)</sup> The information contained in the table and this footnote with respect to Invesco Ltd. is based solely on a filing on Schedule 13G filed with the SEC on November 8, 2024. The business address of the reporting party is 1331 Spring Street NW, Suite 2500, Atlanta, Georgia 30309.

<sup>(4)</sup> The information contained in the table and this footnote with respect to ALPS Advisors, Inc. is based solely on a filing on Schedule 13G filed with the SEC on February 13, 2025. The business address of the reporting party is 1290 Broadway, Suite 1000, Denver, Colorado 80203. ALPS Advisors, Inc. and Alerian MLP ETF, a fund controlled by ALPS, have shared voting and dispositive power as to the 20,603,455 common units.

<sup>(5)</sup> Does not include unvested phantom units that may not be voted or transferred prior to vesting. As of February 7, 2025, there were 136,235,878 common units deemed to be beneficially owned for purposes of the above table.

<sup>(6)</sup> Includes 10,000 common units Mr. Kim owns indirectly by the Kim Living Trust.

The following table sets forth, as of February 7, 2025, the number of common units of Energy Transfer owned by each of the directors and named executive officers of our General Partner and all directors and current executive officers of our General Partner as a group.

| Name of Beneficial Owner <sup>(1)</sup>                          | Energy Transfer<br>Common Units Beneficially Owned <sup>†</sup> |                                                       |
|------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------|
|                                                                  | Number of<br>Common Units <sup>(2)</sup>                        | Percentage of<br>Total Common<br>Units <sup>(3)</sup> |
| Joseph Kim                                                       | 12,000                                                          | *                                                     |
| Karl R. Fails                                                    | 13,161                                                          | *                                                     |
| Brian A. Hand                                                    | —                                                               | *                                                     |
| Dylan A. Bramhall                                                | 177,591                                                         | *                                                     |
| Austin B. Harkness                                               | —                                                               | *                                                     |
| Christopher R. Curia                                             | 679,346                                                         | *                                                     |
| Ray W. Washburne <sup>(4)</sup>                                  | 631,032                                                         | *                                                     |
| Oscar A. Alvarez                                                 | 3,379                                                           | *                                                     |
| Bradley C. Barron                                                | —                                                               | *                                                     |
| David K. Skidmore                                                | 121,755                                                         | *                                                     |
| W. Brett Smith                                                   | 38,339                                                          | *                                                     |
| All executive officers and directors as a group (eleven persons) | 1,676,603                                                       | *                                                     |

\* Represents less than 1%.

† Officers and directors of our General Partner may be deemed to indirectly beneficially own certain limited partnership interests in us or Energy Transfer, by virtue of owning common units in Energy Transfer, or based upon their simultaneous service as officers or directors of Energy Transfer. Any such deemed ownership is not reflected in the table.

(1) Unless otherwise indicated, the address for all beneficial owners in this table is 8111 Westchester Drive, Suite 400, Dallas, Texas 75225.

(2) Beneficial ownership for the purposes of the above table is determined in accordance with the rules and regulation of the SEC. These rules generally provide that a person is the beneficial owner of securities if they have or share the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof, or have the right to acquire such powers with sixty (60) days.

(3) As of February 7, 2025, there were 3,431,214,964 common units of Energy Transfer deemed to be beneficially owned for purposes of the above table.

(4) Includes 2,090 common units held by Mr. Washburne's wife and 502,172 common units held in various family trusts.

### Equity Compensation Plan Information

As of December 31, 2024, a total of 5,414,176 phantom units had been issued under our long-term incentive plans. Total securities remaining available for issuance under our long-term incentive plans as of December 31, 2024 were as follows:

#### Common Units Remaining Available for Issuance under Our Equity Compensation Plans

| Plan Category                                              | Number of<br>securities to be<br>issued upon<br>exercise of<br>outstanding<br>options, warrants<br>and rights | Weighted average<br>exercise price of<br>outstanding<br>options, warrants<br>and rights | Number of securities<br>remaining available<br>for future issuance<br>under equity<br>compensation plans |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Equity compensation plans approved by security holders     | —                                                                                                             | \$ —                                                                                    | —                                                                                                        |
| Equity compensation plans not approved by security holders | 1,504,357                                                                                                     | —                                                                                       | 7,299,966                                                                                                |
| <b>Total</b>                                               | <b>1,504,357</b>                                                                                              | <b>\$ —</b>                                                                             | <b>7,299,966</b>                                                                                         |

## Item 13. Certain Relationships and Related Transactions, and Director Independence

### Transactions with Energy Transfer and its Affiliates

The following table summarizes the distributions and payments made by us to Energy Transfer or its affiliates during 2024.

| <u>Transaction</u>                                                                      | <u>Explanation</u>                                                                                                                                                                     | <u>Amount/Value</u> |
|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 2024 quarterly distributions on limited partner interests and IDRs held by affiliates.  | Represents the aggregate amount of distributions made to affiliates of our General Partner in respect of common units and IDRs during 2024.                                            | \$226 million       |
| Fuel sold to affiliates.                                                                | Total revenues we received for fuel gallons sold by us to affiliates of our General Partner for 2024.                                                                                  | \$28 million        |
| Bulk purchases of motor fuel from Energy Transfer and its affiliates.                   | Represents payments made to Energy Transfer and its affiliates for bulk motor fuel purchases.                                                                                          | \$1.5 billion       |
| Reimbursement to our General Partner for certain allocated overhead and other expenses. | Total payment to our General Partner for reimbursement of overhead and other expenses, including employee compensation costs relating to employees supporting our operations for 2024. | \$35 million        |

### Other Transactions with Related Persons

#### *Related Party Agreements*

During 2024, Sunoco LLC and Sunoco Retail had administrative and support services agreements in place pursuant to which a subsidiary of Energy Transfer provided certain general and administrative services to Sunoco LLC and Sunoco Retail during 2024. In addition, Sunoco, LLC and Sunoco Retail have treasury services agreements for certain cash management activities with Energy Transfer (R&M), LLC, an indirect wholly owned subsidiary of Energy Transfer.

We are party to fee-based commercial agreements with various subsidiaries or affiliates of Energy Transfer for pipeline, terminalling and storage services. We also have agreements with subsidiaries of Energy Transfer for the purchase and sale of fuel.

Effective July 1, 2024, SUN and Energy Transfer formed ET-S Permian, a joint venture combining their respective crude oil and produced water gathering assets in the Permian Basin. SUN contributed all of its Permian crude oil gathering assets and operations to ET-S Permian. Energy Transfer contributed its Permian crude oil and produced water gathering assets and operations to ET-S Permian. Energy Transfer's long-haul crude pipeline network that provides transportation of crude oil out of the Permian Basin to Nederland, Houston, and Cushing is excluded from ET-S Permian.

ET-S Permian operates more than 5,000 miles of crude oil and water gathering pipelines with crude oil storage capacity in excess of 11 million barrels.

SUN holds a 32.5% interest, with Energy Transfer holding the remaining 67.5% interest in ET-S Permian. Energy Transfer serves as the operator of ET-S Permian.

#### *Procedures for Review, Approval and Ratification of Transactions with Related Persons*

For a discussion of director independence, see "Item 10. Directors, Executive Officers and Corporate Governance."

The Audit Committee reviews and considers related party transactions with various subsidiaries or affiliates of Energy Transfer. The Audit Committee has authorized the General Partner's management to enter into transactions with entities affiliated to Energy Transfer on arms-length terms taking into account then-current market conditions applicable to the services to be provided, and any such transaction, within management's delegation of authority levels shall be deemed approved by the Audit Committee, provided it is not a new related party transaction that may be material to the Partnership.

As a policy matter, our Special Committee, comprised of our independent directors, generally reviews any proposed related party transaction that may be material to the Partnership to determine whether the transaction is fair and reasonable to the Partnership. In determining materiality, our General Partner evaluates several factors including the terms of the transaction, the capital investment required, and the revenues expected from the transaction. While there are no written policies or procedures for the Board to follow in making these determinations, the Board makes those determinations in light of its contractually-limited duties to the Partnership's unitholders. Our partnership agreement provides that if the Board, through the Special Committee or otherwise, approves the resolution or course of action taken with respect to a conflict of interest, then it will be presumed that, in making its decision, the Board acted in good faith, and any proceeding brought by or on behalf of any limited partner or the Partnership, the person bringing or prosecuting such proceedings will have the burden of overcoming such presumption (see "Item 1A. Risk Factors - Risks Related to Our Structure" in this annual report on Form 10-K).



Additionally, we have in place a Code of Business Conduct and Ethics that is applicable to all directors, officers and employees of the Partnership and its subsidiaries and affiliates, that requires the approval by designated executive officers prior to entering into any related party transaction that could present a potential conflict of interest.

## Item 14. Principal Accountant Fees and Services

### Audit Fees

The following table presents fees for audit services rendered by Grant Thornton LLP for the audit of our annual consolidated financial statements for 2024 and 2023, and fees billed for other services rendered by Grant Thornton LLP during the corresponding periods (dollars in millions).

|                           | Fiscal 2024   | Fiscal 2023   |
|---------------------------|---------------|---------------|
| Audit Fees <sup>(1)</sup> | \$ 5.0        | \$ 2.3        |
| Audit-Related Fees        | —             | —             |
| Tax Fees                  | —             | —             |
| All Other Fees            | —             | —             |
|                           | <u>\$ 5.0</u> | <u>\$ 2.3</u> |

<sup>(1)</sup> Includes fees for audits of annual financial statements of our companies, reviews of the related quarterly financial statements and services that are normally provided by the independent accountants in connection with statutory and regulatory filings or engagements, including reviews of documents filed with the SEC and services related to the audit of our internal control over financial reporting.

### Policy for Approval of Audit and Non-Audit Services

Our audit committee charter requires that all services provided by our independent public accountants, both audit and non-audit, must be pre-approved by the audit committee. Pre-approval of audit and non-audit services may be given at any time up to a year before commencement of the specified service.

In determining whether to approve a particular audit or permitted non-audit service, the audit committee will consider, among other things, whether such service is consistent with maintaining the independence of the independent public accountants. The audit committee will also consider whether the independent public accountants are best positioned to provide the most effective and efficient service to us and whether the service might be expected to enhance our ability to manage or control risk or improve audit quality.

## **Part IV**

### **Item 15. Exhibit and Financial Statement Schedules**

The following documents are filed as a part of this Annual Report on Form 10-K:

- Financial Statements - see [Index to Consolidated Financial Statements](#) appearing on page [F-1](#).
- Financial Statement Schedules - None.
- Exhibits - see [Exhibit Index](#) set forth on page [73](#).

### **Item 16. Form 10-K Summary**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### Sunoco LP

By: Sunoco GP LLC, its general partner

By: /s/ Joseph Kim

Joseph Kim

President and Chief Executive Officer

(On behalf of the registrant, and in his capacity as principal executive officer)

Date: February 14, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| <u>Signature</u>                                        | <u>Title</u>                                                                                  | <u>Date</u>              |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------|
| <u>/s/ Joseph Kim</u><br>Joseph Kim                     | Director, President and Chief Executive Officer<br>(Principal Executive Officer)              | <u>February 14, 2025</u> |
| <u>/s/ Dylan A. Bramhall</u><br>Dylan A. Bramhall       | Chief Financial Officer<br>(Principal Financial Officer)                                      | <u>February 14, 2025</u> |
| <u>/s/ Rick J. Raymer</u><br>Rick J. Raymer             | Vice President, Controller and Principal Accounting Officer<br>(Principal Accounting Officer) | <u>February 14, 2025</u> |
| <u>/s/ Ray W. Washburne</u><br>Ray W. Washburne         | Chairman of the Board                                                                         | <u>February 14, 2025</u> |
| <u>/s/ Oscar A. Alvarez</u><br>Oscar A. Alvarez         | Director                                                                                      | <u>February 14, 2025</u> |
| <u>/s/ Bradley C. Barron</u><br>Bradley C. Barron       | Director                                                                                      | <u>February 14, 2025</u> |
| <u>/s/ Christopher R. Curia</u><br>Christopher R. Curia | Director                                                                                      | <u>February 14, 2025</u> |
| <u>/s/ David K. Skidmore</u><br>David K. Skidmore       | Director                                                                                      | <u>February 14, 2025</u> |
| <u>/s/ W. Brett Smith</u><br>W. Brett Smith             | Director                                                                                      | <u>February 14, 2025</u> |

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors of Sunoco GP LLC and  
Unitholders of Sunoco LP

### Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Sunoco LP (a Delaware limited partnership) and subsidiaries (the “Partnership”) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Partnership’s internal control over financial reporting as of December 31, 2024, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and our report dated February 14, 2025 expressed an unqualified opinion.

### Basis for opinion

These consolidated financial statements are the responsibility of the Partnership’s management. Our responsibility is to express an opinion on the Partnership’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Fair values of property and equipment and intangible assets acquired in the acquisition of NuStar Energy L.P.*

As described further in note 3 to the consolidated financial statements, on May 3, 2024, the Partnership completed the acquisition of NuStar Energy L.P. (“NuStar”) and the assets acquired and liabilities assumed were recorded at fair value as of the transaction date. The fair values of property and equipment and intangible assets recorded in the NuStar acquisition were \$6.96 billion and \$195 million, respectively. The Partnership utilized third-party valuation specialists to determine the fair values of the acquired property and equipment and intangible assets. We identified the estimation of the fair values of the acquired property and equipment and intangible assets as a critical audit matter.

The principal consideration for our determination that the estimation of the fair values of the acquired property and equipment and intangible assets is a critical audit matter is that there was estimation uncertainty due to significant judgments with respect to assumptions used to estimate the future cash flows, including gross profit, earnings before interest, taxes, depreciation, and amortization, capital expenditures and discount rates as well as the valuation methodologies applied by the third-party valuation specialists, including income, market and cost approaches. This in turn led to a high degree of auditor judgment and subjectivity, in performing procedures and evaluating audit evidence related to management’s forecasted future cash flows and assumptions. In addition, the audit effort involved the use of specialists to assist in performing these procedures and evaluating the audit evidence.

Our audit procedures related to the estimation of the fair value of the acquired property and equipment and intangible assets included the following procedures, among others. We tested the effectiveness of controls relating to management’s review of the assumptions

used to project future cash flows, the reconciliation of the future cash flows prepared by management to the data used in the valuation report prepared by the third-party specialists, and review of the valuation methodologies and assumptions applied by the third-party valuation specialists. In addition to testing the effectiveness of controls, we also performed the following:

- Assessed the reasonableness of management's future cash flows by:
  - evaluating management's significant assumptions used to project future cash flows, which included forecasted gross profit, earnings before interest, taxes, depreciation, and amortization, capital expenditures and discount rates, and
  - testing the projected future cash flows by comparing forecasted amounts to actual historical results to identify material changes and corroborating the basis for the changes, as applicable.
- Utilized a valuation specialist to evaluate:
  - the qualifications of the third-party valuation specialists engaged by the Partnership based on their credentials and experience,
  - the process used by management to develop the estimate, including valuation methodologies and assumptions used by the third-party valuation specialists and whether they were acceptable for the underlying assets and applied correctly,
  - the estimates of fair values for assets which were valued based on comparable market data and the appropriateness of the replacement costs, by performing independent market research and analyses, and
  - the appropriateness of the discount rate used by developing an independent range of acceptable discount rates and comparing those ranges to the amounts selected and applied by management.

/s/ GRANT THORNTON LLP

We have served as the Partnership's auditor since 2015.

Dallas, Texas  
February 14, 2025



**SUNOCO LP**  
**CONSOLIDATED BALANCE SHEETS**  
(Dollars in millions)

|                                                                                                                             | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>ASSETS</b>                                                                                                               |                              |                              |
| Current assets:                                                                                                             |                              |                              |
| Cash and cash equivalents                                                                                                   | \$ 94                        | \$ 29                        |
| Accounts receivable, net                                                                                                    | 1,162                        | 856                          |
| Accounts receivable from affiliates                                                                                         | —                            | 20                           |
| Inventories, net                                                                                                            | 1,068                        | 889                          |
| Other current assets                                                                                                        | 141                          | 133                          |
| Total current assets                                                                                                        | 2,465                        | 1,927                        |
| Property and equipment                                                                                                      | 8,914                        | 2,970                        |
| Accumulated depreciation                                                                                                    | (1,240)                      | (1,134)                      |
| Property and equipment, net                                                                                                 | 7,674                        | 1,836                        |
| Other assets:                                                                                                               |                              |                              |
| Operating lease right-of-use assets, net                                                                                    | 477                          | 506                          |
| Goodwill                                                                                                                    | 1,477                        | 1,599                        |
| Intangible assets, net                                                                                                      | 547                          | 544                          |
| Other non-current assets                                                                                                    | 400                          | 290                          |
| Investments in unconsolidated affiliates                                                                                    | 1,335                        | 124                          |
| Total assets                                                                                                                | <u>\$ 14,375</u>             | <u>\$ 6,826</u>              |
| <b>LIABILITIES AND EQUITY</b>                                                                                               |                              |                              |
| Current liabilities:                                                                                                        |                              |                              |
| Accounts payable                                                                                                            | \$ 1,255                     | \$ 828                       |
| Accounts payable to affiliates                                                                                              | 199                          | 170                          |
| Accrued expenses and other current liabilities                                                                              | 457                          | 353                          |
| Operating lease current liabilities                                                                                         | 34                           | 22                           |
| Current maturities of long-term debt                                                                                        | 2                            | —                            |
| Total current liabilities                                                                                                   | 1,947                        | 1,373                        |
| Operating lease non-current liabilities                                                                                     | 479                          | 511                          |
| Long-term debt, net                                                                                                         | 7,484                        | 3,580                        |
| Advances from affiliates                                                                                                    | 82                           | 102                          |
| Deferred tax liabilities                                                                                                    | 157                          | 166                          |
| Other non-current liabilities                                                                                               | 158                          | 116                          |
| Total liabilities                                                                                                           | 10,307                       | 5,848                        |
| Commitments and contingencies (Note 13)                                                                                     |                              |                              |
| Equity:                                                                                                                     |                              |                              |
| Limited partners:                                                                                                           |                              |                              |
| Common unitholders (136,228,535 and 84,408,014 units issued and outstanding as of December 31, 2024 and 2023, respectively) | 4,066                        | 978                          |
| Class C unitholders - held by subsidiary (16,410,780 units issued and outstanding as of December 31, 2024 and 2023)         | —                            | —                            |
| Accumulated other comprehensive income                                                                                      | 2                            | —                            |
| Total equity                                                                                                                | 4,068                        | 978                          |
| Total liabilities and equity                                                                                                | <u>\$ 14,375</u>             | <u>\$ 6,826</u>              |

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

**SUNOCO LP**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Dollars in millions, except per unit data)

|                                                           | Year Ended December 31, |            |            |
|-----------------------------------------------------------|-------------------------|------------|------------|
|                                                           | 2024                    | 2023       | 2022       |
| Revenues:                                                 |                         |            |            |
| Sales revenue                                             | \$ 21,588               | \$ 22,663  | \$ 25,350  |
| Service revenue                                           | 980                     | 254        | 236        |
| Lease revenue                                             | 125                     | 151        | 143        |
| Total revenues                                            | 22,693                  | 23,068     | 25,729     |
| Costs and Expenses:                                       |                         |            |            |
| Cost of sales                                             | 20,595                  | 21,703     | 24,350     |
| Operating expenses                                        | 545                     | 356        | 338        |
| General and administrative                                | 277                     | 126        | 120        |
| Lease expense                                             | 72                      | 68         | 63         |
| (Gain) loss on disposal of assets and impairment charges  | 45                      | (7)        | (13)       |
| Depreciation, amortization and accretion                  | 368                     | 187        | 193        |
| Total cost of sales and operating expenses                | 21,902                  | 22,433     | 25,051     |
| Operating Income                                          | 791                     | 635        | 678        |
| Other Income (Expense):                                   |                         |            |            |
| Interest expense, net                                     | (391)                   | (217)      | (182)      |
| Equity in earnings of unconsolidated affiliates           | 60                      | 5          | 4          |
| Gain on West Texas Sale                                   | 586                     | —          | —          |
| Loss on extinguishment of debt                            | (2)                     | —          | —          |
| Other, net                                                | 5                       | 7          | 1          |
| Income Before Income Tax Expense                          | 1,049                   | 430        | 501        |
| Income tax expense                                        | 175                     | 36         | 26         |
| Net Income                                                | 874                     | 394        | 475        |
| Less: Net income attributable to noncontrolling interests | 8                       | —          | —          |
| Net Income Attributable to Partners                       | \$ 866                  | \$ 394     | \$ 475     |
| Net Income per Common Unit:                               |                         |            |            |
| Common units - basic                                      | \$ 6.04                 | \$ 3.70    | \$ 4.74    |
| Common units - diluted                                    | \$ 6.00                 | \$ 3.65    | \$ 4.68    |
| Weighted Average Common Units Outstanding:                |                         |            |            |
| Common units - basic                                      | 118,529,390             | 84,081,083 | 83,755,378 |
| Common units - diluted                                    | 119,342,038             | 85,093,497 | 84,803,698 |
| Cash Distribution per Common Unit                         | \$ 3.5133               | \$ 3.3680  | \$ 3.3020  |

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

**SUNOCO LP**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Dollars in millions, except per unit data)

|                                                                           | Year Ended December 31, |        |        |
|---------------------------------------------------------------------------|-------------------------|--------|--------|
|                                                                           | 2024                    | 2023   | 2022   |
| Net Income                                                                | \$ 874                  | \$ 394 | \$ 475 |
| Other comprehensive income (loss), net of tax                             |                         |        |        |
| Foreign currency translation adjustment                                   | (1)                     | —      | —      |
| Actuarial gains related to pension and other postretirement benefit plans | 3                       | —      | —      |
| Total other comprehensive income                                          | 2                       | —      | —      |
| Comprehensive Income                                                      | \$ 876                  | \$ 394 | \$ 475 |

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

**SUNOCO LP**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(Dollars in millions)

|                                                                      | Common<br>Unitholders | Accumulated<br>Other<br>Comprehensive<br>Income | Noncontrolling<br>Interest | Total    |
|----------------------------------------------------------------------|-----------------------|-------------------------------------------------|----------------------------|----------|
| Balance at December 31, 2021                                         | \$ 811                | \$ —                                            | \$ —                       | \$ 811   |
| Cash distribution to unitholders, including incentive distributions  | (359)                 | —                                               | —                          | (359)    |
| Unit-based compensation                                              | 14                    | —                                               | —                          | 14       |
| Other                                                                | 1                     | —                                               | —                          | 1        |
| Net income                                                           | 475                   | —                                               | —                          | 475      |
| Balance at December 31, 2022                                         | 942                   | —                                               | —                          | 942      |
| Cash distribution to unitholders, including incentive distributions  | (371)                 | —                                               | —                          | (371)    |
| Unit-based compensation                                              | 17                    | —                                               | —                          | 17       |
| Other                                                                | (4)                   | —                                               | —                          | (4)      |
| Net income                                                           | 394                   | —                                               | —                          | 394      |
| Balance at December 31, 2023                                         | 978                   | —                                               | —                          | 978      |
| Cash distributions to unitholders, including incentive distributions | (566)                 | —                                               | (8)                        | (574)    |
| Unit-based compensation                                              | 17                    | —                                               | —                          | 17       |
| Other comprehensive income, net of tax                               | —                     | 2                                               | —                          | 2        |
| NuStar acquisition                                                   | 2,850                 | —                                               | 801                        | 3,651    |
| Preferred unit redemption                                            | 17                    | —                                               | (801)                      | (784)    |
| Common control transaction                                           | (83)                  | —                                               | —                          | (83)     |
| Other                                                                | (13)                  | —                                               | —                          | (13)     |
| Net income                                                           | 866                   | —                                               | 8                          | 874      |
| Balance at December 31, 2024                                         | \$ 4,066              | \$ 2                                            | \$ —                       | \$ 4,068 |

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

**SUNOCO LP**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Dollars in millions)

|                                                                                    | Year Ended December 31, |         |         |
|------------------------------------------------------------------------------------|-------------------------|---------|---------|
|                                                                                    | 2024                    | 2023    | 2022    |
| <b>OPERATING ACTIVITIES:</b>                                                       |                         |         |         |
| Net income                                                                         | \$ 874                  | \$ 394  | \$ 475  |
| Adjustments to reconcile net income to net cash provided by operating activities:  |                         |         |         |
| Depreciation, amortization and accretion                                           | 368                     | 187     | 193     |
| Amortization of deferred financing fees                                            | 24                      | 8       | 7       |
| (Gain) loss on disposal of assets and impairment charges                           | 45                      | (7)     | (13)    |
| Loss on extinguishment of debt                                                     | 2                       | —       | —       |
| Gain on West Texas Sale                                                            | (586)                   | —       | —       |
| Other non-cash, net                                                                | (7)                     | —       | —       |
| Non-cash unit-based compensation expense                                           | 17                      | 17      | 14      |
| Deferred income tax expense (benefit)                                              | (14)                    | 13      | 28      |
| Inventory valuation adjustments                                                    | 86                      | 114     | (5)     |
| Equity in earnings of unconsolidated affiliates                                    | (60)                    | (5)     | (4)     |
| Changes in operating assets and liabilities, net of acquisitions and divestitures: |                         |         |         |
| Accounts receivable                                                                | (212)                   | 34      | (312)   |
| Accounts receivable from affiliates                                                | 20                      | (5)     | (3)     |
| Inventories, net                                                                   | (265)                   | (182)   | (172)   |
| Other assets                                                                       | 43                      | 47      | (94)    |
| Accounts payable                                                                   | 357                     | (101)   | 390     |
| Accounts payable to affiliates                                                     | 29                      | 61      | 50      |
| Accrued expenses and other current liabilities                                     | (66)                    | 43      | —       |
| Other non-current liabilities                                                      | (106)                   | (18)    | 7       |
| Net cash provided by operating activities                                          | 549                     | 600     | 561     |
| <b>INVESTING ACTIVITIES:</b>                                                       |                         |         |         |
| Capital expenditures                                                               | (344)                   | (215)   | (186)   |
| Cash paid for acquisitions of terminals and other assets, net of cash acquired     | (224)                   | (111)   | (318)   |
| NuStar acquisition, net of cash received                                           | 27                      | —       | —       |
| Proceeds from West Texas Sale                                                      | 987                     | —       | —       |
| Distributions from unconsolidated affiliates in excess of cumulative earnings      | 8                       | 9       | 8       |
| Proceeds from disposal of property and equipment                                   | 23                      | 31      | 32      |
| Other                                                                              | —                       | (2)     | —       |
| Net cash provided by (used in) investing activities                                | 477                     | (288)   | (464)   |
| <b>FINANCING ACTIVITIES:</b>                                                       |                         |         |         |
| Senior notes borrowings                                                            | 1,500                   | 500     | —       |
| Senior notes repayments                                                            | (421)                   | —       | —       |
| Credit Facility borrowings                                                         | 2,786                   | 3,283   | 4,127   |
| Credit Facility repayments                                                         | (3,449)                 | (3,772) | (3,808) |
| Loan origination costs                                                             | (19)                    | (5)     | —       |
| Preferred units redemption                                                         | (784)                   | —       | —       |
| Cash distributions to unitholders, including incentive distributions               | (566)                   | (371)   | (359)   |
| Cash distributions to noncontrolling interests                                     | (8)                     | —       | —       |
| Net cash used in financing activities                                              | (961)                   | (365)   | (40)    |
| Net increase (decrease) in cash and cash equivalents                               | 65                      | (53)    | 57      |
| Cash and cash equivalents, beginning of period                                     | 29                      | 82      | 25      |
| Cash and cash equivalents, end of period                                           | \$ 94                   | \$ 29   | \$ 82   |

**SUNOCO LP**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**  
(Dollars in millions)

|                                                                                                                                                  | Year Ended December 31, |      |      |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------|------|
|                                                                                                                                                  | 2024                    | 2023 | 2022 |
| <b>Non-cash investing and financing activities and supplemental cash flow information:</b>                                                       |                         |      |      |
| Units issued in connection with NuStar acquisition                                                                                               | \$ 2,850                | \$ — | \$ — |
| Contribution of assets to ET-S Permian                                                                                                           | 1,159                   | —    | —    |
| Lease assets obtained in exchange for new lease liabilities                                                                                      | 3                       | —    | 17   |
| Change in note payable to affiliate                                                                                                              | —                       | 2    | 6    |
| Payable due to seller in acquisition                                                                                                             | —                       | —    | 10   |
| Interest paid                                                                                                                                    | 339                     | 202  | 176  |
| Cash paid for income taxes, net of refunds (excluding \$47 million of federal tax credits purchased from non-governmental third parties in 2024) | 135                     | 29   | 30   |

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



**SUNOCO LP**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular dollar amounts, except per unit data, are in millions)

**1. Organization and Principles of Consolidation**

As used in this document, the terms “Partnership,” “SUN,” “we,” “us” and “our” should be understood to refer to Sunoco LP and our consolidated subsidiaries, unless the context clearly indicates otherwise.

We are a Delaware master limited partnership. We are managed by our general partner, Sunoco GP LLC (“General Partner”), which is owned by Energy Transfer LP (“Energy Transfer”). As of December 31, 2024, Energy Transfer and its subsidiaries owned 100% of the membership interest in our General Partner, 28,463,967 of our common units and all of our incentive distribution rights (“IDRs”)

We are primarily engaged in energy infrastructure and distribution of motor fuels in over 40 U.S. states, Puerto Rico, Europe and Mexico. Our midstream operations include an extensive network of over 14,000 miles of pipeline and over 100 terminals. Our fuel distribution operations serve approximately 7,400 Sunoco and partner branded locations and additional independent dealers and commercial customers.

The consolidated financial statements of Sunoco LP presented herein for the years ended December 31, 2024, 2023 and 2022, have been prepared in accordance with GAAP and pursuant to the rules and regulations of the SEC. We consolidate all wholly owned subsidiaries. All significant intercompany transactions and accounts are eliminated in consolidation.

The operations of certain pipelines and terminals in which we own an undivided interest are proportionately consolidated in the accompanying consolidated financial statements.

Certain prior period amounts have been reclassified to conform to the current period presentation. These reclassifications had no impact on net income, total equity or cash flows.

**2. Summary of Significant Accounting Policies**

***Use of Estimates***

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Fair Value Measurements***

We use fair value measurements to measure, among other items, purchased assets, investments, leases and derivative contracts. We also use them to assess impairment of properties, equipment, intangible assets and goodwill. An asset’s fair value is defined as the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties. A liability’s fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. Where available, fair value is based on observable market prices or parameters, or is derived from such prices or parameters. Where observable prices or inputs are not available, unobservable prices or inputs are used to estimate the current fair value, often using an internal valuation model. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the item being valued.

ASC 820 “Fair Value Measurements and Disclosures” prioritizes the inputs used in measuring fair value into the following hierarchy:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;

Level 3 Unobservable inputs in which little or no market activity exists, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

Cash, accounts receivable, certain other current assets, marketable securities, accounts payable, accrued expenses and certain other current liabilities are reflected in the consolidated balance sheets at carrying amounts, which approximate the fair value due to their short term nature.

***Segment Reporting***

We operate our business in three reportable segments: Fuel Distribution, Pipeline Systems and Terminals. Our Fuel Distribution segment supplies motor fuel to independently-operated dealer stations, distributors, commission agents and other consumers. Also

included in our Fuel Distribution segment is lease income from properties that we lease or sublease, as well as the Partnership's credit card services, franchise royalties and retail operations in Hawaii and New Jersey. Our Pipeline Systems segment includes an integrated pipeline and terminal network comprised of refined product, crude oil and ammonia pipelines and terminals, including our investments in the J.C. Nolan and ET-S Permian joint ventures. Our Terminals segment is composed of four transmix processing facilities and 56 refined product terminals (two in Europe, six in Hawaii and 48 in the continental United States).

### ***Acquisition Accounting***

Acquisitions of assets or entities that include inputs and processes and have the ability to create outputs are accounted for as business combinations. A purchase price allocation is recorded for tangible and intangible assets acquired and liabilities assumed based on their fair value. The excess of fair value of consideration conveyed over fair value of net assets acquired is recorded as goodwill. The consolidated statements of operations and comprehensive income for the periods presented include the results of operations for each acquisition from their respective dates of acquisition.

### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less.

Sunoco, LLC and Sunoco Retail LLC, our indirect wholly owned subsidiary that is subject to state and federal income tax ("Sunoco Retail"), have treasury services agreements with Energy Transfer (R&M), LLC, an indirect wholly owned subsidiary of Energy Transfer, for certain cash management activities. The net balance of Sunoco LLC and Sunoco Retail activity is reflected in either "Advances to affiliates" or "Advances from affiliates" on the consolidated balance sheets.

### ***Accounts Receivable***

The majority of trade receivables are from wholesale fuel customers or from credit card companies related to retail credit card transactions. Wholesale customer credit is extended based on an evaluation of the customer's financial condition. We maintain allowances for expected credit losses based on the best estimate of the amount of expected credit losses in existing accounts receivable. Credit losses are recorded against the allowance when accounts are deemed uncollectible.

Receivables from affiliates arise from fuel sales and other miscellaneous transactions with non-consolidated affiliates. These receivables are recorded at face value, without interest or discount.

7-Eleven, Inc. is the only third-party dealer or distributor which is individually over 10% of our Fuel Distribution segment or individually over 10%, in terms of revenue, of our aggregate business.

### ***Inventories***

Fuel inventories are stated at the lower of cost or market using the last-in, first-out method ("LIFO"). Under this methodology, the cost of fuel sold consists of actual acquisition costs, which includes transportation and storage costs. Such costs are adjusted to reflect increases or decreases in inventory quantities which are valued based on changes in LIFO inventory layers.

Merchandise inventories are stated at the lower of average cost, as determined by the retail inventory method, or market. We record an allowance for shortages and obsolescence relating to merchandise inventory based on historical trends and any known changes. Shipping and handling costs are included in the cost of merchandise inventories.

### ***Advertising Costs***

Advertising costs are expensed as incurred. Advertising costs were \$30 million, \$26 million and \$25 million for the years ended December 31, 2024, 2023 and 2022, respectively.

### ***Property and Equipment***

Property and equipment are recorded at cost. Depreciation is computed on a straight-line basis over the useful lives of assets. Assets under finance leases are depreciated over the life of the corresponding lease.

Amortization of leasehold improvements is based upon the shorter of the remaining terms of the leases including renewal periods that are reasonably assured, or the estimated useful lives, which approximate twenty years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Maintenance and repairs are charged to operations as incurred. Gains or losses on the disposition of property and equipment are recorded in the period incurred.

### ***Long-Lived Assets and Assets Held for Sale***

Long-lived assets are tested for possible impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. If such indicators exist, the estimated undiscounted future cash flows related to the asset are compared to the carrying value of the asset. If the carrying value is greater than the estimated undiscounted future cash flows, an impairment charge is recorded in the consolidated statements of operations and comprehensive income for amounts necessary to

reduce the corresponding carrying value of the asset to fair value. The impairment loss calculations require management to apply judgment in estimating future cash flows.

Properties that have been closed and other excess real property are recorded as assets held for sale, and are written down to the lower of cost or estimated net realizable value at the time we close such stores or determine that these properties are in excess and intend to offer them for sale. We estimate the net realizable value based on our experience in utilizing or disposing of similar assets and on estimates provided by our own and third-party real estate experts. Although we have not experienced significant changes in our estimate of net realizable value, changes in real estate markets could significantly impact the net values realized from the sale of assets.

### ***Goodwill and Indefinite-Lived Intangible Assets***

Goodwill represents the excess of consideration paid over fair value of net assets acquired. Goodwill and intangible assets acquired in a purchase business combination are recorded at fair value as of the date acquired. Acquired intangible assets determined to have an indefinite useful life are not amortized, but are instead tested for impairment at least annually, or more frequently if events and circumstances indicate that the asset might be impaired. The annual impairment test of goodwill and indefinite lived intangible assets is performed as of the first day of the fourth quarter of each fiscal year.

The Partnership uses qualitative factors to determine whether it is more likely than not (likelihood of more than 50%) that the fair value of a reporting unit exceeds its carrying amount, including goodwill. Some of the qualitative factors considered in applying this test include consideration of macroeconomic conditions, industry and market conditions, cost factors affecting the business, overall financial performance of the business and performance of the unit price of the Partnership.

If qualitative factors are not deemed sufficient to conclude that the fair value of the reporting unit more likely than not exceeds its carrying value, then a quantitative approach is applied in making an evaluation. The quantitative evaluation utilizes multiple valuation methodologies, including a market approach (market price multiples of comparable companies), an income approach (discounted cash flow analysis), or a weighted combination of these methods. The computations require management to make significant estimates and assumptions, including, among other things, selection of comparable publicly traded companies, the discount rate applied to future earnings reflecting a weighted average cost of capital and earnings growth assumptions. The Partnership believes the estimates and assumptions used in our impairment assessments are reasonable and based on available market information, but variations in any of the assumptions could result in materially different calculations of fair value and determinations of whether or not an impairment is indicated. A discounted cash flow analysis requires management to make various assumptions about future sales, operating margins, capital expenditures, working capital and growth rates. Cash flow projections are derived from one-year budgeted amounts plus an estimate of later period cash flows, all of which are determined by management. Subsequent period cash flows are developed for each reporting unit using growth rates that management believes are reasonably likely to occur. Under the guideline company method, the Partnership determined the estimated fair value of each of our reporting units by applying valuation multiples of comparable publicly-traded companies to each reporting unit's projected EBITDA and then averaging that estimate with similar historical calculations using a three-year average. In addition, the Partnership estimated a reasonable control premium representing the incremental value that accrues to the majority owner from the opportunity to dictate the strategic and operational actions of the business. If the evaluation results in the fair value of the reporting unit being lower than the carrying value, an impairment charge is recorded.

Indefinite-lived intangible assets are composed of certain tradenames and liquor licenses which are not amortized but are evaluated for impairment annually or more frequently if events or changes occur that suggest an impairment in carrying value, such as a significant adverse change in the business climate. Indefinite-lived intangible assets are evaluated for impairment by comparing each asset's fair value to its book value. Management first determines qualitatively whether it is more likely than not that an indefinite-lived asset is impaired. If management concludes that it is more likely than not that an indefinite-lived asset is impaired, then its fair value is determined by using the discounted cash flow model based on future revenues estimated to be derived in the use of the asset.

### ***Other Intangible Assets***

Other finite-lived intangible assets consist of supply agreements, customer relations, non-compete agreements and loan origination costs. Separable intangible assets that are not determined to have an indefinite life are amortized over their useful lives and assessed for impairment only if and when circumstances warrant. Determination of an intangible asset's fair value and estimated useful life are based on an analysis of pertinent factors including: (1) the use of widely-accepted valuation approaches, such as the income approach or the cost approach, (2) the expected use of the asset by the Partnership, (3) the expected useful life of related assets, (4) any legal, regulatory or contractual provisions, including renewal or extension periods that would cause substantial costs or modifications to existing agreements and (5) the effects of obsolescence, demand, competition and other economic factors. Should any of the underlying assumptions indicate that the value of the intangible assets might be impaired, we may be required to reduce the carrying value and remaining useful life of the asset. If the underlying assumptions governing the amortization of an intangible asset were later determined to have significantly changed, we may be required to adjust its

amortization period to reflect a new estimate of its useful life. Any write-down of the value or unfavorable change in the useful life of an intangible asset would increase expense at that time.

Customer relations and supply agreements are amortized on a straight-line basis over the remaining terms of the agreements, which generally range from five to twenty years. Non-compete agreements are amortized over the terms of the respective agreements.

### ***Investments in Unconsolidated Affiliates***

We own interests in certain joint ventures with Energy Transfer that are accounted for by the equity method. In general, we use the equity method of accounting for an investment for which we exercise significant influence over, but do not control, the investee's operating and financial policies. An impairment of an investment in an unconsolidated affiliate is recognized when circumstances indicate that a decline in the investment value is other-than-temporary.

### ***Asset Retirement Obligations***

The estimated future cost to remove an underground storage tank is recognized over the estimated useful life of the storage tank. We record a discounted liability for the future fair value of an asset retirement obligation along with a corresponding increase to the carrying value of the related long-lived asset at the time an underground storage tank is installed. We then depreciate the amount added to property and equipment and recognize accretion expense in connection with the discounted liability over the remaining life of the tank. We base our estimates of the anticipated future costs for tank removal on our prior experience with removals. We review assumptions for computing the estimated liability for tank removal on an annual basis. Any change in estimated cash flows are reflected as an adjustment to both the liability and the associated asset.

Long-lived assets related to asset retirement obligations aggregated \$12 million and \$13 million as of December 31, 2024 and 2023, respectively, and were reflected as property and equipment, net, on our consolidated balance sheets.

### ***Environmental Liabilities***

Environmental expenditures related to existing conditions, resulting from past or current operations and from which no current or future benefit is discernible, are expensed. Expenditures that extend the life of the related property or prevent future environmental contamination are capitalized. We determine and establish a liability on a site-by-site basis when future environmental expenditures are probable and can be reasonably estimated. A related receivable is recorded for estimable and probable reimbursements.

### ***Revenue Recognition***

Revenues from our Fuel Distribution segment are derived from the sale of fuel, non-fuel and lease income. Fuel sales consist primarily of the sale of motor fuel under supply agreements with third-party customers and affiliates. Fuel supply contracts with our customers generally provide that we distribute motor fuel at a price based on a formula which includes published rates, volume-based profit margin and other terms specific to the agreement. The customer is invoiced the agreed-upon price with most payment terms ranging less than 30 days. If the consideration promised in a contract includes a variable amount, the Partnership estimates the variable consideration amount and factors in such estimate to determine the transaction price under the expected value method. Revenue is recognized under the motor fuel contracts at the point in time the customer takes control of the fuel. At the time control is transferred to the customer the sale is considered final, because the agreements do not grant customers the right to return motor fuel. To determine when control transfers to the customer, the shipping terms of the contract are assessed as a primary indicator of the transfer of control. For free on board ("FOB") shipping point terms, revenue is recognized at the time of shipment. The performance obligation with respect to the sale of goods is satisfied at the time of shipment since the customer gains control at this time under the terms. Shipping and/or handling costs that occur before the customer obtains control of the goods are deemed to be fulfillment activities and are accounted for as fulfillment costs. Once the goods are shipped, the Partnership is precluded from redirecting the shipment to another customer and revenue is recognized. Non-fuel revenue includes merchandise revenue that comprises the in-store merchandise and food service sales at company-operated retail stores and other revenue such as credit card processing, car washes, lottery and other services. Lease revenue is derived from leasing arrangements for which we are the lessor and recognized ratably over the term of the underlying lease.

Revenues from our Pipeline Systems segment are derived from interstate and intrastate pipeline transportation of refined products, crude oil and anhydrous ammonia and the applicable pipeline tariff on a per barrel basis for crude oil or refined products and on a per ton basis for ammonia.

Revenues from our Terminals segment include fees for tank storage agreements, under which a customer agrees to pay for a certain amount of storage in a tank over a period of time and throughput agreements, under which a customer pays a fee per barrel for volumes moving through our terminals. Our terminals also provide blending, additive injections, handling and filtering services for which we charge additional fees.

### ***Lease Income***

Lease income from leasing or subleasing of real estate is recognized on a straight-line basis over the term of the lease.

### ***Cost of Sales***

We include in cost of sales all costs incurred to acquire fuel and merchandise, including the costs of purchasing, storing and transporting inventory prior to delivery to our customers. Items are removed from inventory and are included in cost of sales based on the retail inventory method for merchandise and the LIFO method for motor fuel. Cost of sales does not include depreciation of property and equipment as amounts attributed to cost of sales would not be significant. Depreciation is classified within operating expenses in the consolidated statements of operations and comprehensive income.

### ***Motor Fuel and Sales Taxes***

Certain motor fuel and sales taxes are collected from customers and remitted to governmental agencies either directly by the Partnership or through suppliers. The Partnership's accounting policy for wholesale direct sales to dealers, distributors and commercial customers is to exclude the collected motor fuel tax from sales and cost of sales.

For retail locations where the Partnership holds inventory, including commission agent locations, motor fuel sales and motor fuel cost of sales include motor fuel taxes. Such amounts were \$164 million, \$274 million and \$285 million for the years ended December 31, 2024, 2023 and 2022, respectively. Merchandise sales and cost of merchandise sales are reported net of sales tax in our consolidated statements of operations and comprehensive income.

### ***Deferred Branding Incentives***

We receive payments for branding incentives related to fuel supply contracts. Unearned branding incentives are deferred and amortized on a straight-line basis over the term of the agreement as a credit to cost of sales.

### ***Lease Accounting***

At the inception of each lease arrangement, we determine if the arrangement is a lease or contains an embedded lease and review the facts and circumstances of the arrangement to classify lease assets as operating or finance leases under Topic 842. The Partnership has elected not to record any leases with terms of 12 months or less on our consolidated balance sheets.

Balances related to operating leases are included in operating lease right-of-use assets, net, operating lease current liabilities and non-current operating lease liabilities on our consolidated balance sheets. Finance leases represent a small portion of the active lease agreements and are included in other non-current assets and long-term debt, net on our consolidated balance sheets. The right-of-use assets represent the Partnership's right to use an underlying asset for the lease term and lease liabilities represent the obligation of the Partnership to make minimum lease payments arising from the lease for the duration of the lease term.

The Partnership leases a portion of its properties under non-cancelable operating leases, whose initial terms are typically five to fifteen years, with options permitting renewal for additional periods. Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 20 years or greater. The exercise of lease renewal options is typically at the sole discretion of the Partnership and lease extensions are evaluated on a lease-by-lease basis. Leases containing early termination clauses typically require the agreement of both parties to the lease. At the inception of a lease, all renewal options reasonably certain to be exercised are considered when determining the lease term. The depreciable life of lease assets and leasehold improvements are limited by the expected lease term.

To determine the present value of future minimum lease payments, we use the implicit rate when readily determinable. Presently, because many of our leases do not provide an implicit rate, the Partnership applies its incremental borrowing rate based on the information available at the lease commencement date to determine the present value of minimum lease payments. The operating and finance lease right-of-use assets include any lease payments made and exclude lease incentives.

Minimum rent is expensed on a straight-line basis over the term of the lease, including renewal periods that are reasonably assured at the inception of the lease. The Partnership is typically responsible for payment of real estate taxes, maintenance expenses and insurance. The Partnership also leases certain vehicles, and such leases are typically less than five years.

For short-term leases (leases that have term of 12 months or less upon commencement), lease payments are recognized on a straight-line basis and no right-of-use assets are recorded.

### ***Earnings Per Unit***

In addition to limited partner units, we have IDRs as participating securities and compute net income per common unit using the two-class method under which any excess of distributions declared over net income shall be allocated to the partners based on their respective sharing of income specified in the Second Amended and Restated Agreement of Limited Partnership, as may be amended from time to time (the "Partnership Agreement"). Net income per unit applicable to limited partners is computed by



dividing limited partners' interest in net income, after deducting any incentive distributions and distributions on unvested phantom unit awards, by the weighted average number of outstanding common units.

### ***Defined Benefit Plans***

We estimate pension and other postretirement benefit obligations and costs based on actuarial valuations. The annual measurement date for our pension and other postretirement benefit plans is December 31. The actuarial valuations require the use of certain assumptions including discount rates, expected long-term rates of return on plan assets and expected rates of compensation increase. Changes in these assumptions are primarily influenced by factors outside of our control.

### ***Unit-Based Compensation***

Under the Partnership's long-term incentive plans, various types of awards may be granted to employees, consultants and directors of our General Partner who provide services for us. Compensation expense related to outstanding awards is recognized over the vesting period based on the grant-date fair value. The grant-date fair value is determined based on the market price of our common units on the grant date. We amortize the grant-date fair value of these awards over their vesting period using the straight-line method. Expenses related to unit-based compensation are included in general and administrative expenses.

### ***Foreign Currency Translation***

The functional currencies of our foreign subsidiaries are the local currencies of the countries in which the subsidiaries are located. The assets and liabilities of our foreign subsidiaries with local functional currencies are translated to U.S. dollars at period-end exchange rates, and income and expense items are translated to U.S. dollars at weighted-average exchange rates in effect during the period. These translation adjustments are included in accumulated other comprehensive income ("AOCI") in the equity section of the consolidated balance sheets. Upon the sale or liquidation of our investment in a foreign subsidiary, translation adjustments that have historically accumulated in AOCI related to that subsidiary are released from AOCI and reported as part of the gain or loss on sale. Gains and losses on foreign currency transactions are included in other income (expense), net in the consolidated statements of operations.

### ***Income Taxes***

The Partnership is a publicly traded limited partnership and is not taxable for federal and most state income tax purposes. As a result, our earnings or losses, to the extent not included in a taxable subsidiary, for federal and most state purposes are included in the tax returns of the individual partners. Net earnings for financial statement purposes may differ significantly from taxable income reportable to Unitholders as a result of differences between the tax basis and financial basis of assets and liabilities, differences between the tax accounting and financial accounting treatment of certain items, and due to allocation requirements related to taxable income under our Partnership Agreement. We do not have access to information regarding each partner's individual tax basis in our limited partner interests.

As a publicly traded limited partnership, we are subject to a statutory requirement that our "qualifying income" (as defined by the Internal Revenue Code, related Treasury Regulations and IRS pronouncements) exceed 90% of our total gross income, determined on a calendar year basis. If our qualifying income were not to meet this statutory requirement, the Partnership would be taxed as a corporation for federal and state income tax purposes. For the years ended December 31, 2024, 2023 and 2022, our qualifying income met the statutory requirement.

The Partnership conducts certain activities through corporate subsidiaries which are subject to federal, state, local and foreign income taxes. The Partnership and its corporate subsidiaries account for income taxes under the asset and liability method.

Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in earnings in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts more likely than not to be realized.

The determination of the provision for income taxes requires significant judgment, use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in our consolidated financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from taxing authorities. When facts and circumstances change, we reassess these probabilities and record any changes through the provision for income taxes.



## Recent Accounting Pronouncements

In November 2024, Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*. ASU 2024-03 requires disclosure of specified information about certain costs and expenses in the notes to the consolidated financial statements. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods within annual periods beginning after December 15, 2027, with early adoption permitted. ASU 2024-03 is to be applied on a prospective basis, with retrospective application permitted. We are currently evaluating the impact, if any, of ASU 2024-03 on our consolidated financial statements and related disclosures.

In December 2023, FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 improves and enhances income tax disclosure requirements, including new disclosures related to tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, and interim periods within annual periods beginning after December 15, 2025, with early adoption permitted. ASU 2023-09 is to be applied on a prospective basis, with retrospective application permitted. We are currently evaluating the impact, if any, of ASU 2023-09 on our consolidated financial statements and related disclosures.

## 3. Acquisitions, Divestitures and Other Transactions

### **NuStar Acquisition**

On May 3, 2024, we completed the acquisition of 100% of the common units of NuStar Energy L.P. (“NuStar”). Under the terms of the agreement, NuStar common unitholders received 0.400 SUN common units for each NuStar common unit. In connection with the acquisition, we issued approximately 51.5 million common units, which had a fair value of approximately \$2.85 billion, assumed debt totaling approximately \$3.5 billion, including approximately \$56 million of lease related financing obligations, and assumed preferred units with a fair value of approximately \$800 million. NuStar has approximately 9,500 miles of pipeline and 63 terminal and storage facilities that store and distribute crude oil, refined products, renewable fuels, ammonia and specialty liquids. The acquisition is expected to diversify the Partnership’s business, increase scale and provide vertical integration, as well as improving the Partnership’s credit profile and enhancing growth.

The acquisition was recorded using the acquisition method of accounting which requires, among other things, that assets and liabilities assumed be recognized on the balance sheet at their estimated fair values as of the date of acquisition, with any excess purchase price over the fair value of net assets acquired recorded to goodwill. Management, with the assistance of a third-party valuation specialist, determined the fair value of assets and liabilities as of the date of the acquisition. Determining the fair value involves the use of management’s judgment as well as the use of significant estimates and assumptions.

The following table summarizes the allocation of the purchase price among assets acquired and liabilities assumed:

|                                                        | As of<br>May 3, 2024 |
|--------------------------------------------------------|----------------------|
| Total current assets                                   | \$ 186               |
| Property and equipment                                 | 6,958                |
| Operating lease right-of-use assets, net               | 136                  |
| Goodwill <sup>(1)</sup>                                | 16                   |
| Intangible assets, net <sup>(2)</sup>                  | 195                  |
| Other non-current assets                               | 127                  |
| Total assets                                           | 7,618                |
| Total current liabilities                              | 245                  |
| Long-term debt, less current maturities <sup>(3)</sup> | 3,500                |
| Operating lease non-current liabilities                | 136                  |
| Deferred tax liabilities                               | 4                    |
| Other non-current liabilities                          | 82                   |
| Total liabilities                                      | 3,967                |
| Preferred units <sup>(3)</sup>                         | 801                  |
| Total consideration                                    | 2,850                |
| Cash acquired                                          | 27                   |
| Total cash consideration, net of cash acquired         | \$ 2,823             |

- (1) Goodwill primarily represents expected commercial and operational synergies. None of the goodwill recorded as a result of this transaction is deductible for tax purposes. Goodwill of \$16 million relates to our Fuel Distribution segment.
- (2) Intangible assets, net comprised \$151 million of favorable contracts, with a remaining weighted average life of approximately 7 years, and \$44 million of customer relationships with a remaining weighted average life of approximately 15 years.
- (3) Subsequent to the closing of the NuStar acquisition, the Partnership redeemed all outstanding NuStar preferred units, totaling \$784 million, redeemed NuStar's subordinated notes totaling \$403 million and repaid and terminated the NuStar credit facility totaling \$455 million.

Subsequent to the NuStar acquisition, the Partnership purchased a property previously leased by NuStar and cancelled the lease, resulting in an impairment of \$50 million based on the value of comparable real property.

#### Pro Forma Results of Operations

The following unaudited pro forma consolidated results of operations for the year ended December 31, 2024 and 2023 are presented as if the NuStar acquisition had been completed on January 1, 2023.

|                                     | <b>Year Ended December 31,</b> |             |
|-------------------------------------|--------------------------------|-------------|
|                                     | <b>2024</b>                    | <b>2023</b> |
| Revenues                            | \$ 23,215                      | \$ 24,697   |
| Net income                          | 802                            | 483         |
| Net income attributable to partners | 632                            | 352         |
| Basic net income per Common Unit    | \$ 4.13                        | \$ 2.60     |
| Diluted net income per Common Unit  | \$ 4.11                        | \$ 2.58     |

The pro forma consolidated results of operations include adjustments to:

- include the results of NuStar for all periods presented;
- include incremental expenses associated with the fair value adjustments recorded as a result of applying the acquisition method of accounting;
- include incremental interest expense related to financing the transactions;
- includes \$83 million of expenses representing one-time costs associated with completing the transaction;
- adjust for relative changes in ownership resulting from the acquisition.

The pro forma information is not necessarily indicative of the results of operations that would have occurred had the NuStar acquisition been made at the beginning of the periods presented or the future results of the combined operations.

NuStar's revenue and net income since the acquisition date to December 31, 2024 included in our consolidated statement of operations were \$949 million and \$113 million, respectively.

#### Expenses Related to the NuStar Acquisition

As a result of the acquisition, we recognized \$103 million of merger-related expenses during the year ended December 31, 2024, which are included in general and administrative expenses in our consolidated statement of operations.

### ***Zenith European Terminals Acquisition***

On March 13, 2024, we completed the acquisition of liquid fuels terminals in Amsterdam, Netherlands and Bantry Bay, Ireland from Zenith Energy for €170 million (\$185 million), including working capital. The acquisition is expected to supply optimization for the Partnership's existing East Coast business and continues its focus on growing its portfolio of stable midstream income. The acquisition was recorded using the acquisition method of accounting which requires, among other things, that assets and liabilities assumed be recognized on the balance sheet at their estimated fair values as of the date of acquisition. Management, with the assistance of a third-party valuation specialist, determined the fair value of assets and liabilities as of the date of the acquisition. Determining the fair value involves the use of management's judgment as well as the use of significant estimates and assumptions. The following table summarizes the allocation of the purchase price among assets acquired and liabilities assumed:

|                                                | <b>As of<br/>March 13, 2024</b> |
|------------------------------------------------|---------------------------------|
| Other current assets                           | \$ 6                            |
| Property and equipment                         | 204                             |
| Other non-current assets                       | 36                              |
| Deferred tax assets                            | 6                               |
| Current liabilities                            | (14)                            |
| Deferred tax liabilities                       | (4)                             |
| Other non-current liabilities                  | (43)                            |
| Net assets                                     | 191                             |
| Bargain purchase gain                          | (6)                             |
| Total cash consideration, net of cash acquired | \$ 185                          |

Zenith European terminals revenue and net income since the acquisition date to December 31, 2024 included in our consolidated statement of operations were \$43 million and \$8 million, respectively.

### ***Other Acquisition***

On August 30, 2024, we acquired a terminal in Portland, Maine for approximately \$24 million, including working capital. The purchase price was primarily allocated to property and equipment.

### ***West Texas Sale***

On April 16, 2024, we completed the sale of 204 convenience stores located in West Texas, New Mexico and Oklahoma to 7-Eleven, Inc. for approximately \$1.0 billion, including customary adjustments for fuel and merchandise inventory. As part of the sale, SUN also amended its existing take-or-pay fuel supply agreement with 7-Eleven, Inc. to incorporate additional fuel gross profit. As a result of the sale, the Partnership recorded a \$586 million gain (\$442 million, net of current tax expense of \$179 million and deferred tax benefit of \$35 million).

### ***ET-S Permian***

Effective July 1, 2024, SUN and Energy Transfer formed ET-S Permian, a joint venture combining their respective crude oil and produced water gathering assets in the Permian Basin. Pursuant to the contribution agreement by and among the Partnership, SUN Pipeline Holdings LLC, NuStar Permian Transportation and Storage LLC, NuStar Permian Crude Logistics LLC, NuStar Permian Holdings LLC, NuStar Logistics, L.P., ET-S Permian Holdings Company LP, ET-S Permian Pipeline Company LLC, ET-S Permian Marketing Company LLC, Energy Transfer LP, and Energy Transfer Crude Marketing, LLC dated July 14, 2024, in a cashless transaction, SUN contributed all of its Permian crude oil gathering assets and operations to ET-S Permian. Energy Transfer contributed its Permian crude oil and produced water gathering assets and operations to ET-S Permian. Energy Transfer's long-haul crude pipeline network that provides transportation of crude oil out of the Permian Basin to Nederland, Houston, and Cushing is excluded from ET-S Permian.

ET-S Permian operates more than 5,000 miles of crude oil and water gathering pipelines with crude oil storage capacity in excess of 11 million barrels.

SUN holds a 32.5% interest, with Energy Transfer holding the remaining 67.5% interest in ET-S Permian. Energy Transfer serves as the operator of ET-S Permian.

Upon formation, the SUN Permian entities were deconsolidated; however, no gain or loss was recorded in net income due to the common control nature of the transaction. As of December 31, 2024, the carrying value of the Partnership's investment in ET-S Permian was \$1.21 billion.

As of December 31, 2024, ET-S Permian had current assets of \$273 million, noncurrent assets of \$3.61 billion, current liabilities of \$106 million and noncurrent liabilities of \$50 million. For the six months ended December 31, 2024, ET-S Permian recognized revenues of \$8.70 billion, of which approximately \$8.48 billion related to transactions with affiliates, operating income of \$164 million and net income of \$163 million.

### 2023 Acquisition

On May 1, 2023, we completed the acquisition of 16 refined product terminals located across the East Coast and Midwest from Zenith Energy for approximately \$111 million, including working capital. The purchase price was primarily allocated to property and equipment.

### 2022 Acquisitions

On November 30, 2022, we completed the acquisition of Peerless for \$67 million, net of cash acquired. Peerless is an established terminal operator that distributes fuel products to over 100 locations primarily within Puerto Rico. Management, with the assistance of an independent valuation firm, determined the fair value of assets and liabilities at the date of the acquisition. Goodwill acquired in connection with the acquisition is deductible for tax purposes. The following table summarizes the final allocation of the purchase price among the assets acquired and liabilities assumed:

|                                                | <b>November 30,<br/>2022</b> |
|------------------------------------------------|------------------------------|
| Other current assets                           | \$ 26                        |
| Property and equipment                         | 65                           |
| Goodwill                                       | 11                           |
| Current liabilities                            | (15)                         |
| Deferred tax liability                         | (11)                         |
| Net assets                                     | 76                           |
| Cash acquired                                  | (9)                          |
| Total cash consideration, net of cash acquired | <u>\$ 67</u>                 |

On April 1, 2022, we completed the acquisition of a transmix processing and terminal facility in Huntington, Indiana from Gladieux Capital Partners, LLC for \$252 million, net of cash acquired. Management, with the assistance of an independent valuation firm, determined the fair value of assets and liabilities at the date of the acquisition. Goodwill acquired in connection with the acquisition is deductible for tax purposes. The following table summarizes the final allocation of the purchase price among the assets acquired and liabilities assumed:

|                                                | <b>April 1, 2022</b> |
|------------------------------------------------|----------------------|
| Inventories                                    | \$ 108               |
| Other current assets                           | 56                   |
| Property and equipment                         | 73                   |
| Goodwill                                       | 20                   |
| Intangible assets                              | 98                   |
| Current liabilities                            | (88)                 |
| Net assets                                     | 267                  |
| Cash acquired                                  | (15)                 |
| Total cash consideration, net of cash acquired | <u>\$ 252</u>        |

## 4. Accounts Receivable, net

Accounts receivable, net, consisted of the following:

|                                      | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--------------------------------------|------------------------------|------------------------------|
| Accounts receivable, trade           | \$ 1,058                     | \$ 703                       |
| Credit card receivables              | 28                           | 107                          |
| Other receivables                    | 78                           | 47                           |
| Allowance for expected credit losses | (2)                          | (1)                          |
| Accounts receivable, net             | <u>\$ 1,162</u>              | <u>\$ 856</u>                |

## 5. Inventories, net

Fuel inventories are stated at the lower of cost or market using the LIFO method. As of December 31, 2024 and 2023, the Partnership's fuel inventory balance included lower of cost or market reserves of \$316 million and \$230 million, respectively. For the years ended December 31, 2024, 2023 and 2022, the Partnership's consolidated statements of operations and comprehensive income did not include any material amounts of income from the liquidation of LIFO fuel inventory. For the years ended December 31, 2024 and 2023, the Partnership's cost of sales included unfavorable inventory adjustments of \$86 million, and \$114 million, respectively, which decreased net income. For the year ended December 31, 2022, the Partnership's cost of sales included favorable inventory adjustments of \$5 million, which increased net income.

Inventories, net consisted of the following:

|                  | December 31,<br>2024 | December 31,<br>2023 |
|------------------|----------------------|----------------------|
| Fuel             | \$ 1,054             | \$ 876               |
| Other            | 14                   | 13                   |
| Inventories, net | <u>\$ 1,068</u>      | <u>\$ 889</u>        |

## 6. Property and Equipment, net

Components and useful lives of property and equipment, net consisted of the following:

|                                                                 | December 31,<br>2024 | December 31,<br>2023 <sup>(1)</sup> |
|-----------------------------------------------------------------|----------------------|-------------------------------------|
| Land and improvements                                           | \$ 739               | \$ 669                              |
| Buildings, equipment and leasehold improvements (1 to 45 years) | 1,315                | 1,257                               |
| Pipelines (5 to 83 years)                                       | 3,553                | 199                                 |
| Product storage and related facilities (2 to 83 years)          | 891                  | 403                                 |
| Right of way (20 to 83 years)                                   | 1,727                | —                                   |
| Other (1 to 48 years)                                           | 403                  | 344                                 |
| Construction work-in-process                                    | 286                  | 98                                  |
| Total property and equipment                                    | 8,914                | 2,970                               |
| Less – Accumulated depreciation                                 | 1,240                | 1,134                               |
| Property and equipment, net                                     | <u>\$ 7,674</u>      | <u>\$ 1,836</u>                     |

(1) Certain components of property and equipment were reclassified in the current year. The balances as of December 31, 2023 reflected above have been adjusted to conform to the current year presentation. These changes did not impact total property and equipment.

Depreciation expense on property and equipment was \$326 million, \$139 million and \$141 million for the years ended December 31, 2024, 2023 and 2022, respectively.

## 7. Goodwill and Intangible Assets, net

### Goodwill

Goodwill balances and activity for the years ended December 31, 2024 and 2023 consisted of the following:

|                              | Segment              |                     |               |                 |
|------------------------------|----------------------|---------------------|---------------|-----------------|
|                              | Fuel<br>Distribution | Pipeline<br>Systems | Terminals     | Consolidated    |
|                              | (in millions)        |                     |               |                 |
| Balance at December 31, 2022 | \$ 1,364             | \$ —                | \$ 237        | \$ 1,601        |
| Other adjustments            | (2)                  | —                   | —             | (2)             |
| Balance at December 31, 2023 | 1,362                | —                   | 237           | 1,599           |
| West Texas sale              | (138)                | —                   | —             | (138)           |
| NuStar acquisition           | 16                   | —                   | —             | 16              |
| Balance at December 31, 2024 | <u>\$ 1,240</u>      | <u>\$ —</u>         | <u>\$ 237</u> | <u>\$ 1,477</u> |

During the fourth quarters of 2024, 2023 and 2022, we used qualitative factors to determine whether it was more likely than not (likelihood of more than 50%) that the fair value of a reporting unit exceeded its carrying amount. No goodwill impairment was identified for the reporting units as a result of these tests.

### ***Intangible Assets, net***

Gross carrying amounts and accumulated amortization for each major class of intangible assets, excluding goodwill, consisted of the following:

|                                                | December 31, 2024     |                          |                | December 31, 2023     |                          |                |
|------------------------------------------------|-----------------------|--------------------------|----------------|-----------------------|--------------------------|----------------|
|                                                | Gross Carrying Amount | Accumulated Amortization | Net Book Value | Gross Carrying Amount | Accumulated Amortization | Net Book Value |
| <b><u>Indefinite-lived</u></b>                 |                       |                          |                |                       |                          |                |
| Tradenames                                     | \$ 302                | \$ —                     | \$ 302         | \$ 302                | \$ —                     | \$ 302         |
| Liquor licenses                                | —                     | —                        | —              | 12                    | —                        | 12             |
| <b><u>Finite-lived</u></b>                     |                       |                          |                |                       |                          |                |
| Customer relations including supply agreements | 721                   | 477                      | 244            | 669                   | 440                      | 229            |
| Other intangibles                              | 8                     | 7                        | 1              | 8                     | 7                        | 1              |
| Intangible assets, net                         | <u>\$ 1,031</u>       | <u>\$ 484</u>            | <u>\$ 547</u>  | <u>\$ 991</u>         | <u>\$ 447</u>            | <u>\$ 544</u>  |

During the fourth quarters of 2024, 2023 and 2022, we performed the annual impairment tests on our indefinite-lived intangible assets. No impairments were recorded in 2024, 2023 and 2022.

Total amortization expense on finite-lived intangibles included in depreciation, amortization and accretion was \$37 million, \$44 million and \$48 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Customer relations and supply agreements have a remaining weighted average life of approximately 10 years.

As of December 31, 2024, the Partnership's estimate of amortization for each of the five succeeding fiscal years and thereafter for finite-lived intangibles was as follows:

|            | Amortization  |
|------------|---------------|
| 2025       | \$ 28         |
| 2026       | 28            |
| 2027       | 28            |
| 2028       | 28            |
| 2029       | 23            |
| Thereafter | 110           |
| Total      | <u>\$ 245</u> |

### **8. Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities consisted of the following:

|                                                  | December 31, 2024 | December 31, 2023 |
|--------------------------------------------------|-------------------|-------------------|
| Wage and other employee-related accrued expenses | \$ 64             | \$ 38             |
| Accrued tax expense                              | 152               | 182               |
| Accrued insurance                                | 39                | 30                |
| Accrued interest expense                         | 82                | 41                |
| Dealer deposits                                  | 24                | 23                |
| Accrued environmental expense                    | 7                 | 6                 |
| Contract liabilities                             | 17                | —                 |
| Other                                            | 72                | 33                |
| Accrued expenses and other current liabilities   | <u>\$ 457</u>     | <u>\$ 353</u>     |



## 9. **Debt Obligations**

Our debt obligations consisted of the following:

|                                                                 | December 31,<br>2024 | December 31,<br>2023 |
|-----------------------------------------------------------------|----------------------|----------------------|
| Credit Facility                                                 | \$ 203               | \$ 411               |
| 5.750% senior notes due 2025 <sup>(1) (2)</sup>                 | 600                  | —                    |
| 6.000% senior notes due 2026 <sup>(1)</sup>                     | 500                  | —                    |
| 6.000% senior notes due 2027                                    | 600                  | 600                  |
| 5.625% senior notes due 2027 <sup>(1)</sup>                     | 550                  | —                    |
| 5.875% senior notes due 2028                                    | 400                  | 400                  |
| 7.000% senior notes due 2028                                    | 500                  | 500                  |
| 4.500% senior notes due 2029                                    | 800                  | 800                  |
| 7.000% senior notes due 2029                                    | 750                  | —                    |
| 4.500% senior notes due 2030                                    | 800                  | 800                  |
| 6.375% senior notes due 2030 <sup>(1)</sup>                     | 600                  | —                    |
| 7.250% senior notes due 2032                                    | 750                  | —                    |
| GoZone Bonds <sup>(1) (2)</sup>                                 | 322                  | —                    |
| Lease-related financing obligations                             | 132                  | 94                   |
| Net unamortized premiums, discounts, and fair value adjustments | 16                   | —                    |
| Deferred debt issuance costs                                    | (37)                 | (25)                 |
| Total debt                                                      | 7,486                | 3,580                |
| Less: current maturities                                        | 2                    | —                    |
| Total long-term debt, net                                       | \$ 7,484             | \$ 3,580             |

<sup>(1)</sup> These senior notes and bonds, totaling \$2.57 billion aggregate principal amount, were assumed by the Partnership in connection with the closing of the NuStar acquisition in May 2024.

<sup>(2)</sup> As of December 31, 2024, \$600 million of senior notes and \$75 million of GoZone Bonds due on or before December 31, 2025 were classified as long-term as management has the intent and ability to refinance the borrowings on a long-term basis.

At December 31, 2024, scheduled future debt maturities were as follows:

|            |          |
|------------|----------|
| 2025       | \$ 677   |
| 2026       | 502      |
| 2027       | 1,152    |
| 2028       | 902      |
| 2029       | 1,755    |
| Thereafter | 2,519    |
| Total      | \$ 7,507 |

### **Recent Transactions**

#### ***NuStar Acquisition***

During the second quarter of 2024, subsequent to the closing of the NuStar acquisition, the Partnership redeemed NuStar's subordinated notes totaling \$403 million and repaid and terminated NuStar's credit facility totaling \$455 million. Upon the closing of the NuStar acquisition, the commitments under NuStar's receivables financing agreement were reduced to zero during a suspension period, for which the period end has not been determined. As of December 31, 2024, this facility had no outstanding borrowings.

**NuStar Logistics Senior Notes.** NuStar Logistics, L.P., a wholly owned subsidiary acquired in the NuStar acquisition ("NuStar Logistics") is the issuer of \$2.25 billion of senior notes, including 5.750% senior notes due 2025, 6.000% senior notes due 2026, 5.625% senior notes due 2027 and 6.375% senior notes due 2030 (collectively, the "NuStar Logistics Senior Notes"). Subsequent to the closing of the NuStar acquisition, the indentures related to the Partnership's senior notes ("SUN Senior Notes") and the indentures related to NuStar Logistics' Senior Notes were amended to add certain subsidiaries as guarantors. Consequently, SUN and NuStar Logistics are each a guarantor of the other's senior notes, along with other subsidiary guarantors of each.

The NuStar Logistics Senior Notes do not have sinking fund requirements. These notes rank equally with existing senior unsecured indebtedness and senior to existing subordinated indebtedness of NuStar Logistics and contain restrictions on NuStar Logistics' ability to incur secured indebtedness unless the same security is also provided for the benefit of holders of the NuStar Logistics Senior Notes. In addition, the NuStar Logistics Senior Notes limit the ability of NuStar Logistics and its subsidiaries to, among other things, incur indebtedness secured by certain liens, engage in certain sale-leaseback transactions and engage in certain consolidations, mergers or asset sales. At the option of NuStar Logistics, the NuStar Logistics Senior Notes may be redeemed in whole or in part at any time at a redemption price, plus accrued and unpaid interest to the redemption date. If we undergo a change of control that is followed by a ratings decline that occurs within 60 days of the change of control, each holder of the applicable senior notes may require us to repurchase all or a portion of its notes at a price equal to 101% of the principal amount of the notes repurchased, plus any accrued and unpaid interest to the date of repurchase.

**Gulf Opportunity Zone Revenue Bonds.** NuStar Logistics' obligations also include revenue bonds issued by the Parish of St. James, Louisiana pursuant to the Gulf Opportunity Zone Act of 2005 (the "GoZone Bonds").

As reflected in the table below, the holders of the Series 2008, Series 2010B and Series 2011 GoZone Bonds are required to tender their bonds at the applicable mandatory purchase date in exchange for 100% of the principal plus accrued and unpaid interest, after which these bonds are expected to be remarketed with a new interest rate established. Each of the Series 2010 and Series 2010A GoZone Bonds is subject to redemption on or after June 1, 2030 by the Parish of St. James, at our option, in whole or in part, at a redemption price of 100% of the principal amount to be redeemed plus accrued and unpaid interest. Interest on the GoZone Bonds is payable semi-annually on June 1 and December 1 of each year.

The following table summarizes the GoZone Bonds outstanding as of December 31, 2024:

| Series       | Date Issued       | Amount Outstanding | Interest Rate | Mandatory Purchase Date | Optional Redemption Date | Maturity Date    |
|--------------|-------------------|--------------------|---------------|-------------------------|--------------------------|------------------|
| Series 2008  | June 26, 2008     | \$ 56              | 6.10 %        | June 1, 2030            | n/a                      | June 1, 2038     |
| Series 2010  | July 15, 2010     | 100                | 6.35 %        | n/a                     | June 1, 2030             | July 1, 2040     |
| Series 2010A | October 7, 2010   | 43                 | 6.35 %        | n/a                     | June 1, 2030             | October 1, 2040  |
| Series 2010B | December 29, 2010 | 48                 | 6.10 %        | June 1, 2030            | n/a                      | December 1, 2040 |
| Series 2011  | August 9, 2011    | 75                 | 5.85 %        | June 1, 2025            | n/a                      | August 1, 2041   |

NuStar Logistics' agreements with the Parish of St. James related to the GoZone Bonds contain: (i) customary restrictive covenants that limit the ability of NuStar Logistics and its subsidiaries to, among other things, create liens, enter into certain sale leaseback transactions, and engage in certain consolidations, mergers or asset sales; and (ii) a repurchase provision which provides that if we undergo a change of control that is followed by a ratings decline that occurs within 60 days of the change of control, then each holder may require the trustee, with funds provided by NuStar Logistics, to repurchase all or a portion of that holder's GoZone Bonds at a price equal to 101% of the aggregate principal amount repurchased, plus any accrued and unpaid interest.

### **SUN Senior Notes**

The terms of each tranche of SUN Senior Notes are governed by indentures among the Partnership and Sunoco Finance Corp. (together, the "Issuers"), and certain other subsidiaries of the Partnership and U.S. Bank National Association, as trustee. The SUN Senior Notes are senior obligations of the Issuers and are guaranteed by all of the Partnership's existing subsidiaries and certain of its future subsidiaries. The SUN Senior Notes and guarantees are unsecured and rank equally with all of the Issuers' and each Guarantor's existing and future senior obligations. The SUN Senior Notes and guarantees are effectively subordinated to the Issuers' and each Guarantor's secured obligations, including obligations under the Partnership's Credit Facility (as defined below), to the extent of the value of the collateral securing such obligations, and structurally subordinated to all indebtedness and obligations, including trade payables, of the Partnership's subsidiaries that do not guarantee the SUN Senior Notes.

On April 30, 2024, the Partnership issued \$750 million of 7.000% senior notes due 2029 and \$750 million of 7.250% senior notes due 2032 in a private offering. The Partnership used the net proceeds from the offering to: (i) repay certain outstanding indebtedness of NuStar in connection with the merger between the Partnership and NuStar, (ii) fund the redemption of NuStar's preferred units in connection with the merger and (iii) pay offering fees and expenses.

Energy Transfer guarantees collection to the Issuers with respect to the payment of the principal amount of the 5.875% senior notes due 2028. Energy Transfer is not subject to any of the covenants under the Indenture.

### **Credit Facility**

On May 3, 2024, we entered into a Third Amended and Restated Credit Agreement among the Partnership, as borrower, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent, collateral agent, swingline lender and a letter of credit issuer (the "Credit Facility"). The Credit Facility is a \$1.50 billion revolving credit facility which matures on

May 3, 2029 (which date may be extended in accordance with the terms of the Credit Facility). The Credit Facility can be increased from time to time upon our written request, subject to certain conditions, up to an additional \$500 million.

Borrowings under the Credit Facility will bear interest, at the Borrower's election, at a rate equal to Term SOFR (as defined therein) or a base rate (a rate based off of the higher of (a) the Federal Funds Rate (as defined therein) plus 0.500%, (b) Bank of America's prime rate and (c) one-month Term SOFR (as defined therein) plus 1.00%), in each case plus an applicable margin ranging from 1.250% to 2.250%, in the case of a Term SOFR loan, or from 0.250% to 1.25%, in the case of a base rate loan (determined with reference to the Partnership's Net Leverage Ratio as defined in the Credit Facility). Upon the first achievement by the Partnership of an investment grade credit rating, the applicable margin will decrease to a range of 1.125% to 1.750%, in the case of a Term SOFR loan, or from 0.125% to 0.750%, in the case of a base rate loan (determined with reference to the credit rating for the Partnership's senior, unsecured, non-credit enhanced long-term debt and the Partnership's corporate issuer rating). Interest is payable quarterly if the base rate applies, and at the end of the applicable interest period if Term SOFR applies. In addition, the unused portion of the Partnership's Credit Facility will be subject to a commitment fee ranging from 0.250% to 0.350%, based on the Partnership's Net Leverage Ratio. Upon the first achievement by the Partnership of an investment grade credit rating, the commitment fee will decrease to a range of 0.125% to 0.350%, based on the Partnership's credit rating as described above.

The Credit Facility requires the Partnership to maintain a Net Leverage Ratio of not more than 5.50 to 1.00 before the first achievement by the Partnership of an investment grade credit rating, and from and after the first occurrence of an investment grade credit rating, a Net Leverage Ratio of not more than 5.00 to 1.00. The maximum Net Leverage Ratio is subject to upwards adjustment after the achievement by the Partnership of an investment grade credit rating to not more than 5.50 to 1.00 for a period not to exceed three fiscal quarters in the event the Partnership engages in certain specified acquisitions of not less than \$50 million (as permitted under the Credit Facility). The Credit Facility also requires the Partnership to maintain an Interest Coverage Ratio (as defined in the Credit Facility) of not less than 2.25 to 1.00.

Indebtedness under the Credit Facility is guaranteed by material domestic subsidiaries of the Partnership and other subsidiaries for which the Partnership elects to provide guarantees.

As of December 31, 2024, the balance on the Credit Facility was \$203 million, and \$43 million in standby letters of credit were outstanding. The unused availability on the Credit Facility at December 31, 2024 was \$1.25 billion. The weighted average interest rate on the total amount outstanding at December 31, 2024 was 6.57%. The Partnership was in compliance with all financial covenants at December 31, 2024. The Partnership's net leverage ratio was 4.08 to 1.00 at December 31, 2024.

### ***Lease-Related Financing Obligations***

Southside Oil, LLC, a subsidiary of the Partnership, is a party to a sale leaseback transaction that did not meet the criteria for sale leaseback accounting. This transaction was accounted for as a financing arrangement over the course of the lease agreement. The obligations mature in varying dates through 2058, require monthly interest and principal payments, and bear interest at 11.865%. As of December 31, 2024 and 2023, the balance of the sale leaseback financing obligation was \$85 million.

Lease-related financing obligations also include finance lease obligations of \$47 million and \$9 million as of December 31, 2024 and 2023, respectively. See further discussion in Note 13.

### ***Fair Value of Debt***

The aggregate estimated fair value and carrying amount of our consolidated debt obligations as of December 31, 2024 were \$7.45 billion and \$7.49 billion, respectively. As of December 31, 2023, the aggregate fair value and carrying amount of our consolidated debt obligations were \$3.48 billion and \$3.58 billion, respectively. The fair value of our consolidated debt obligations is a Level 2 valuation based on the respective debt obligations' observable inputs for similar liabilities.

## **10. Other Non-Current Liabilities**

Other non-current liabilities consisted of the following:

|                                          | December 31,<br>2024 | December 31,<br>2023 |
|------------------------------------------|----------------------|----------------------|
| Asset retirement obligations             | \$ 84                | \$ 84                |
| Accrued environmental expense, long-term | 21                   | 12                   |
| Other                                    | 53                   | 20                   |
| Other non-current liabilities            | <u>\$ 158</u>        | <u>\$ 116</u>        |

We record an asset retirement obligation for the estimated future cost to remove underground storage tanks. Revisions to the liability could occur due to changes in tank removal costs, tank useful lives or if federal and/or state regulators enact new

guidance on the removal of such tanks. Changes in the carrying amount of asset retirement obligations for the years ended December 31, 2024 and 2023 were as follows:

|                              | Year Ended December 31, |              |
|------------------------------|-------------------------|--------------|
|                              | 2024                    | 2023         |
| Balance at beginning of year | \$ 84                   | \$ 81        |
| Liabilities incurred         | 4                       | —            |
| Liabilities settled          | (8)                     | (1)          |
| Accretion expense            | 4                       | 4            |
| Balance at end of year       | <u>\$ 84</u>            | <u>\$ 84</u> |

## 11. **Related Party Transactions**

We are party to fee-based commercial agreements with various affiliates of Energy Transfer for pipeline, terminalling and storage services. We also have agreements with subsidiaries of Energy Transfer for the purchase and sale of fuel. Additionally, under our partnership agreement, our General Partner does not receive a management fee or other compensation for its role as our general partner. However, our General Partner is reimbursed for all expenses incurred on our behalf. These expenses include shared service fees, as well as all other expenses necessary or appropriate to the conduct of our business that are allocable to us, as provided for in our partnership agreement. There is no cap on the amount that may be paid or reimbursed to our General Partner.

### **Summary of Related Party Transactions**

Related party transactions for the years ended December 31, 2024, 2023 and 2022 were as follows:

|                                     | Year Ended December 31, |       |       |
|-------------------------------------|-------------------------|-------|-------|
|                                     | 2024                    | 2023  | 2022  |
| Motor fuel sales to affiliates      | \$ 28                   | \$ 42 | \$ 52 |
| Bulk fuel purchases from affiliates | 1,463                   | 1,661 | 2,188 |
| Expense reimbursement               | 35                      | 34    | 33    |

Significant affiliate balances included on our consolidated balance sheets were as follows:

- Accounts receivable from affiliates were nil and \$20 million at December 31, 2024 and 2023, respectively, which were primarily related to motor fuel sales to affiliates.
- Accounts payable to affiliates were \$199 million and \$170 million as of December 31, 2024 and 2023, respectively, which were attributable to operational expenses and bulk fuel purchases.
- Advances from affiliates were \$82 million and \$102 million at December 31, 2024 and 2023, respectively, which were related to treasury services agreements with Energy Transfer.

### **Investments in Unconsolidated Affiliates**

Our investment in the J.C. Nolan joint venture was \$123 million and \$124 million as of December 31, 2024 and 2023, respectively. In addition, we recorded equity in earnings of unconsolidated affiliates related to this investment of \$7 million, \$5 million and \$4 million for the years ended December 31, 2024, 2023 and 2022, respectively.

As discussed in Note 3, effective July 1, 2024, SUN and Energy Transfer announced the formation of ET-S Permian, combining their respective crude oil and produced water gathering assets in the Permian Basin. Our investment in ET-S Permian was \$1.21 billion as of December 31, 2024. We recorded equity in earnings from ET-S Permian of \$53 million for the six months ended December 31, 2024.

## Summarized Financial Information

The following tables present aggregated selected balance sheet and income statement data for our unconsolidated affiliates, J.C. Nolan and ET-S Permian (on a 100% basis), for all periods presented:

|                                    | December 31,    |               |
|------------------------------------|-----------------|---------------|
|                                    | 2024            | 2023          |
| Current assets                     | \$ 650          | \$ 7          |
| Property, plant and equipment, net | 3,542           | 244           |
| Other assets                       | 310             | —             |
| Total assets                       | <u>\$ 4,502</u> | <u>\$ 251</u> |
| Current liabilities                | \$ 477          | \$ 3          |
| Non-current liabilities            | 49              | —             |
| Equity                             | 3,976           | 248           |
| Total liabilities and equity       | <u>\$ 4,502</u> | <u>\$ 251</u> |

|                  | Year Ended December 31, |       |       |
|------------------|-------------------------|-------|-------|
|                  | 2024                    | 2023  | 2022  |
| Revenues         | \$ 8,267                | \$ 34 | \$ 32 |
| Operating income | 176                     | 10    | 8     |
| Net income       | 176                     | 10    | 8     |

## 12. Revenue

### Disaggregation of Revenue

Revenues from our Fuel Distribution segment are derived from the sale of fuel, non-fuel and lease income. Fuel sales consist primarily of the sale of motor fuel under supply agreements with third-party customers and affiliates. Fuel supply contracts with our customers generally provide that we distribute motor fuel at a price based on a formula which includes published rates, volume-based profit margin and other terms specific to the agreement. The customer is invoiced the agreed-upon price with most payment terms ranging less than 30 days. If the consideration promised in a contract includes a variable amount, the Partnership estimates the variable consideration amount and factors in such estimate to determine the transaction price under the expected value method. Revenue is recognized under the motor fuel contracts at the point in time the customer takes control of the fuel. At the time control is transferred to the customer the sale is considered final, because the agreements do not grant customers the right to return motor fuel. To determine when control transfers to the customer, the shipping terms of the contract are assessed as a primary indicator of the transfer of control. For FOB shipping point terms, revenue is recognized at the time of shipment. The performance obligation with respect to the sale of goods is satisfied at the time of shipment since the customer gains control at this time under the terms. Shipping and/or handling costs that occur before the customer obtains control of the goods are deemed to be fulfillment activities and are accounted for as fulfillment costs. Once the goods are shipped, the Partnership is precluded from redirecting the shipment to another customer and revenue is recognized. Non-fuel revenue includes merchandise revenue that comprises the in-store merchandise and food service sales at company-operated retail stores and other revenue such as credit card processing, car washes, lottery and other services. Lease revenue is derived from the leasing or subleasing of real estate used in the retail distribution of motor fuels.

Revenues from our Pipeline Systems segment are derived from interstate and intrastate pipeline transportation of refined products, crude oil and anhydrous ammonia and the applicable pipeline tariff on a per barrel basis for crude oil or refined products and on a per ton basis for ammonia.

Revenues from our Terminals segment include fees for tank storage agreements, under which a customer agrees to pay for a certain amount of storage in a tank over a period of time (storage terminal revenues) and throughput agreements, under which a customer pays a fee per barrel for volumes moving through our terminals (throughput terminal revenues). Our terminals also provide blending, additive injections, handling and filtering services for which we charge additional fees. Additionally, we lease certain of our storage tanks in exchange for a fixed fee, subject to an annual consumer price index adjustment. We recognized lease revenues from these leases of \$31 million for the year ended December 31, 2024, which are included in "Service revenue" in our consolidated statement of operations.

The following table depicts the disaggregation of revenue:

|                     | Year Ended December 31, |                  |                  |
|---------------------|-------------------------|------------------|------------------|
|                     | 2024                    | 2023             | 2022             |
| Fuel                | \$ 21,362               | \$ 22,520        | \$ 25,209        |
| Non-fuel            | 294                     | 284              | 277              |
| Lease income        | 125                     | 151              | 143              |
| Pipeline throughput | 457                     | —                | —                |
| Terminal throughput | 102                     | 61               | 49               |
| Other               | 353                     | 52               | 51               |
| Total revenues      | <u>\$ 22,693</u>        | <u>\$ 23,068</u> | <u>\$ 25,729</u> |

### **Contract Balances with Customers**

The Partnership satisfies its performance obligations by transferring goods or services in exchange for consideration from customers. The timing of performance may differ from the timing the associated consideration is paid to or received from the customer, thus resulting in the recognition of a contract asset or a contract liability.

The Partnership recognizes a contract asset when making upfront consideration payments to certain customers. The upfront considerations represent a pre-paid incentive, as these payments are not made for distinct goods or services provided by the customer. The pre-payment incentives are recognized as a contract asset upon payment and amortized as a reduction of revenue over the term of the specific agreement.

The Partnership recognizes a contract liability if the customer's payment of consideration precedes the Partnership's fulfillment of the performance obligations, which primarily result from contracts with an incentive pricing structure, contributions in aid of construction ("CIAC") payments (as discussed below), and contracts with minimum volume commitment. We maintain some franchise agreements requiring dealers to make one-time upfront payments for long-term license agreements. The Partnership recognizes a contract liability when the upfront payment is received and recognizes revenue over the term of the license.

The balances of the Partnership's contract assets and contract liabilities as of December 31, 2024 and 2023 were as follows:

|                                                   | December 31,<br>2024 | December 31,<br>2023 | Increase/<br>(Decrease) |
|---------------------------------------------------|----------------------|----------------------|-------------------------|
| Contract assets                                   | \$ 288               | \$ 256               | \$ 32                   |
| Accounts receivable from contracts with customers | 1,084                | 809                  | 275                     |
| Contract liabilities                              | 39                   | —                    | 39                      |

The following table summarizes the consolidated activity of our contract liabilities:

|                                       | Contract<br>Liabilities |
|---------------------------------------|-------------------------|
| Balance, December 31, 2023            | \$ —                    |
| NuStar acquisition                    | 78                      |
| Zenith European terminals acquisition | 3                       |
| ET-S Permian                          | (29)                    |
| Other additions                       | 26                      |
| Revenue recognized                    | (39)                    |
| Balance, December 31, 2024            | <u>\$ 39</u>            |

### **Costs to Obtain or Fulfill a Contract**

The Partnership recognizes an asset from the costs incurred to obtain a contract (e.g. sales commissions) only if it expects to recover those costs. On the other hand, the costs to fulfill a contract are capitalized if the costs are specifically identifiable to a contract, would result in enhancing resources that will be used in satisfying performance obligations in the future, and are expected to be recovered. These capitalized costs are recorded as a part of other current assets and other non-current assets on our consolidated balance sheets and are amortized as a reduction of revenue on a systematic basis consistent with the pattern of transfer of the goods or services to which such costs relate. The amount of amortization on these capitalized costs that the Partnership recognized in the years ended December 31, 2024, 2023 and 2022 was \$35 million, \$29 million and \$22 million, respectively. The Partnership has also made a policy election of expensing the costs to obtain a contract, as and when they are incurred, in cases where the expected amortization period is one year or less.



## **Performance Obligations**

At contract inception, the Partnership assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Partnership considers all the goods or services promised in the contract, whether explicitly stated or implied based on customary business practices. For a contract that has more than one performance obligation, the Partnership allocates the total contract consideration to each distinct performance obligation on a relative standalone selling price basis. Revenue is recognized when (or as) the performance obligations are satisfied, that is, when the customer obtains control of the good or the service is provided.

The Partnership distributes fuel under long-term contracts to branded distributors, branded and unbranded third-party dealers and branded and unbranded retail fuel outlets. Sunoco-branded supply contracts with distributors generally have both time and volume commitments that establish contract duration. These contracts have an initial term of approximately ten years, with an estimated, volume-weighted term remaining of approximately five years.

The Partnership is party to a 15-year take-or-pay fuel supply agreement with 7-Eleven, Inc. and SEI Fuel Services, Inc. (collectively, the “Distributor”) in which the Distributor is required to purchase a volume of fuel that provides the Partnership a minimum amount of gross profit annually. We expect to recognize this revenue in accordance with the contract as we transfer control of the product to the customer. However, in case of an annual shortfall we will recognize the amount payable by the Distributor at the sooner of the time at which the Distributor makes up the shortfall or becomes contractually or operationally unable to do so. The transaction price of the contract is variable in nature, fluctuating based on market conditions. The Partnership has elected to take the practical expedient not to estimate the amount of variable consideration allocated to wholly unsatisfied performance obligations. 7-Eleven, Inc. accounted for approximately 18% and 20% of total revenues for the years ended December 31, 2024 and 2023, respectively.

In some contractual arrangements, the Partnership grants dealers a franchise license to operate the Partnership’s retail stores over the life of a franchise agreement. In return for the grant of the retail store license, the dealer makes a one-time nonrefundable franchise fee payment to the Partnership plus sales based royalties payable to the Partnership at a contractual rate during the period of the franchise agreement. Under the requirements of ASC Topic 606, the franchise license is deemed to be a symbolic license for which recognition of revenue over time is the most appropriate measure of progress toward complete satisfaction of the performance obligation. Revenue from this symbolic license is recognized evenly over the life of the franchise agreement.

In certain instances, our customers reimburse us for capital projects, in arrangements referred to as CIAC. Typically, in these instances, we receive upfront payments for future services, which are included in the transaction price of the underlying service contract.

## **Remaining Performance Obligations**

The following table presents our estimated revenues from contracts with customers for remaining performance obligations that have not yet been recognized, representing our contractually committed revenue as of December 31, 2024.

|            | <b>Remaining<br/>Performance<br/>Obligations</b> |
|------------|--------------------------------------------------|
| 2025       | \$ 374                                           |
| 2026       | 267                                              |
| 2027       | 179                                              |
| 2028       | 135                                              |
| 2029       | 90                                               |
| Thereafter | 237                                              |
| Total      | <u>\$ 1,282</u>                                  |

## **Practical Expedients Selected by the Partnership**

The Partnership elected the following practical expedients in accordance with ASC 606:

- **Significant financing component** - The Partnership elected not to adjust the promised amount of consideration for the effects of a significant financing component if the Partnership expects at contract inception that the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less.
- **Incremental costs of obtaining a contract** - The Partnership elected to expense the incremental costs of obtaining a contract when the amortization period for such contracts would have been one year or less.

- **Shipping and handling costs** - The Partnership elected to account for shipping and handling activities that occur after the customer has obtained control of a good as fulfillment activities (i.e., an expense) rather than as a promised service.
- **Measurement of transaction price** - The Partnership has elected to exclude from the measurement of transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the Partnership from a customer (i.e., sales tax, value added tax, etc.).
- **Variable consideration of wholly unsatisfied performance obligations** - The Partnership has elected to exclude the estimate of variable consideration to the allocation of wholly unsatisfied performance obligations.

### 13. **Commitments and Contingencies**

#### ***Lessee Accounting***

The Partnership leases retail stores, other property and equipment under non-cancellable operating leases whose initial terms are typically five to 30 years, with some having a term of 40 years or more, along with options that permit renewals for additional periods. At the inception of each, we determine if the arrangement is a lease or contains an embedded lease and review the facts and circumstances of the arrangement to classify leased assets as operating or finance under Topic 842. The Partnership has elected not to record any leases with terms of 12 months or less on our consolidated balance sheets.

At this time, the majority of active leases within our portfolio are classified as operating leases. Operating leases are included in operating lease right-of-use assets, net, operating lease current liabilities and operating lease non-current liabilities on our consolidated balance sheets. Finance leases represent a small portion of the active lease agreements and are included in other non-current assets and long-term debt, net on our consolidated balance sheets. The right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make minimum lease payments arising from the lease for the duration of the lease term.

Most leases include one or more options to renew, with renewal terms that can extend the lease term from one year to 20 years or greater. The exercise of lease renewal options is typically at our discretion. Additionally, many leases contain early termination clauses, however early termination typically requires the agreement of both parties to the lease. At lease inception, all renewal options reasonably certain to be exercised are considered when determining the lease term. At this time, the Partnership does not have leases that include options to purchase or automatic transfer of ownership of the leased property to the Partnership. The depreciable life of leased assets and leasehold improvements are limited by the expected lease term.

To determine the present value of future minimum lease payments, we use the implicit rate when readily determinable. At this time, many of our leases do not provide an implicit rate, therefore to determine the present value of minimum lease payments we use our incremental borrowing rate based on the information available at lease commencement date. The right-of-use assets also include any lease payments made and exclude lease incentives.

Minimum rent payments are expensed on a straight-line basis over the term of the lease. In addition, some leases may require additional contingent or variable lease payments based on factors specific to the individual agreement. Variable lease payments we are typically responsible for include payment of real estate taxes, maintenance expenses and insurance.

The components of lease expense consisted of the following:

| <b><u>Lease cost</u></b>      | <b><u>Classification</u></b>             | <b><u>Year Ended December 31,</u></b> |                    |
|-------------------------------|------------------------------------------|---------------------------------------|--------------------|
|                               |                                          | <b><u>2024</u></b>                    | <b><u>2023</u></b> |
| Operating lease costs:        |                                          |                                       |                    |
| Operating lease cost          | Lease expense                            | \$ 50                                 | \$ 51              |
| Finance lease costs:          |                                          |                                       |                    |
| Amortization of leased assets | Depreciation, amortization and accretion | 1                                     | —                  |
| Interest on lease liabilities | Interest expense                         | 2                                     | —                  |
| Short-term lease cost         | Lease expense                            | 4                                     | 2                  |
| Variable lease cost           | Lease expense                            | 18                                    | 15                 |
| Sublease income               | Lease income                             | (45)                                  | (42)               |
| Net lease cost                |                                          | <u>\$ 30</u>                          | <u>\$ 26</u>       |

| <b><u>Lease term and discount rate</u></b>    | <b><u>December 31,<br/>2024</u></b> | <b><u>December 31,<br/>2023</u></b> |
|-----------------------------------------------|-------------------------------------|-------------------------------------|
| Weighted average remaining lease term (years) |                                     |                                     |
| Operating leases                              | 19                                  | 22                                  |
| Finance leases                                | 18                                  | 27                                  |
| Weighted average discount rate (%)            |                                     |                                     |
| Operating leases                              | 6 %                                 | 6 %                                 |
| Finance leases                                | 6 %                                 | 4 %                                 |

| <b><u>Other information</u></b>                                        | <b><u>Year Ended December 31,</u></b> |                    |
|------------------------------------------------------------------------|---------------------------------------|--------------------|
|                                                                        | <b><u>2024</u></b>                    | <b><u>2023</u></b> |
| Cash paid for amount included in the measurement of lease liabilities: |                                       |                    |
| Operating cash flows from operating leases                             | \$ (49)                               | \$ (51)            |
| Operating cash flows from finance leases                               | (1)                                   | —                  |
| Financing cash flows from finance leases                               | (1)                                   | —                  |
| Leased assets obtained in exchange for new finance lease liabilities   | —                                     | —                  |
| Leased assets obtained in exchange for new operating lease liabilities | 3                                     | —                  |

Maturities of lease liabilities as of December 31, 2024 were as follows:

|                                    | <b><u>Operating<br/>leases</u></b> | <b><u>Finance leases</u></b> | <b><u>Total</u></b> |
|------------------------------------|------------------------------------|------------------------------|---------------------|
| 2025                               | \$ 55                              | \$ 4                         | \$ 59               |
| 2026                               | 54                                 | 4                            | 58                  |
| 2027                               | 53                                 | 4                            | 57                  |
| 2028                               | 51                                 | 4                            | 55                  |
| 2029                               | 49                                 | 4                            | 53                  |
| Thereafter                         | 580                                | 54                           | 634                 |
| Total lease payments               | 842                                | 74                           | 916                 |
| Less: interest                     | 329                                | 27                           | 356                 |
| Present value of lease liabilities | <u>\$ 513</u>                      | <u>\$ 47</u>                 | <u>\$ 560</u>       |

### ***Lessor Accounting***

The Partnership leases or subleases a portion of its real estate portfolio to third-party companies as a stable source of long-term revenue. Our lessor and sublease portfolio consists mainly of operating leases with convenience store operators. At this time, most lessor agreements contain five-year terms with renewal options to extend and early termination options based on established terms specific to the individual agreement. Additionally, we lease certain of our storage tanks in exchange for a fixed fee, subject to an annual consumer price index adjustment.

Minimum future lease payments receivable as of December 31, 2024 were as follows:

|                               |               |
|-------------------------------|---------------|
| 2025                          | \$ 139        |
| 2026                          | 121           |
| 2027                          | 93            |
| 2028                          | 73            |
| 2029                          | 61            |
| Thereafter                    | 356           |
| Total undiscounted cash flows | <u>\$ 843</u> |

### ***Litigation and Contingencies***

We may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business. In the ordinary course of business, we are sometimes threatened with or named as a defendant in various lawsuits seeking actual and punitive damages for personal injury and property damage. We maintain liability insurance with insurers in amounts and with coverage and deductibles management believes are reasonable and prudent, and which are generally accepted in the industry. However, there can be no assurance that the levels of insurance protection currently in effect will continue to be available at reasonable prices or that such levels will remain adequate to protect us from material expenses related to personal injury or property damage in the future. In addition, various regulatory agencies such as tax authorities, environmental agencies, or other

such agencies may perform audits or reviews to ensure proper compliance with regulations. We are not fully insured for any claims that may arise from these various agencies and there can be no assurance that any claims arising from these activities would not have an adverse, material effect on our consolidated financial statements.

### ***Environmental Remediation***

We are subject to various federal, state and local environmental laws and make financial expenditures in order to comply with regulations governing underground storage tanks adopted by federal, state and local regulatory agencies. In particular, at the federal level, the Resource Conservation and Recovery Act of 1976, as amended, requires the EPA to establish a comprehensive regulatory program for the detection, prevention and cleanup of leaking underground storage tanks (e.g. overfills, spills and underground storage tank releases).

Federal and state regulations require us to provide and maintain evidence that we are taking financial responsibility for corrective action and compensating third parties in the event of a release from our underground storage tank systems and terminals. In order to comply with these requirements, we have historically obtained private insurance in the states in which we operate. These policies provide protection from third-party liability claims. During 2024, our coverage was \$15 million per occurrence and in the aggregate. Our sites continue to be covered by these policies.

We are currently involved in the investigation and remediation of contamination at motor fuel storage and gasoline store sites where releases of regulated substances have been detected. We accrue for anticipated future costs and the related probable state reimbursement amounts for remediation activities. Accordingly, we have recorded estimated undiscounted liabilities for these sites totaling \$28 million and \$18 million as of December 31, 2024 and 2023, respectively, which are classified as accrued expenses and other current liabilities and other non-current liabilities.

## **14. Assets Under Operating Leases**

The balances of property and equipment that are being leased to third parties were as follows:

|                                                 | December 31,<br>2024 | December 31,<br>2023 <sup>(1)</sup> |
|-------------------------------------------------|----------------------|-------------------------------------|
| Land and improvements                           | \$ 513               | \$ 392                              |
| Buildings, equipment and leasehold improvements | 556                  | 774                                 |
| Pipelines                                       | 217                  | 3                                   |
| Product storage and related facilities          | 283                  | 135                                 |
| Other                                           | 39                   | 46                                  |
| Construction work-in-process                    | 64                   | —                                   |
| Total property and equipment                    | 1,672                | 1,350                               |
| Less: Accumulated depreciation                  | (449)                | (563)                               |
| Property and equipment, net                     | \$ 1,223             | \$ 787                              |

<sup>(1)</sup> Certain components of property and equipment under operating leases were reclassified in the current year. The balances as of December 31, 2023 reflected above have been adjusted to conform to the current year presentation. These changes did not impact total property and equipment under operating leases.

## **15. Interest Expense, net**

Components of net interest expense were as follows:

|                                         | Year Ended December 31, |        |        |
|-----------------------------------------|-------------------------|--------|--------|
|                                         | 2024                    | 2023   | 2022   |
| Interest expense                        | \$ 380                  | \$ 212 | \$ 176 |
| Amortization of deferred financing fees | 24                      | 8      | 7      |
| Interest income                         | (13)                    | (3)    | (1)    |
| Interest expense, net                   | \$ 391                  | \$ 217 | \$ 182 |

## 16. **Income Tax Expense**

As a partnership, we are generally not subject to federal income tax and most state income taxes. However, the Partnership conducts certain activities through corporate subsidiaries which are subject to federal and state income taxes.

The Partnership's income before income tax expense by geographic area is shown in the table below:

|               | Year Ended December 31, |               |               |
|---------------|-------------------------|---------------|---------------|
|               | 2024                    | 2023          | 2022          |
| United States | \$ 1,040                | \$ 430        | \$ 501        |
| Foreign       | 9                       | —             | —             |
| Total         | <u>\$ 1,049</u>         | <u>\$ 430</u> | <u>\$ 501</u> |

The components of the federal and state income tax expense (benefit) are summarized as follows:

|                                            | Year Ended December 31, |              |              |
|--------------------------------------------|-------------------------|--------------|--------------|
|                                            | 2024                    | 2023         | 2022         |
| <b>Current:</b>                            |                         |              |              |
| Federal                                    | \$ 152                  | \$ 16        | \$ —         |
| State                                      | 37                      | 7            | (2)          |
| Total current income tax expense (benefit) | 189                     | 23           | (2)          |
| <b>Deferred:</b>                           |                         |              |              |
| Federal                                    | (19)                    | 9            | 24           |
| State                                      | 5                       | 4            | 4            |
| Total deferred tax expense (benefit)       | (14)                    | 13           | 28           |
| Income tax expense                         | <u>\$ 175</u>           | <u>\$ 36</u> | <u>\$ 26</u> |

Our effective tax rate differs from the statutory rate primarily due to Partnership earnings that are not subject to U.S. federal and most state income taxes at the Partnership level. A reconciliation of income tax expense at the U.S. federal statutory rate to net income tax expense is as follows:

|                                                      | Year Ended December 31, |              |              |
|------------------------------------------------------|-------------------------|--------------|--------------|
|                                                      | 2024                    | 2023         | 2022         |
|                                                      | <i>(in millions)</i>    |              |              |
| Income tax expense at United States statutory rate   | \$ 220                  | \$ 90        | \$ 105       |
| Increase (reduction) in income taxes resulting from: |                         |              |              |
| Partnership earnings not subject to tax              | (84)                    | (64)         | (74)         |
| Non-deductible goodwill                              | 9                       | —            | —            |
| State and local tax, including federal expense       | 33                      | 10           | 1            |
| Other                                                | (3)                     | —            | (6)          |
| Income tax expense                                   | <u>\$ 175</u>           | <u>\$ 36</u> | <u>\$ 26</u> |

Deferred taxes result from the temporary differences between financial reporting carrying amounts and the tax basis of existing assets and liabilities. Principal components of deferred tax assets and liabilities were as follows:

|                                             | December 31,<br>2024 | December 31,<br>2023 |
|---------------------------------------------|----------------------|----------------------|
| <b>Deferred tax assets:</b>                 |                      |                      |
| Net operating and other loss carry forwards | \$ 16                | \$ 3                 |
| Other                                       | 18                   | 21                   |
| Total deferred tax assets                   | <u>34</u>            | <u>24</u>            |
| <b>Deferred tax liabilities:</b>            |                      |                      |
| Property and equipment                      | 49                   | 55                   |
| Trademarks and other intangibles            | 82                   | 91                   |
| Investments in affiliates                   | 53                   | 44                   |
| Other                                       | 1                    | —                    |
| Total deferred tax liabilities              | <u>185</u>           | <u>190</u>           |
| <b>Net deferred income tax liabilities</b>  | <u>\$ 151</u>        | <u>\$ 166</u>        |

As of December 31, 2024, Sunoco Retail, a corporate subsidiary of the Partnership, had a state net operating loss carryforward of \$20 million, which we expect to fully utilize. Sunoco Retail has no federal net operating loss carryforward. A foreign subsidiary of Sunoco Retail LLC had a net operating loss carryforward of \$56 million, which we expect to fully utilize.

As of December 31, 2024, we had \$11 million (\$8 million after federal income tax benefits) related to tax positions which, if recognized, would impact our effective tax rate. We did not recognize any changes in unrecognized tax benefits in 2024, 2023 or 2022.

We accrue interest and penalties on income tax underpayments (overpayments) as a component of income tax expense. During 2024, we recognized interest and penalties of \$1 million. At December 31, 2024, we had interest and penalties accrued of \$4 million, net of taxes.

The IRS is auditing a 2018 income tax refund claim filed by a wholly owned subsidiary of the Partnership. In general, the Partnership and its subsidiaries are no longer subject to examination by the IRS and most state jurisdictions for 2018 and prior years.

## 17. **Partners' Capital**

As of December 31, 2024, Energy Transfer and its subsidiaries owned 28,463,967 common units, which constitutes a 18.6% limited partner interest in the Partnership. As of December 31, 2024, our wholly owned consolidated subsidiaries owned 16,410,780 Class C units representing limited partner interests in the Partnership (the "Class C Units") and the public owned 107,764,568 common units.

### **Common Units**

Common unit activity for the years ended December 31, 2024 and 2023 was as follows:

|                                             | <b>Number of Units</b> |
|---------------------------------------------|------------------------|
| Number of common units at December 31, 2022 | 84,054,765             |
| Phantom unit vesting                        | 353,249                |
| Number of common units at December 31, 2023 | 84,408,014             |
| Phantom unit vesting                        | 277,421                |
| NuStar acquisition                          | 51,543,100             |
| Number of common units at December 31, 2024 | 136,228,535            |

### **Allocation of Net Income**

Our Partnership Agreement contains provisions for the allocation of net income and loss to the unitholders. For purposes of maintaining partner capital accounts, the Partnership Agreement specifies that items of income and loss shall be allocated among the partners in accordance with their respective percentage interest. Normal allocations according to percentage interests are made after giving effect, if any, to priority income allocations in an amount equal to incentive cash distributions allocated 100% to Energy Transfer.

The calculation of net income allocated to common unitholders was as follows:

|                                                   | <b>Year Ended December 31,</b> |             |             |
|---------------------------------------------------|--------------------------------|-------------|-------------|
|                                                   | <b>2024</b>                    | <b>2023</b> | <b>2022</b> |
| <b>Attributable to Common Units</b>               |                                |             |             |
| Distributions declared                            | \$ 478                         | \$ 284      | \$ 277      |
| Distributions (in excess of) less than net income | 238                            | 27          | 120         |
| Common unitholders' interest in net income        | \$ 716                         | \$ 311      | \$ 397      |

### **Class C Units**

The Partnership has outstanding an aggregate of 16,410,780 Class C Units, all of which are held by wholly owned subsidiaries of the Partnership.

Class C Units (i) are not convertible or exchangeable into Common Units or any other units of the Partnership and are non-redeemable; (ii) are entitled to receive distributions of available cash of the Partnership (other than available cash derived from or attributable to any distribution received by the Partnership from Sunoco Retail, the proceeds of any sale of the membership interests of Sunoco Retail, or any interest or principal payments received by the Partnership with respect to indebtedness of Sunoco Retail or its subsidiaries) at a fixed rate equal to \$0.8682 per quarter for each Class C Unit outstanding; (iii) do not have the right to vote on any matter except as otherwise required by any non-waivable provision of law; (iv) are not allocated any items of income, gain, loss, deduction or credit attributable to the Partnership's ownership of, or sale or other disposition of, the



membership interests of Sunoco Retail, or the Partnership's ownership of any indebtedness of Sunoco Retail or any of its subsidiaries ("Sunoco Retail Items"); (v) will be allocated gross income (other than from Sunoco Retail Items) in an amount equal to the cash distributed to the holders of Class C Units and (vi) will be allocated depreciation, amortization and cost recovery deductions as if the Class C Units were Common Units and 1% of certain allocations of net termination gain (other than from Sunoco Retail Items).

Pursuant to the terms described above, these distributions do not have an impact on the Partnership's consolidated cash flows and as such, are excluded from total cash distributions and allocation of limited partners' interest in net income.

### ***Incentive Distribution Rights***

The following table illustrates the percentage allocations of available cash from operating surplus between our common unitholders and the holder of our IDRs based on the specified target distribution levels, after the payment of distributions to Class C unitholders. The amounts set forth under "marginal percentage interest in distributions" are the percentage interests of our IDR holder and the common unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column "total quarterly distribution per common unit target amount." The percentage interests shown for our common unitholders and our IDR holder for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. Energy Transfer currently owns our IDRs.

|                                | Total quarterly distribution per Common unit target amount | Marginal percentage interest in distributions |                |
|--------------------------------|------------------------------------------------------------|-----------------------------------------------|----------------|
|                                |                                                            | Common Unitholders                            | Holder of IDRs |
| Minimum Quarterly Distribution | \$0.4375                                                   | 100 %                                         | —              |
| First Target Distribution      | Above \$0.4375 up to \$0.503125                            | 100 %                                         | —              |
| Second Target Distribution     | Above \$0.503125 up to \$0.546875                          | 85 %                                          | 15 %           |
| Third Target Distribution      | Above \$0.546875 up to \$0.656250                          | 75 %                                          | 25 %           |
| Thereafter                     | Above \$0.656250                                           | 50 %                                          | 50 %           |

### ***Cash Distributions***

Our Partnership Agreement sets forth the calculation used to determine the amount and priority of cash distributions that the common unitholders receive.

Cash distributions paid or to be paid were as follows:

| Payment Date      | Common Units          |                         | Distribution to IDR Holders |
|-------------------|-----------------------|-------------------------|-----------------------------|
|                   | Per Unit Distribution | Total Cash Distribution |                             |
| February 18, 2022 | \$ 0.8255             | \$ 69                   | \$ 18                       |
| May 19, 2022      | 0.8255                | 69                      | 18                          |
| August 19, 2022   | 0.8255                | 69                      | 18                          |
| November 18, 2022 | 0.8255                | 69                      | 18                          |
| February 21, 2023 | 0.8255                | 69                      | 18                          |
| May 22, 2023      | 0.8420                | 71                      | 19                          |
| August 21, 2023   | 0.8420                | 71                      | 19                          |
| November 20, 2023 | 0.8420                | 71                      | 19                          |
| February 20, 2024 | 0.8420                | 71                      | 19                          |
| May 20, 2024      | 0.8756                | 119                     | 36                          |
| August 19, 2024   | 0.8756                | 119                     | 36                          |
| November 19, 2024 | 0.8756                | 119                     | 36                          |
| February 19, 2025 | 0.8865                | 121                     | 37                          |

### ***Accumulated Other Comprehensive Income***

The following table presents the components of AOCI, net of tax:

|                                                                                        | December 31, 2024 | December 31, 2023 |
|----------------------------------------------------------------------------------------|-------------------|-------------------|
| Foreign currency translation adjustment                                                | \$ (1)            | \$ —              |
| Actuarial gains related to pensions and other postretirement benefits                  | 3                 | —                 |
| Total accumulated other comprehensive income included in partners' capital, net of tax | \$ 2              | \$ —              |

## 18. **Employee Benefit Plans**

### ***Pension and Other Postretirement Benefits***

The NuStar Pension Plan (the “Pension Plan”) is a qualified non-contributory defined benefit pension plan that provided certain eligible NuStar employees with retirement income as calculated under a cash balance formula. Under the cash balance formula, benefits were determined based on age, years of vesting service and interest credits, and employees become fully vested in their benefits upon attaining three years of vesting service.

NuStar also maintained an excess pension plan (the “Excess Pension Plan”), which is a non qualified deferred compensation plan that provides benefits to a select group of management or other highly compensated employees. Neither the Excess Thrift Plan nor the Excess Pension Plan is intended to constitute either a qualified plan under the provisions of Section 401 of the Code or a funded plan subject to the Employee Retirement Income Security Act.

The Pension Plan and Excess Pension Plan are collectively referred to as the “Pension Plans” in the tables and discussion below. Other postretirement benefit plans include NuStar’s contributory medical benefits plan for U.S. employees who retired prior to April 1, 2014 and, for employees who retire on or after April 1, 2014, a partial reimbursement for eligible third-party health care premiums. We use December 31 as the measurement date for our pension and other postretirement plans.

We made no contributions to the Pension Plans subsequent to the NuStar acquisition, and the Pension Plan was terminated on November 30, 2024.

The changes in the benefit obligation, the changes in fair value of plan assets, the funded status and the amounts recognized in the consolidated balance sheets for our Pension Plans and other postretirement benefit plans as of December 31, 2024 were as follows:

|                                                  | <b>Pension Plans</b> | <b>Other<br/>Postretirement<br/>Benefit Plans</b> |
|--------------------------------------------------|----------------------|---------------------------------------------------|
| <b><u>Change in benefit obligation:</u></b>      |                      |                                                   |
| Benefit obligation at beginning of period        | \$ —                 | \$ —                                              |
| NuStar acquisition                               | 152                  | 12                                                |
| Service cost                                     | 1                    | —                                                 |
| Interest cost                                    | 5                    | 1                                                 |
| Plan amendments                                  | —                    | (11)                                              |
| Benefits paid, net                               | (36)                 | —                                                 |
| Actuarial loss and other                         | 15                   | (1)                                               |
| Benefit obligation at end of period              | 137                  | 1                                                 |
| <b><u>Change in plan assets:</u></b>             |                      |                                                   |
| Fair value of plan assets at beginning of period | \$ —                 | \$ —                                              |
| NuStar acquisition                               | 178                  | —                                                 |
| Actual return on plan assets                     | 12                   | —                                                 |
| Employer contributions                           | 5                    | —                                                 |
| Benefits paid, net                               | (35)                 | —                                                 |
| Fair value of plan assets at end of period       | 160                  | —                                                 |
| Amount underfunded (overfunded) at end of period | <u>\$ (23)</u>       | <u>\$ 1</u>                                       |

|                                                                   | <b>Pension Plans</b> | <b>Other<br/>Postretirement<br/>Benefit Plans</b> |
|-------------------------------------------------------------------|----------------------|---------------------------------------------------|
| Amounts recognized in the consolidated balance sheets consist of: |                      |                                                   |
| Non-current assets                                                | \$ 24                | \$ —                                              |
| Current liabilities                                               | (1)                  | (1)                                               |
|                                                                   | <u>\$ 23</u>         | <u>\$ (1)</u>                                     |

|                                                                                          |    |     |       |
|------------------------------------------------------------------------------------------|----|-----|-------|
| Amounts recognized in accumulated other comprehensive income (pre-tax basis) consist of: |    |     |       |
| Net actuarial loss                                                                       | \$ | (9) | \$ —  |
| Prior service credit                                                                     |    | —   | 11    |
|                                                                                          | \$ | (9) | \$ 11 |

The actuarial loss related to the benefit obligation for our pension plans was primarily attributable to the termination of the Pension Plan. The fair value of our plan assets is affected by the return on plan assets resulting primarily from the performance of equity and bond markets during the period.

The Excess Pension Plan has no plan assets and an accumulated benefit obligation of \$1 million as of December 31, 2024. The accumulated benefit obligation is the present value of benefits earned to date, while the projected benefit obligation may include future salary increase assumptions. The projected benefit obligation for the Excess Pension Plan was \$1 million as of December 31, 2024.

The components of net periodic benefit cost for the period from the NuStar acquisition (May 3, 2024) to December 31, 2024 related to our Pension Plans and other postretirement benefit plans were as follows:

|                                | Pension Plans | Other Postretirement Benefit Plans |
|--------------------------------|---------------|------------------------------------|
| Net periodic benefit cost:     |               |                                    |
| Service cost                   | \$ 1          | \$ —                               |
| Interest cost                  | 5             | 1                                  |
| Expected return on plan assets | (8)           | —                                  |
| Settlement charge              | 2             | —                                  |
| Net periodic benefit cost      | \$ —          | \$ 1                               |

We amortize prior service costs and credits on a straight-line basis over the average remaining service period of employees expected to receive benefits under our Pension Plans and other postretirement benefit plans (“Prior service amortization” in table above). We amortize the actuarial gains and losses that exceed 10% of the greater of the projected benefit obligation or market-related value of plan assets (smoothed asset value) over the average remaining service period of active employees expected to receive benefits under our Pension Plans and other postretirement benefit plans (“Actuarial gain amortization” in table above).

The service cost component of net periodic benefit cost is reported in “General and administrative” expenses and “Other Operating” expenses on the consolidated statements of operations, and the remaining components of net periodic benefit cost are reported in “Other, net.”

### ***Fair Value of Plan Assets***

We disclose the fair value for each major class of plan assets in the Pension Plan in three levels: Level 1, defined as observable inputs such as quoted prices for identical assets or liabilities in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in markets that are not active; and Level 3, defined as unobservable inputs for which little or no market data exists.

The major classes of plan assets measured at fair value for the Pension Plan at December 31, 2024 were as follows:

|                                  | Level 1 | Level 2 | Level 3 | Total  |
|----------------------------------|---------|---------|---------|--------|
| Cash equivalent securities       | \$ 80   | \$ —    | \$ —    | \$ 80  |
| Investment trusts <sup>(1)</sup> | —       | 44      | —       | 44     |
| Fixed income securities          | 36      | —       | —       | 36     |
| Total                            | \$ 116  | \$ 44   | \$ —    | \$ 160 |

<sup>(1)</sup> Includes long-term and intermediate credit bonds.

### **Estimated Future Benefit Payments**

As of December 31, 2024, the following benefit payments were expected to be paid for the years ending December 31:

|           | <b>Pension Plans</b> | <b>Other<br/>Postretirement<br/>Benefit Plans</b> |
|-----------|----------------------|---------------------------------------------------|
| 2025      | \$ 71                | \$ 1                                              |
| 2026      | 3                    | —                                                 |
| 2027      | 3                    | —                                                 |
| 2028      | 3                    | —                                                 |
| 2029      | 4                    | —                                                 |
| 2030-2034 | 19                   | —                                                 |

#### **Assumptions**

The discount rate is based on a hypothetical yield curve represented by a series of annualized individual discount rates. Each bond issue underlying the hypothetical yield curve required an average rating of double-A, when averaging all available ratings by Moody's Investor Service Inc., S&P Global Ratings and Fitch Ratings. The expected long-term rate of return on plan assets is based on the weighted averages of the expected long-term rates of return for each asset class of investments held in our plans as determined using historical data and the assumption that capital markets are informationally efficient. The expected rate of compensation increase represents average long-term salary increases.

The weighted-average assumptions used to determine the benefit obligations at December 31, 2024 were as follows:

|                                      | <b>Pension Plans</b> | <b>Other<br/>Postretirement<br/>Benefit Plans</b> |
|--------------------------------------|----------------------|---------------------------------------------------|
| Discount rate                        | 5.46 %               | 5.64 %                                            |
| Rate of compensation increase        | n/a                  | n/a                                               |
| Cash balance interest crediting rate | 2.59 %               | n/a                                               |

The weighted-average assumptions used to determine the net periodic benefit cost for the period from acquisition to December 31, 2024 related to our Pension Plans and other postretirement benefit plans were as follows:

|                                                  | <b>Pension Plans</b> | <b>Other<br/>Postretirement<br/>Benefit Plans</b> |
|--------------------------------------------------|----------------------|---------------------------------------------------|
| Discount rate                                    | 5.76 %               | 5.74 %                                            |
| Expected long-term rate of return on plan assets | 6.75 %               | n/a                                               |
| Rate of compensation increase                    | n/a                  | n/a                                               |
| Cash balance interest crediting rate             | 4.26 %               | n/a                                               |

### **19. Unit-Based Compensation**

The Partnership has issued phantom units to its employees and non-employee directors, which vest 60% after three years and 40% after five years. Phantom units have the right to receive distributions prior to vesting. The fair value of these units is the market price of our common units on the grant date, and is amortized over the five-year vesting period using the straight-line method. Unit-based compensation expense related to the Partnership included in our consolidated statements of operations and comprehensive income was \$17 million, \$17 million and \$14 million for the years ended December 31, 2024, 2023 and 2022, respectively. The total fair value of phantom units vested for the years ended December 31, 2024, 2023 and 2022, was \$23 million, \$30 million and \$22 million, respectively, based on the market price of SUN's common units as of the vesting date. Unrecognized compensation expenses related to our unvested phantom units totaled \$43 million as of December 31, 2024, which are expected to be recognized over a weighted average period of 4 years. The fair value of unvested phantom units outstanding as of December 31, 2024 and 2023, totaled \$86 million and \$96 million, respectively.

Phantom unit award activity for the years ended December 31, 2024 and 2023 consisted of the following:

|                                         | Number of Phantom<br>Common Units | Weighted Average<br>Grant Date Fair Value |
|-----------------------------------------|-----------------------------------|-------------------------------------------|
| <b>Outstanding at December 31, 2022</b> | 1,821,773                         | \$ 34.29                                  |
| Granted                                 | 399,377                           | 53.37                                     |
| Vested                                  | (552,145)                         | 28.35                                     |
| Forfeited                               | (68,640)                          | 34.64                                     |
| <b>Outstanding at December 31, 2023</b> | 1,600,365                         | \$ 41.08                                  |
| Granted                                 | 584,303                           | 55.24                                     |
| Vested                                  | (412,461)                         | 34.76                                     |
| Forfeited                               | (95,282)                          | 42.06                                     |
| <b>Outstanding at December 31, 2024</b> | 1,676,925                         | \$ 47.55                                  |

*Cash Restricted Units.* Beginning in 2024, the Partnership also granted cash restricted units, which vest through three years of service. A cash restricted unit entitles the award recipient to receive cash equal to the market value of one SUN Common Unit upon vesting. For the year ended December 31, 2024, the Partnership granted a total of 134,225 cash restricted units, all of which were unvested as of December 31, 2024.

## 20. Segment Reporting

### *Description of Segments*

Our consolidated financial statements reflect three reportable segments: Fuel Distribution, Pipeline Systems and Terminals.

*Fuel Distribution.* Our Fuel Distribution segment supplies motor fuel to independently-operated dealer stations, distributors, commission agents and other consumers. Also included in our Fuel Distribution segment is lease income from properties that we lease or sublease, as well as the Partnership's credit card services, franchise royalties and retail operations in Hawaii and New Jersey.

*Pipeline Systems.* Our Pipeline Systems segment includes an integrated pipeline and terminal network comprised of approximately 6,000 miles of refined product pipeline (including the pipeline of our J.C. Nolan joint venture), approximately 6,000 miles of crude oil pipeline (including the pipelines of ET-S Permian), approximately 2,000 miles of ammonia pipeline and 67 terminals.

*Terminals.* Our Terminals segment is composed of four transmix processing facilities and 56 refined product terminals (two in Europe, six in Hawaii and 48 in the continental United States).

### *Segment Operating Results*

The Partnership evaluates performance and allocates resources for all of its reportable segments based on Segment Adjusted EBITDA.

The Partnership's chief operating decision maker ("CODM") is its chief operating officer. The CODM uses Segment Adjusted EBITDA to allocate resources (including employees, property, and financial or capital resources) for each segment predominantly in the annual budget and forecasting process. The CODM considers forecast-to-actual variances on a monthly basis when making decisions about allocating capital and personnel to the segments. The CODM also uses Segment Adjusted EBITDA to assess the performance for each segment by comparing the results and return on assets of each segment with one another and in the compensation of certain employees.

The Partnership's reportable segments are business units that offer different products and services. The reportable segments are each managed separately because they provide different services and products.

We report Adjusted EBITDA by segment as a measure of segment performance. We define Adjusted EBITDA as net income before net interest expense, income tax expense, depreciation, amortization and accretion expense, non-cash compensation expense, gains and losses on disposal of assets and impairment charges, unrealized gains and losses on commodity derivatives, inventory adjustments and certain other operating expenses reflected in net income that we do not believe are indicative of ongoing core operations. Inventory valuation adjustments that are excluded from the calculation of Adjusted EBITDA represent changes in lower of cost or market reserves on the Partnership's inventory. These amounts are unrealized valuation adjustments applied to fuel volumes remaining in inventory at the end of the period.

The following tables present financial information by segment for the years ended December 31, 2024, 2023 and 2022.

|                                                                       | Year Ended December 31, |           |           |
|-----------------------------------------------------------------------|-------------------------|-----------|-----------|
|                                                                       | 2024                    | 2023      | 2022      |
| Revenues:                                                             |                         |           |           |
| Fuel Distribution                                                     |                         |           |           |
| Revenues from external customers                                      | \$ 21,781               | \$ 22,955 | \$ 25,629 |
| Intersegment revenues                                                 | 41                      | 31        | 31        |
|                                                                       | 21,822                  | 22,986    | 25,660    |
| Pipeline Systems                                                      |                         |           |           |
| Revenues from external customers                                      | 562                     | 1         | —         |
| Intersegment revenues                                                 | 3                       | —         | —         |
|                                                                       | 565                     | 1         | —         |
| Terminals                                                             |                         |           |           |
| Revenues from external customers                                      | 350                     | 112       | 100       |
| Intersegment revenues                                                 | 985                     | 373       | 436       |
|                                                                       | 1,335                   | 485       | 536       |
| Eliminations                                                          | (1,029)                 | (404)     | (467)     |
| Total                                                                 | \$ 22,693               | \$ 23,068 | \$ 25,729 |
|                                                                       |                         |           |           |
|                                                                       | Year Ended December 31, |           |           |
|                                                                       | 2024                    | 2023      | 2022      |
| Cost of sales:                                                        |                         |           |           |
| Fuel Distribution                                                     | \$ 20,635               | \$ 21,761 | \$ 24,419 |
| Pipeline Systems                                                      | 30                      | (2)       | —         |
| Terminals                                                             | 959                     | 348       | 398       |
| Eliminations                                                          | (1,029)                 | (404)     | (467)     |
| Total                                                                 | \$ 20,595               | \$ 21,703 | \$ 24,350 |
|                                                                       |                         |           |           |
|                                                                       | Year Ended December 31, |           |           |
|                                                                       | 2024                    | 2023      | 2022      |
| Operating expenses, excluding non-cash compensation:                  |                         |           |           |
| Fuel Distribution                                                     | \$ 325                  | \$ 350    | \$ 330    |
| Pipeline Systems                                                      | 136                     | 2         | —         |
| Terminals                                                             | 150                     | 67        | 66        |
| Total                                                                 | \$ 611                  | \$ 419    | \$ 396    |
|                                                                       |                         |           |           |
|                                                                       | Year Ended December 31, |           |           |
|                                                                       | 2024                    | 2023      | 2022      |
| General and administrative expenses, excluding non-cash compensation: |                         |           |           |
| Fuel Distribution                                                     | \$ 88                   | \$ 113    | \$ 110    |
| Pipeline Systems                                                      | 123                     | —         | —         |
| Terminals                                                             | 55                      | 1         | 1         |
| Total                                                                 | \$ 266                  | \$ 114    | \$ 111    |



|                        | Year Ended December 31, |                 |                |
|------------------------|-------------------------|-----------------|----------------|
|                        | 2024                    | 2023            | 2022           |
| Other <sup>(1)</sup> : |                         |                 |                |
| Fuel Distribution      | \$ (134)                | \$ (103)        | \$ (37)        |
| Pipeline Systems       | (101)                   | (10)            | (10)           |
| Terminals              | (1)                     | (19)            | —              |
| Total                  | <u>\$ (236)</u>         | <u>\$ (132)</u> | <u>\$ (47)</u> |

<sup>(1)</sup> Other by segment includes Adjusted EBITDA from unconsolidated affiliates, unrealized gains and losses on commodity derivatives, inventory valuation adjustments and other less significant items, as applicable.

|                          | Year Ended December 31, |               |               |
|--------------------------|-------------------------|---------------|---------------|
|                          | 2024                    | 2023          | 2022          |
| Segment Adjusted EBITDA: |                         |               |               |
| Fuel Distribution        | \$ 908                  | \$ 865        | \$ 838        |
| Pipeline Systems         | 377                     | 11            | 10            |
| Terminals                | 172                     | 88            | 71            |
| Total                    | <u>\$ 1,457</u>         | <u>\$ 964</u> | <u>\$ 919</u> |

|                                                          | Year Ended December 31, |               |               |
|----------------------------------------------------------|-------------------------|---------------|---------------|
|                                                          | 2024                    | 2023          | 2022          |
| Reconciliation of net income to Adjusted EBITDA:         |                         |               |               |
| Net income                                               | \$ 874                  | \$ 394        | \$ 475        |
| Depreciation, amortization and accretion                 | 368                     | 187           | 193           |
| Interest expense, net                                    | 391                     | 217           | 182           |
| Non-cash unit-based compensation expense                 | 17                      | 17            | 14            |
| (Gain) loss on disposal of assets and impairment charges | 45                      | (7)           | (13)          |
| Loss on extinguishment of debt                           | 2                       | —             | —             |
| Unrealized (gains) losses on commodity derivatives       | 12                      | (21)          | 21            |
| Inventory valuation adjustments                          | 86                      | 114           | (5)           |
| Equity in earnings of unconsolidated affiliates          | (60)                    | (5)           | (4)           |
| Adjusted EBITDA related to unconsolidated affiliates     | 101                     | 10            | 10            |
| Gain on West Texas Sale                                  | (586)                   | —             | —             |
| Other non-cash adjustments                               | 32                      | 22            | 20            |
| Income tax expense                                       | 175                     | 36            | 26            |
| Adjusted EBITDA (consolidated)                           | <u>\$ 1,457</u>         | <u>\$ 964</u> | <u>\$ 919</u> |

Total revenues by geographic area are shown in the table below:

|               | Year Ended December 31, |                  |                  |
|---------------|-------------------------|------------------|------------------|
|               | 2024                    | 2023             | 2022             |
| United States | \$ 22,649               | \$ 23,068        | \$ 25,729        |
| Foreign       | 44                      | —                | —                |
| Total         | <u>\$ 22,693</u>        | <u>\$ 23,068</u> | <u>\$ 25,729</u> |

Total assets by reportable segment were as follows:

|                          | December 31,<br>2024 | December 31,<br>2023 | December 31,<br>2022 |
|--------------------------|----------------------|----------------------|----------------------|
| Assets:                  |                      |                      |                      |
| Fuel Distribution        | \$ 6,047             | \$ 6,047             | \$ 6,022             |
| Pipeline Systems         | 6,213                | 49                   | 53                   |
| Terminals                | 1,944                | 672                  | 643                  |
| Total segment assets     | 14,204               | 6,768                | 6,718                |
| Other partnership assets | 171                  | 58                   | 112                  |
| Total assets             | <u>\$ 14,375</u>     | <u>\$ 6,826</u>      | <u>\$ 6,830</u>      |

Additions to property and equipment (excluding acquisitions) by reportable segment were as follows:

|                   | Year Ended December 31, |               |               |
|-------------------|-------------------------|---------------|---------------|
|                   | 2024                    | 2023          | 2022          |
| Fuel Distribution | \$ 231                  | \$ 182        | \$ 154        |
| Pipeline Systems  | 44                      | 5             | 12            |
| Terminals         | 69                      | 28            | 20            |
| Total             | <u>\$ 344</u>           | <u>\$ 215</u> | <u>\$ 186</u> |

## 21. Net Income per Common Unit

Net income per common unit is computed by dividing common unitholders' interest in net income by the weighted average number of outstanding common units. Our net income is allocated to common unitholders in accordance with their respective partnership percentages, after giving effect to any priority income allocations for incentive distributions and distributions on employee unit awards. Earnings in excess of distributions are allocated to common unitholders based on their respective ownership interests. Payments made to our common unitholders are determined in relation to actual distributions declared and are not based on the net income allocations used in the calculation of net income per unit.

In addition to the common units, we identify the IDRs as participating securities and use the two-class method when calculating net income per unit applicable to limited partners, which is based on the weighted average number of common units outstanding during the period. Diluted net income per unit includes the effects of potentially dilutive units on our common units, consisting of unvested phantom units.

A reconciliation of the numerators and denominators of the basic and diluted per unit computations is as follows:

|                                                     | Year Ended December 31, |                   |                   |
|-----------------------------------------------------|-------------------------|-------------------|-------------------|
|                                                     | 2024                    | 2023              | 2022              |
| <b>Net income</b>                                   | \$ 874                  | \$ 394            | \$ 475            |
| Less:                                               |                         |                   |                   |
| Net income attributable to noncontrolling interests | 8                       | —                 | —                 |
| Incentive distribution rights                       | 145                     | 77                | 72                |
| Distributions on unvested phantom unit awards       | 5                       | 6                 | 6                 |
| <b>Common unitholders' interest in net income</b>   | <u>\$ 716</u>           | <u>\$ 311</u>     | <u>\$ 397</u>     |
| <b>Weighted average common units outstanding:</b>   |                         |                   |                   |
| Basic                                               | 118,529,390             | 84,081,083        | 83,755,378        |
| Dilutive effect of unvested phantom unit awards     | 812,648                 | 1,012,414         | 1,048,320         |
| Diluted                                             | <u>119,342,038</u>      | <u>85,093,497</u> | <u>84,803,698</u> |
| <b>Net income per common unit:</b>                  |                         |                   |                   |
| Basic                                               | \$ 6.04                 | \$ 3.70           | \$ 4.74           |
| Diluted                                             | <u>\$ 6.00</u>          | <u>\$ 3.65</u>    | <u>\$ 4.68</u>    |

**SECOND AMENDED AND RESTATED  
AGREEMENT OF LIMITED PARTNERSHIP  
OF  
SUNOCO LP**

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## SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF SUNOCO LP

THIS SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF SUNOCO LP (f/k/a Susser Petroleum Partners LP) dated as of February 12, 2025, is entered into by and between Sunoco GP LLC, a Delaware limited liability company, as the General Partner, together with any other Persons who are or become Partners in the Partnership or parties hereto as provided herein.

WHEREAS, the General Partner and the other parties thereto entered into that certain First Amended and Restated Agreement of Limited Partnership of Susser Petroleum Partners LP, dated as of September 25, 2012, as amended prior to the date hereof by (i) Amendment No. 1 to the First Amended and Restated Agreement of Limited Partnership of Susser Petroleum Partners LP, dated as of October 27, 2014, (ii) Amendment No. 2 to the First Amended and Restated Agreement of Limited Partnership of Sunoco LP, dated as of July 31, 2015, (iii) Amendment No. 3 to the First Amended and Restated Agreement of Limited Partnership of Sunoco LP, dated as of January 1, 2016, (iv) Amendment No. 4 to the First Amended and Restated Agreement of Limited Partnership of Sunoco LP, dated as of June 6, 2016, (v) Amendment No. 5 to the First Amended and Restated Agreement of Limited Partnership of Sunoco LP, dated as of March 30, 2017, (vi) Amendment No. 6 to the First Amended and Restated Agreement of Limited Partnership of Sunoco LP, dated as of May 8, 2018, and (vii) Amendment No. 7 to the First Amended and Restated Agreement of Limited Partnership of Sunoco LP, dated as of August 6, 2019 (as so amended, the “**Prior Partnership Agreement**”);

WHEREAS, the General Partner desires to amend and restate the Prior Partnership Agreement in its entirety to incorporate the changes included in each of the amendments to the Prior Partnership Agreement, to reflect that, certain Partnership Interests provided for in the Prior Partnership Agreement are no longer outstanding, and to revise references to SHC, the original Organizational Limited Partner that ceased to exist as the publicly-traded parent of the Partnership;

WHEREAS, the General Partner, without the approval of any Partner, may amend any provision of the Prior Partnership Agreement (i) pursuant to Section 13.1(d)(i) of the Prior Partnership Agreement to reflect a change that the General Partner determines does not adversely affect the Limited Partners (including any particular class or series of Partnership Interests as compared to other classes or series of Partnership Interests) in any material respect and (ii) pursuant to Section 13.1(d)(iv) to reflect a change that the General Partner determines is required to effect the intent expressed in the Registration Statement or the intent of the provisions of the Prior Partnership Agreement or is otherwise contemplated by the Prior Partnership Agreement; and

WHEREAS, the General Partner has determined that the changes to the Prior Partnership Agreement set forth herein do not adversely affect the Limited Partners (including any particular class or series of Partnership Interests as compared to other classes or series of Partnership Interests) and/or are required to effect the intent expressed in the Registration Statement or the intent of the provisions of the Prior Partnership Agreement or is otherwise contemplated by the Prior Partnership Agreement.

In consideration of the covenants, conditions and agreements contained herein, the parties hereto hereby agree as follows:

## Article I

### DEFINITIONS

Section 1.1 *Definitions.* The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

“*Additional Book Basis*” means the portion of any remaining Carrying Value of an Adjusted Property that is attributable to positive adjustments made to such Carrying Value as a result of Book-Up Events. For purposes of determining the extent that Carrying Value constitutes Additional Book Basis:

(a) Any negative adjustment made to the Carrying Value of an Adjusted Property as a result of either a Book-Down Event or a Book-Up Event shall first be deemed to offset or decrease that portion of the Carrying Value of such Adjusted Property that is attributable to any prior positive adjustments made thereto pursuant to a Book-Up Event or Book-Down Event.

(b) If Carrying Value that constitutes Additional Book Basis is reduced as a result of a Book-Down Event and the Carrying Value of other property is increased as a result of such Book-Down Event, an allocable portion of any such increase in Carrying Value shall be treated as Additional Book Basis; provided, that the amount treated as Additional Book Basis pursuant hereto as a result of such Book-Down Event shall not exceed the amount by which the Aggregate Remaining Net Positive Adjustments after such Book-Down Event exceeds the remaining Additional Book Basis attributable to all of the Partnership’s Adjusted Property after such Book-Down Event (determined without regard to the application of this clause (b) to such Book-Down Event).

“*Additional Book Basis Derivative Items*” means any Book Basis Derivative Items that are computed with reference to Additional Book Basis. To the extent that the Additional Book Basis attributable to all of the Partnership’s Adjusted Property as of the beginning of any taxable period exceeds the Aggregate Remaining Net Positive Adjustments as of the beginning of such period (the “*Excess Additional Book Basis*”), the Additional Book Basis Derivative Items for

such period shall be reduced by the amount that bears the same ratio to the amount of Additional Book Basis Derivative Items determined without regard to this sentence as the Excess Additional Book Basis bears to the Additional Book Basis as of the beginning of such period. With respect to a Disposed of Adjusted Property, the Additional Book Basis Derivative Items shall be the amount of Additional Book Basis taken into account in computing gain or loss from the disposition of such Disposed of Adjusted Property.

“*Adjusted Capital Account*” means the Capital Account maintained for each Partner as of the end of each taxable period of the Partnership, (a) increased by any amounts that such Partner is obligated to restore under the standards set by Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (or is deemed obligated to restore under Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5)) and (b) decreased by (i) the amount of all losses and deductions that, as of the end of such taxable period, are reasonably expected to be allocated to such Partner in subsequent taxable periods under Sections 704(e)(2) and 706(d) of the Code and Treasury Regulation Section 1.751-1(b)(2)(ii), and (ii) the amount of all distributions that, as of the end of such taxable period, are reasonably expected to be made to such Partner in subsequent taxable periods in accordance with the terms of this Agreement or otherwise to the extent they exceed offsetting increases to such Partner’s Capital Account that are reasonably expected to occur during (or prior to) the taxable period in which such distributions are reasonably expected to be made (other than increases as a result of a minimum gain chargeback pursuant to Section 6.1(d)(i) or 6.1(d)(ii)). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith. The “*Adjusted Capital Account*” of a Partner in respect of any Partnership Interest shall be the amount that such Adjusted Capital Account would be if such Partnership Interest were the only interest in the Partnership held by such Partner from and after the date on which such Partnership Interest was first issued.

“*Adjusted Operating Surplus*” means, with respect to any period, (a) Operating Surplus generated with respect to such period; less (b)(i) the amount of any net increase in Working Capital Borrowings (or the Partnership’s proportionate share of any net increase in Working Capital Borrowings in the case of Subsidiaries that are not wholly owned) with respect to that period; and (ii) the amount of any net decrease in cash reserves (or the Partnership’s proportionate share of any net decrease in cash reserves in the case of Subsidiaries that are not wholly owned) for Operating Expenditures with respect to such period not relating to an Operating Expenditure made with respect to such period; and plus (c)(i) the amount of any net decrease in Working Capital Borrowings (or the Partnership’s proportionate share of any net decrease in Working Capital Borrowings in the case of Subsidiaries that are not wholly owned) with respect to that period; (ii) the amount of any net increase in cash reserves (or the Partnership’s proportionate share of any net increase in cash reserves in the case of Subsidiaries

that are not wholly owned) for Operating Expenditures with respect to such period required by any debt instrument for the repayment of principal, interest or premium; and (iii) the amount of any net decrease made in subsequent periods in cash reserves for Operating Expenditures initially established with respect to such period to the extent such decrease results in a reduction in Adjusted Operating Surplus in subsequent periods pursuant to clause (b)(ii). Adjusted Operating Surplus does not include that portion of Operating Surplus included in clause (a)(i) of the definition of Operating Surplus.

*“Adjusted Property”* means any property the Carrying Value of which has been adjusted pursuant to Section 5.5(d).

*“Affiliate”* means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term *“control”* means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

*“Aggregate Quantity of IDR Reset Common Units”* is defined in Section 5.11(a).

*“Aggregate Remaining Net Positive Adjustments”* means, as of the end of any taxable period, the sum of the Remaining Net Positive Adjustments of all the Partners.

*“Agreed Allocation”* means any allocation, other than a Required Allocation, of an item of income, gain, loss or deduction pursuant to the provisions of Section 6.1, including a Curative Allocation (if appropriate to the context in which the term *“Agreed Allocation”* is used).

*“Agreed Value”* of any Contributed Property means the fair market value of such property at the time of contribution and in the case of an Adjusted Property, the fair market value of such Adjusted Property on the date of the revaluation event as described in Section 5.5(d), in both cases as determined by the General Partner.

*“Agreement”* means this Second Amended and Restated Agreement of Limited Partnership of Sunoco LP, as it may be amended, supplemented or restated from time to time.

*“Aloha”* means Aloha Petroleum, Ltd., a Hawaiian corporation.

*“Associate”* means, when used to indicate a relationship with any Person, (a) any corporation or organization of which such Person is a director, officer, manager, general partner or managing member or is, directly or indirectly, the owner of 20% or more of any class of voting stock or other voting interest; (b) any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar

fiduciary capacity; and (c) any relative or spouse of such Person, or any relative of such spouse, who has the same principal residence as such Person.

“*Available Cash*” means, with respect to any Quarter ending prior to the Liquidation Date:

(a) the sum of (i) all cash and cash equivalents of the Partnership Group (or the Partnership’s proportionate share of cash and cash equivalents in the case of Subsidiaries that are not wholly owned) on hand at the end of such Quarter, and (ii) if the General Partner so determines, all or any portion of any additional cash and cash equivalents of the Partnership Group (or the Partnership’s proportionate share of cash and cash equivalents in the case of Subsidiaries that are not wholly owned) on hand immediately prior to the date of distribution of Available Cash with respect to such Quarter (including any Working Capital Borrowings made subsequent to the end of such Quarter), less

(b) the amount of any cash reserves established by the General Partner (or the Partnership’s proportionate share of cash reserves in the case of Subsidiaries that are not wholly owned) to (i) provide for the proper conduct of the business of the Partnership Group (including reserves for future capital expenditures and for anticipated future credit needs of the Partnership Group) subsequent to such Quarter, (ii) comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which any Group Member is a party or by which it is bound or its assets are subject or (iii) provide funds for distributions under Sections 6.4 or 6.5 in respect of any one or more of the next four Quarters; *provided, however*, that the disbursements made (including contributions to a Group Member or disbursements on behalf of a Group Member), cash received or cash reserves established, increased or reduced after the end of such period but on or before the date of distribution of Available Cash with respect to such period shall be deemed to have been made, received, established, increased or reduced, for purposes of determining Available Cash, within such Quarter if the General Partner so determines.

Notwithstanding the foregoing, “*Available Cash*” with respect to the Quarter in which the Liquidation Date occurs and any subsequent Quarter shall equal zero.

“*Board of Directors*” means the board of directors of the General Partner.

“*Book Basis Derivative Items*” means any item of income, deduction, gain or loss that is computed with reference to the Carrying Value of an Adjusted Property (e.g., depreciation, depletion, or gain or loss with respect to an Adjusted Property).

“*Book-Down Event*” means an event that triggers a negative adjustment to the Capital Accounts of the Partners pursuant to Section 5.5(d).

“*Book-Tax Disparity*” means with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for U.S. federal



income tax purposes as of such date. A Partner's share of the Partnership's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Partner's Capital Account balance as maintained pursuant to Section 5.5 and the hypothetical balance of such Partner's Capital Account computed as if it had been maintained strictly in accordance with U.S. federal income tax accounting principles.

*"Book-Up Event"* means an event that triggers a positive adjustment to the Capital Accounts of the Partners pursuant to Section 5.5(d).

*"Business Day"* means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the State of Texas shall not be regarded as a Business Day.

*"Capital Account"* means the capital account maintained for a Partner pursuant to Section 5.5. The *"Capital Account"* of a Partner in respect of any Partnership Interest shall be the amount that such Capital Account would be if such Partnership Interest were the only interest in the Partnership held by such Partner from and after the date on which such Partnership Interest was first issued.

*"Capital Contribution"* means any cash, cash equivalents or the Net Agreed Value of Contributed Property that a Partner contributes to the Partnership or that is contributed or deemed contributed to the Partnership on behalf of a Partner (including, in the case of an underwritten offering of Units, the amount of any underwriting discounts or commissions).

*"Capital Improvement"* means any (a) addition or improvement to the capital assets owned by any Group Member, (b) acquisition (through an asset acquisition, merger, stock acquisition or other form of investment) of existing, or the construction of new, capital assets by any Group Member, or (c) capital contribution by a Group Member to a Person that is not a Subsidiary, in which a Group Member has, or after such capital contribution will have an equity interest, to fund the Group Member's pro rata share of the cost of the acquisition of existing or the construction of new or the improvement of existing, capital assets, in each case if such addition, improvement, acquisition or construction is made to increase the long-term operating capacity or operating income of the Partnership Group from the long-term operating capacity or operating income of the Partnership Group, in the case of clauses (a) and (b), or such Person, in the case of clause (c), from that existing immediately prior to such addition, improvement, acquisition or construction.

*"Capital Surplus"* means Available Cash distributed by the Partnership in excess of Operating Surplus, as described in Section 6.3(a).

“*Carrying Value*” means (a) with respect to a Contributed Property or an Adjusted Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, amortization and cost recovery deductions charged to the Partners’ Capital Accounts in respect of such property, and (b) with respect to any other Partnership property, the adjusted basis of such property for U.S. federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Section 5.5(d) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Partnership properties, as deemed appropriate by the General Partner.

“*Cause*” means a court of competent jurisdiction has entered a final, non-appealable judgment finding the General Partner is liable to the Partnership or any Limited Partner for actual fraud or willful misconduct in its capacity as a general partner of the Partnership.

“*Certificate*” means a certificate in such form (including in global form if permitted by applicable rules and regulations of the Depository Trust Company and its permitted successors and assigns) as may be adopted by the General Partner, issued by the Partnership evidencing ownership of one or more Partnership Interests.

“*Certificate of Limited Partnership*” means the Certificate of Limited Partnership of the Partnership filed with the Secretary of State of the State of Delaware as referenced in Section 7.3, as such Certificate of Limited Partnership may be amended, supplemented or restated from time to time.

“*Citizenship Eligibility Trigger*” is defined in Section 4.8(a)(ii).

“*claim*” (as used in Section 7.12(c)) is defined in Section 7.12(c).

“*Class C Distribution Rate*” means an amount per Class C Unit equal to 9.0% per annum (2.25% per quarter), of the Class C Unit Issue Price.

“*Class C Quarterly Distribution*” has the meaning set forth in Section 5.14(b)(vi).

“*Class C Unit*” means a Partnership Interest having the rights and obligations specified with respect to Class C Units in this Agreement.

“*Class C Unit Effective Date*” means January 1, 2016.

“*Class C Unit Issue Price*” means \$38.5856.

“*Closing Date*” means the first date on which Common Units are issued and delivered by the Partnership to the Underwriters pursuant to the provisions of the Underwriting Agreement.

“*Closing Price*” means, in respect of any class of Limited Partner Interests, as of the date of determination, the last sale price on such day, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices on such day, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the principal National Securities Exchange on which such Limited Partner Interests are listed or admitted to trading or, if such Limited Partner Interests are not listed or admitted to trading on any National Securities Exchange, the last quoted price on such day or, if not so quoted, the average of the high bid and low asked prices on such day in the over-the-counter market, as reported by the primary reporting system then in use in relation to such Limited Partner Interests of such class, or, if on any such day such Limited Partner Interests of such class are not quoted by any such organization, the average of the closing bid and asked prices on such day as furnished by a professional market maker making a market in such Limited Partner Interests of such class selected by the General Partner, or if on any such day no market maker is making a market in such Limited Partner Interests of such class, the fair value of such Limited Partner Interests on such day as determined by the General Partner.

“*Code*” means the U.S. Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

“*Combined Interest*” is defined in Section 11.3(a).

“*Commences Commercial Service*” means the date a Capital Improvement is first put into or commences commercial service by a Group Member following, if applicable, completion of construction, acquisition, development or testing, as applicable.

“*Commission*” means the United States Securities and Exchange Commission.

“*Common Unit*” means a Partnership Interest having the rights and obligations specified with respect to Common Units in this Agreement. The term “*Common Unit*” does not refer to or include any Class C Unit.

“*Conflicts Committee*” means a committee of the Board of Directors composed entirely of one or more directors, each of whom (a) is not an officer or employee of the General Partner (b) is not an officer or employee of any Affiliate of the General Partner or a director of any Affiliate of the General Partner (other than any Group Member), (c) is not a holder of any ownership interest in the General Partner or any of its Affiliates, including any Group Member, other than Common Units and awards that are granted to such director under the LTIP; provided that a director that is a member of the Conflicts Committee may beneficially own equity securities of one or more publicly traded Affiliates of the General Partner (other than Common

Units and any awards referenced above) with an aggregate value of up to one percent (1%) of such directors net worth as of the date of determination, and (d) is determined by the Board of Directors of the General Partner to be independent under the independence standards required for directors who serve on an audit committee of a board of directors established by the Securities Exchange Act and the rules and regulations of the Commission thereunder and by the National Securities Exchange on which any class of Partnership Interests is listed or admitted to trading.

*“Contributed Property”* means each property or asset, in such form as may be permitted by the Delaware Act, but excluding cash, contributed to the Partnership. Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 5.5(d), such property shall no longer constitute a Contributed Property, but shall be deemed an Adjusted Property.

*“Contribution Agreement”* means that certain Contribution, Conveyance and Assumption Agreement, dated as of September 25, 2012, among the General Partner, the Partnership, SHC and certain other parties, together with the additional conveyance documents and instruments contemplated or referenced thereunder, as such may be amended from time to time.

*“Curative Allocation”* means any allocation of an item of income, gain, deduction, loss or credit pursuant to the provisions of Section 6.1(d)(xi).

*“Current Market Price”* means, in respect of any class of Limited Partner Interests, as of the date of determination, the average of the daily Closing Prices per Limited Partner Interest of such class for the 20 consecutive Trading Days immediately prior to such date.

*“Deferred Issuance and Distribution”* means both (a) the issuance by the Partnership of a number of additional Common Units that is equal to the excess, if any, of (x) 1,425,000 over (y) the aggregate number, if any, of Common Units actually purchased by and issued to the Underwriters pursuant to the Over-Allotment Option on the Option Closing Date(s), and (b) distribution(s) of cash contributed by the Underwriters to the Partnership on or in connection with any Option Closing Date with respect to Common Units issued by the Partnership upon the applicable exercise of the Over-Allotment Option as described in Section 5.3(b), if any.

*“Delaware Act”* means the Delaware Revised Uniform Limited Partnership Act, 6 Del C. Section 17-101, et seq., as amended, supplemented or restated from time to time, and any successor to such statute.

*“Departing General Partner”* means a former General Partner from and after the effective date of any withdrawal or removal of such former General Partner pursuant to Section 11.1 or 11.2.

*“Derivative Instruments”* means options, rights, warrants, appreciation rights, tracking, profit and phantom interests and other derivative instruments relating to, convertible into or exchangeable for Partnership Interests.

*“Designated Individual”* has the meaning assigned to such term in Section 9.3.

*“Disposed of Adjusted Property”* is defined in Section 6.1(d)(xii)(B).

*“Economic Risk of Loss”* has the meaning set forth in Treasury Regulation Section 1.752-2(a).

*“Eligibility Certificate”* is defined in Section 4.8(b).

*“Eligible Holder”* means a Limited Partner whose (a) U.S. federal income tax status would not, in the determination of the General Partner, have the material adverse effect described in Section 4.9(a)(i) or Section 4.9(b) nationality, citizenship or other related status would not, in the determination of the General Partner, create a substantial risk of cancellation or forfeiture as described in Section 4.9(a)(ii).

*“Estimated Incremental Quarterly Tax Amount”* is defined in Section 6.9.

*“Event of Withdrawal”* is defined in Section 11.1(a).

*“Excess Additional Book Basis”* is defined in the definition of Additional Book Basis Derivative Items.

*“Excess Distribution”* is defined in Section 6.1(d)(iii)(A).

*“Excess Distribution Unit”* is defined in Section 6.1(d)(iii)(A).

*“Expansion Capital Expenditures”* means cash expenditures for Capital Improvements, and shall not include Maintenance Capital Expenditures or Investment Capital Expenditures. Expansion Capital Expenditures shall include interest (and related fees) on debt incurred to finance the construction of a Capital Improvement and paid in respect of the period beginning on the date that a Group Member enters into a binding obligation to commence construction of a Capital Improvement 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. Debt incurred to fund such construction period interest payments or to fund distributions in respect of equity issued (including incremental Incentive Distributions related thereto) to fund the construction of a Capital Improvement as described in clause (a)(iv) of the definition of Operating Surplus shall also be deemed to be debt incurred to finance the construction of a Capital Improvement. Where capital expenditures are made in part for

Expansion Capital Expenditures and in part for other purposes, the General Partner shall determine the allocation between the amounts paid for each.

*“First Liquidation Target Amount”* is defined in Section 6.1(c)(i)(D).

*“First Target Distribution”* means \$0.503125 per Unit per Quarter (or, with respect to periods of less than a full fiscal quarter, it means the product of such amount multiplied by a fraction of which the numerator is the number of days in such period, and the denominator is the total number of days in such fiscal quarter), subject to adjustment in accordance with Sections 5.11, 6.6 and Section 6.8.

*“General Partner”* means Sunoco GP LLC, a Delaware limited liability company, and its successors and permitted assigns that are admitted to the Partnership as general partner of the Partnership, in their capacities as general partner of the Partnership (except as the context otherwise requires).

*“General Partner Interest”* means the non-economic management interest of the General Partner in the Partnership (in its capacity as a general partner and without reference to any Limited Partner Interest held by it) and includes any and all rights, powers and benefits to which the General Partner is entitled as provided in this Agreement, together with all obligations of the General Partner to comply with the terms and provisions of this Agreement. The General Partner Interest does not include any rights to profits or losses or any rights to receive distributions from operations or upon the liquidation or winding-up of the Partnership.

*“Gross Liability Value”* means, with respect to any Liability of the Partnership described in Treasury Regulation Section 1.752-7(b)(3)(i), the amount of cash that a willing assignor would pay to a willing assignee to assume such Liability in an arm’s-length transaction.

*“Group”* means two or more Persons that with or through any of their respective Affiliates or Associates have any contract, arrangement, understanding or relationship for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent given to such Person in response to a proxy or consent solicitation made to 10 or more Persons), exercising investment power or disposing of any Partnership Interests with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, Partnership Interests.

*“Group Member”* means a member of the Partnership Group.

*“Group Member Agreement”* means the partnership agreement of any Group Member, other than the Partnership, that is a limited or general partnership, the limited liability company agreement of any Group Member that is a limited liability company, the certificate of

incorporation and bylaws or similar organizational documents of any Group Member that is a corporation, the joint venture agreement or similar governing document of any Group Member that is a joint venture and the governing or organizational or similar documents of any other Group Member that is a Person other than a limited or general partnership, limited liability company, corporation or joint venture, as such may be amended, supplemented or restated from time to time.

*“Hedge Contract”* means any exchange, swap, forward, cap, floor, collar, option or other similar agreement or arrangement entered into for the purpose of reducing the exposure of the Partnership Group to fluctuations in commodities, financial instruments or other capital activity, in each case, other than for speculative purposes.

*“Holder”* as used in Section 7.12, is defined in Section 7.12(a).

*“IDR Reset Common Unit”* is defined in Section 5.11(a).

*“IDR Reset Election”* is defined in Section 5.11(a).

*“Incentive Distribution Right”* means a Limited Partner Interest having the rights and obligations specified with respect to Incentive Distribution Rights in this Agreement.

*“Incentive Distributions”* means any amount of cash distributed to the holders of the Incentive Distribution Rights pursuant to Section 6.4.

*“Incremental Income Taxes”* is defined in Section 6.9.

*“Indemnified Persons”* is defined in Section 7.12(c).

*“Indemnitee”* means (a) any General Partner, (b) any Departing General Partner, (c) any Person who is or was an Affiliate of the General Partner or any Departing General Partner, (d) any Person who is or was a manager, managing member, general partner, director, officer, employee, agent, fiduciary or trustee of any Group Member, a General Partner, any Departing General Partner or any of their respective Affiliates, (e) the Partnership Representative and the Designated Individual, (f) any Person who is or was serving at the request of a General Partner, any Departing General Partner or any of their respective Affiliates as an officer, director, manager, managing member, general partner, employee, agent, fiduciary or trustee of another Person owing a fiduciary or similar duty to any Group Member; provided that a Person shall not be an Indemnitee by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services, (g) any Person who controls a General Partner or Departing General Partner and (h) any Person the General Partner designates as an *“Indemnitee”* for purposes of this Agreement because such Person’s service, status or relationship exposes such Person to potential



claims, demands, actions, suits or proceedings relating to the Partnership Group's business and affairs.

*"Ineligible Holder"* is defined in Section 4.8(c).

*"Initial Common Units"* means the Common Units sold in the Initial Offering.

*"Initial Limited Partners"* means SHC (with respect to the Common Units and Incentive Distribution Rights received by it pursuant to Section 5.2), Stripes LLC (with respect to the Common Units received by it pursuant to Section 5.2) and the Underwriters, in each case upon being admitted to the Partnership in accordance with Section 10.1.

*"Initial Offering"* means the initial offering and sale of Common Units to the public, as described in the Registration Statement, including any offer and sale of Common Units pursuant to the exercise of the Over-Allotment Option.

*"Initial Unit Price"* means (a) with respect to the Common Units, the initial public offering price per Common Unit at which the Underwriters first offered the Common Units to the public for sale as set forth on the cover page of the prospectus included as part of the Registration Statement and first issued at or after the time the Registration Statement first became effective or (b) with respect to any other class or series of Units, the price per Unit at which such class or series of Units is initially sold by the Partnership, as determined by the General Partner, in each case adjusted as the General Partner determines to be appropriate to give effect to any distribution, subdivision or combination of Units.

*"Interim Capital Transactions"* means the following transactions if they occur prior to the Liquidation Date: (a) borrowings, refinancings or refundings of indebtedness (other than Working Capital Borrowings and other than for items purchased on open account or for a deferred purchase price in the ordinary course of business) by any Group Member and sales of debt securities of any Group Member; (b) sales of equity interests of any Group Member (including the Common Units sold to the Underwriters pursuant to the Underwriting Agreement); (c) sales or other voluntary or involuntary dispositions of any assets of any Group Member other than (i) sales or other dispositions of inventory, accounts receivable and other assets in the ordinary course of business, and (ii) sales or other dispositions of assets as part of normal retirements or replacements and (d) Capital Contributions received by a Group Member.

*"Investment Capital Expenditures"* means capital expenditures other than Maintenance Capital Expenditures and Expansion Capital Expenditures.

*"Liability"* means any liability or obligation of any nature, whether accrued, contingent or otherwise.

“*Limited Partner*” means, unless the context otherwise requires, each Initial Limited Partner, each additional Person that becomes a Limited Partner pursuant to the terms of this Agreement and any Departing General Partner upon the change of its status from General Partner to Limited Partner pursuant to Section 11.3, in each case, in such Person’s capacity as a limited partner of the Partnership.

“*Limited Partner Interest*” means the ownership interest of a Limited Partner in the Partnership, which may be evidenced by Common Units, Class C Units, Incentive Distribution Rights or other Partnership Interests or a combination thereof or interest therein, and includes any and all benefits to which such Limited Partner is entitled as provided in this Agreement, together with all obligations of such Limited Partner to comply with the terms and provisions of this Agreement.

“*Liquidation Date*” means (a) in the case of an event giving rise to the dissolution of the Partnership of the type described in clauses (a) and (b) of the first sentence of Section 12.2, the date on which the applicable time period during which the holders of Outstanding Units have the right to elect to continue the business of the Partnership has expired without such an election being made, and (b) in the case of any other event giving rise to the dissolution of the Partnership, the date on which such event occurs.

“*Liquidator*” means one or more Persons selected pursuant to Section 12.3 to perform the functions described in Section 12.4 as liquidating trustee of the Partnership within the meaning of the Delaware Act.

“*LTIP*” means the Long-Term Incentive Plan of the General Partner, as may be amended, or any equity compensation plan successor thereto.

“*Maintenance Capital Expenditures*” means cash expenditures (including expenditures for the addition or improvement to or replacement of the capital assets owned by any Group Member or for the acquisition of existing, or the construction or development of new, capital assets) if such expenditures are made to maintain the long-term operating capacity or operating income of the Partnership Group.

“*Merger Agreement*” is defined in Section 14.1.

“*Minimum Quarterly Distribution*” means \$0.4375 per Unit per Quarter (or with respect to periods of less than a full fiscal quarter, it means the product of such amount multiplied by a fraction of which the numerator is the number of days in such period and the denominator is the total number of days in such fiscal quarter), subject to adjustment in accordance with Sections 5.11, 6.6 and 6.8.

“*National Securities Exchange*” means an exchange registered with the Commission under Section 6(a) of the Securities Exchange Act (or any successor to such Section) and any other securities exchange (whether or not registered with the Commission under Section 6(a) (or successor to such Section) of the Securities Exchange Act) that the General Partner shall designate as a National Securities Exchange for purposes of this Agreement.

“*Net Agreed Value*” means, (a) in the case of any Contributed Property, the Agreed Value of such property reduced by any Liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed and (b) in the case of any property distributed to a Partner by the Partnership, the Partnership’s Carrying Value of such property (as adjusted pursuant to Section 5.5(d)(ii)) at the time such property is distributed, reduced by any Liabilities either assumed by such Partner upon such distribution or to which such property is subject at the time of distribution.

“*Net Income*” means, for any taxable period, the excess, if any, of the Partnership’s items of income and gain (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable period over the Partnership’s items of loss and deduction (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable period. The items included in the calculation of Net Income shall be determined in accordance with Section 5.5 but shall not include any items specially allocated under Section 6.1(d); *provided*, that the determination of the items that have been specially allocated under Section 6.1(d) shall be made without regard to any reversal of such items under Section 6.1(d)(xii).

“*Net Loss*” means, for any taxable period, the excess, if any, of the Partnership’s items of loss and deduction (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable period over the Partnership’s items of income and gain (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable period. The items included in the calculation of Net Loss shall be determined in accordance with Section 5.5 but shall not include any items specially allocated under Section 6.1(d); *provided*, that the determination of the items that have been specially allocated under Section 6.1(d) shall be made without regard to any reversal of such items under Section 6.1(d)(xii).

“*Net Positive Adjustments*” means, with respect to any Partner, the excess, if any, of the total positive adjustments over the total negative adjustments made to the Capital Account of such Partner pursuant to Book-Up Events and Book-Down Events.

“*Net Termination Gain*” means, for any taxable period, the sum, if positive, of all items of income, gain, loss or deduction (determined in accordance with Section 5.5) that are (a)

recognized (i) after the Liquidation Date or (ii) upon the sale, exchange or other disposition of all or substantially all of the assets of the Partnership Group, taken as a whole, in a single transaction or a series of related transactions (excluding any disposition to a member of the Partnership Group), or (b) deemed recognized by the Partnership pursuant to Section 5.5(d); *provided, however*, the items included in the determination of Net Termination Gain shall not include any items of income, gain or loss specially allocated under Section 6.1(d).

“*Net Termination Loss*” means, for any taxable period, the sum, if negative, of all items of income, gain, loss or deduction (determined in accordance with Section 5.5) that are (a) recognized (i) after the Liquidation Date or (ii) upon the sale, exchange or other disposition of all or substantially all of the assets of the Partnership Group, taken as a whole, in a single transaction or a series of related transactions (excluding any disposition to a member of the Partnership Group), or (b) deemed recognized by the Partnership pursuant to Section 5.5(d); *provided, however*, items included in the determination of Net Termination Loss shall not include any items of income, gain or loss specially allocated under Section 6.1(d).

“*Nonrecourse Built-in Gain*” means with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Partners pursuant to Section 6.2(b) if such properties were disposed of in a taxable transaction in full satisfaction of such liabilities and for no other consideration.

“*Nonrecourse Deductions*” means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(b), are attributable to a Nonrecourse Liability.

“*Nonrecourse Liability*” has the meaning set forth in Treasury Regulation Section 1.752-1(a)(2).

“*Notice of Election to Purchase*” is defined in Section 15.1(b).

“*Omnibus Agreement*” means that certain Omnibus Agreement dated September 25, 2012, among SHC, the General Partner and the Partnership, as such agreement may be amended, supplemented or restated from time to time.

“*Operating Expenditures*” means all Partnership Group cash expenditures (or the Partnership’s proportionate share of expenditures in the case of Subsidiaries that are not wholly owned), including taxes, reimbursements of expenses of the General Partner and its Affiliates, payments made in the ordinary course of business under any Hedge Contracts, officer

compensation, repayment of Working Capital Borrowings, debt service payments and capital expenditures, subject to the following:

(a) repayments of Working Capital Borrowings deducted from Operating Surplus pursuant to clause (b)(iii) of the definition of “*Operating Surplus*” shall not constitute Operating Expenditures when actually repaid;

(b) payments (including prepayments and prepayment penalties) of principal of and premium on indebtedness other than Working Capital Borrowings shall not constitute Operating Expenditures;

(c) Operating Expenditures shall not include (i) Expansion Capital Expenditures, (ii) Investment Capital Expenditures, (iii) payment of transaction expenses (including taxes) relating to Interim Capital Transactions, (iv) distributions to Partners, or (v) repurchases of Partnership Interests, other than repurchases of Partnership Interests to satisfy obligations under employee benefit plans, or reimbursements of expenses of the General Partner for such purchases. Where capital expenditures are made in part for Maintenance Capital Expenditures and in part for other purposes, the General Partner shall determine the allocation between the amounts paid for each; and

(d) (i) payments made in connection with the initial purchase of any Hedge Contract shall be amortized over the life of such Hedge Contract and (ii) payments made in connection with the termination of any Hedge Contract prior to its stipulated settlement or termination date shall be included in equal quarterly installments over what would have been the remaining scheduled term of such Hedge Contract had it not been so terminated.

“*Operating Surplus*” means, with respect to any period ending prior to the Liquidation Date, on a cumulative basis and without duplication,

(a) the sum of (i) \$25 million, (ii) all cash receipts of the Partnership Group (or the Partnership’s proportionate share of cash receipts in the case of Subsidiaries that are not wholly owned) for the period beginning on the Closing Date and ending on the last day of such period, but excluding cash receipts from Interim Capital Transactions and provided that cash receipts from the termination of any Hedge Contract prior to its stipulated settlement or termination date shall be included in equal quarterly installments over what would have been the remaining scheduled life of such Hedge Contract had it not been so terminated, (iii) all cash receipts of the Partnership Group (or the Partnership’s proportionate share of cash receipts in the case of Subsidiaries that are not wholly owned) after the end of such period but on or before the date of determination of Operating Surplus with respect to such period resulting from Working Capital Borrowings, and (iv) the amount of cash distributions paid (including incremental Incentive Distributions) in respect of equity issued, other than equity issued in the Initial Offering, to finance all or a portion of the construction, acquisition or improvement of a Capital Improvement and paid in respect of the period beginning on the date that the Group Member enters into a binding obligation to commence the construction, acquisition or improvement of a Capital Improvement and ending on the earlier to occur of the date that such Capital Improvement or replacement capital asset Commences Commercial Service and the date that it is abandoned or

disposed of (equity issued, other than equity issued in the Initial Offering, to fund the construction period interest payments on debt incurred, or construction period distributions on equity issued, to finance the construction, acquisition or improvement of a Capital Improvement shall also be deemed to be equity issued to finance the construction, acquisition or improvement of a Capital Improvement for purposes of this clause (iv)), less

(b) the sum of (i) Operating Expenditures for the period beginning on the Closing Date and ending on the last day of such period; (ii) the amount of cash reserves established by the General Partner (or the Partnership's proportionate share of cash reserves in the case of Subsidiaries that are not wholly owned) to provide funds for future Operating Expenditures; (iii) all Working Capital Borrowings not repaid within twelve (12) months after having been incurred and (iv) any cash loss realized on disposition of an Investment Capital Expenditure;

*provided, however*, that the disbursements made (including contributions to a Group Member or disbursements on behalf of a Group Member), cash received or cash reserves established, increased or reduced after the end of such period but on or before the date of determination of Available Cash with respect to such period shall be deemed to have been made, received, established, increased or reduced, for purposes of determining Operating Surplus, within such period if the General Partner so determines.

Notwithstanding the foregoing, "*Operating Surplus*" with respect to the Quarter in which the Liquidation Date occurs and any subsequent Quarter shall equal zero. Cash receipts from an Investment Capital Expenditure shall be treated as cash receipts only to the extent they are a return on principal, but in no event shall a return of principal be treated as cash receipts.

"*Opinion of Counsel*" means a written opinion of counsel (who may be regular counsel to the Partnership or the General Partner or any of its Affiliates) acceptable to the General Partner.

"*Option Closing Date*" means the date or dates on which any Common Units are sold by the Partnership to the Underwriters upon exercise of the Over-Allotment Option.

"*Organizational Limited Partner*" means SHC, in its capacity as the historical organizational limited partner of the Partnership pursuant to this Agreement.

"*Outstanding*" means, with respect to Partnership Interests, all Partnership Interests that are issued by the Partnership and reflected as outstanding on the Partnership's books and records as of the date of determination; *provided, however*, that if at any time any Person or Group (other than the General Partner or its Affiliates) beneficially owns 20% or more of the Outstanding Partnership Interests of any class then Outstanding, none of the Partnership Interests owned by such Person or Group shall be entitled to be voted on any matter or be considered to be Outstanding when sending notices of a meeting of Limited Partners to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under this Agreement, except that Partnership Interests so owned shall

be considered to be Outstanding for purposes of Section 11.1(b) (such Partnership Interests shall not, however, be treated as a separate class of Partnership Interests for purposes of this Agreement or the Delaware Act); *provided, further*, that the foregoing limitation shall not apply to (i) any Person or Group who acquired 20% or more of the Outstanding Partnership Interests of any class then Outstanding directly from the General Partner or its Affiliates (other than the Partnership), (ii) any Person or Group who acquired 20% or more of the Outstanding Partnership Interests of any class then Outstanding directly or indirectly from a Person or Group described in clause (i) *provided* that the General Partner shall have notified such Person or Group in writing that such limitation shall not apply, or (iii) any Person or Group who acquired 20% or more of any Partnership Interests issued by the Partnership provided that the General Partner shall have notified such Person or Group in writing that such limitation shall not apply.

“*Over-Allotment Option*” means the over-allotment option granted to the Underwriters by the Partnership pursuant to the Underwriting Agreement.

“*Partner Nonrecourse Debt*” has the meaning set forth in Treasury Regulation Section 1.704-2(b)(4).

“*Partner Nonrecourse Debt Minimum Gain*” has the meaning set forth in Treasury Regulation Section 1.704-2(i)(2).

“*Partner Nonrecourse Deductions*” means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(i), are attributable to a Partner Nonrecourse Debt.

“*Partners*” means the General Partner and the Limited Partners.

“*Partnership*” means Sunoco LP, a Delaware limited partnership.

“*Partnership Group*” means, collectively, the Partnership and its Subsidiaries.

“*Partnership Interest*” means any class or series of equity interest in the Partnership, which shall include any General Partner Interest and Limited Partner Interests, but shall exclude Derivative Instruments.

“*Partnership Minimum Gain*” means that amount determined in accordance with the principles of Treasury Regulation Sections 1.704-2(b)(2) and 1.704-2(d).

“*Partnership Representative*” has the meaning assigned to such term in Section 9.3.



*“Percentage Interest”* means as of any date of determination (a) as to any Unitholder with respect to Units, the quotient obtained by dividing (A) the number of Units held by such Unitholder by (B) the total number of Outstanding Units. The Percentage Interest with respect to an Incentive Distribution Right shall be zero. The Percentage Interest with respect to the General Partner Interest shall at all times be zero.

*“Person”* means an individual or a corporation, firm, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

*“Per Unit Capital Amount”* means, as of any date of determination, the Capital Account, stated on a per Unit basis, underlying any class of Units held by a Person other than the General Partner or any Affiliate of the General Partner who holds Units.

*“Permitted Actions”* means the following arrangements with, actions taken by, or determinations made by, the General Partner:

(a) The General Partner’s agreement with SHC on the reasonable allocation and other procedures to effect the reimbursement of all direct and indirect costs and expenses incurred by SHC or its Affiliates in connection with the provision of services to the Partnership Group under the terms of the Omnibus Agreement; and

(b) the exercise of the Partnership’s Sale and Leaseback Option.

*“Potential Affiliate Financial Support”* means the provision by the General Partner or any of its Affiliates to any member of the Partnership Group of any guaranties or trade credit support to support the ongoing operations of the Partnership Group; *provided, that* (i) the pricing of any such guaranties or trade credit support is no more than the cost to the Partnership of issuing a comparable letter of credit under its Credit Agreement and (ii) any such guaranties or trade credit support are limited to ordinary course obligations of members of the Partnership Group and do not extend to indebtedness for borrowed money or other obligations that could be characterized as debt.

*“Pro Rata”* means (a) when used with respect to Units or any class thereof, apportioned equally among all designated Units in accordance with their relative Percentage Interests, (b) when used with respect to Partners or Record Holders, apportioned among all Partners or Record Holders in accordance with their relative Percentage Interests and (c) when used with respect to holders of Incentive Distribution Rights, apportioned equally among all holders of Incentive Distribution Rights in accordance with the relative number or percentage of Incentive Distribution Rights held by each such holder.

“*Purchase Date*” means the date determined by the General Partner as the date for purchase of all Outstanding Limited Partner Interests of a certain class (other than Limited Partner Interests owned by the General Partner and its Affiliates) pursuant to Article XV.

“*Quarter*” means, unless the context requires otherwise, a fiscal quarter of the Partnership, or, with respect to the fiscal quarter of the Partnership in which the Closing Date occurs, the portion of such fiscal quarter after the Closing Date.

“*Rate Eligibility Trigger*” is defined in Section 4.8(a)(i).

“*Recapture Income*” means any gain recognized by the Partnership (computed without regard to any adjustment required by Section 734 or Section 743 of the Code) upon the disposition of any property or asset of the Partnership, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

“*Record Date*” means the date established by the General Partner or otherwise in accordance with this Agreement for determining (a) the identity of the Record Holders entitled to notice of, or to vote at, any meeting of Limited Partners or entitled to vote by ballot or give approval of Partnership action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Limited Partners or (b) the identity of Record Holders entitled to receive any report or distribution or to participate in any offer.

“*Record Holder*” means (a) with respect to any class of Partnership Interests for which a Transfer Agent has been appointed, the Person in whose name a Partnership Interest of such class is registered on the books of the Transfer Agent as of the closing of business on a particular Business Day, or (b) with respect to other classes of Partnership Interests, the Person in whose name any such other Partnership Interest is registered on the books that the General Partner has caused to be kept as of the closing of business on such Business Day.

“*Redeemable Interests*” means any Partnership Interests for which a redemption notice has been given, and has not been withdrawn, pursuant to Section 4.9(a).

“*Registration Statement*” means the Registration Statement on Form S-1 (Registration No. 333-182276) as it has been or as it may be amended or supplemented from time to time, filed by the Partnership with the Commission under the Securities Act to register the offering and sale of the Common Units in the Initial Offering.

“*Remaining Net Positive Adjustments*” means as of the end of any taxable period, (i) with respect to the Unitholders holding Common Units, the excess of (a) the Net Positive Adjustments of the Unitholders holding Common Units as of the end of such period over (b) the sum of those

Partners' Share of Additional Book Basis Derivative Items for each prior taxable period and (ii) with respect to the holders of Incentive Distribution Rights, the excess of (a) the Net Positive Adjustments of the holders of Incentive Distribution Rights as of the end of such period over (b) the sum of the Share of Additional Book Basis Derivative Items of the holders of the Incentive Distribution Rights for each prior taxable period.

*"Required Allocations"* means any allocation of an item of income, gain, loss or deduction pursuant to Section 6.1 (d)(i), Section 6.1(d)(ii), Section 6.1(d)(iv), Section 6.1(d)(v), Section 6.1(d)(vi), Section 6.1(d)(vii) or Section 6.1(d)(ix).

*"Reset MQD"* is defined in Section 5.11(a).

*"Reset Notice"* is defined in Section 5.11(b).

*"Retail"* means Sunoco Retail LLC, a Pennsylvania limited liability company, or any successor entity thereto.

*"Retail Available Cash"* means any and all cash or cash equivalents on hand derived from or attributable to (i) any distribution or dividend received by the Partnership (directly or indirectly) from Retail or the proceeds of any sale of the membership interests of Retail received by the Partnership (directly or indirectly) or (ii) any interest or principal payments received by the Partnership (directly or indirectly) with respect to indebtedness of Retail or its subsidiaries.

*"Retail Items"* means the income, gains, losses, deductions and credits which are attributable to the Partnership's ownership (directly or indirectly) of, or sale or other disposition of, the membership interests of Retail or the Partnership's ownership (directly or indirectly) of any indebtedness of Retail or any of its subsidiaries, including any such income, gains, losses and deductions included in Net Termination Gain or Net Termination Loss.

*"Sale and Leaseback Option"* has the meaning set forth in the Omnibus Agreement.

*"Second Liquidation Target Amount"* is defined in Section 6.1(c)(i)(E).

*"Second Target Distribution"* means \$0.546875 per Unit per Quarter (or, with respect to periods of less than a full fiscal quarter, it means the product of such amount multiplied by a fraction of which the numerator is the number of days in such period, and the denominator is the total number of days in such fiscal quarter), subject to adjustment in accordance with Section 5.11, Section 6.6 and Section 6.8.

*"Securities Act"* means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute.

“*Securities Exchange Act*” means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute.

“*SHC*” means Susser Holdings Corporation, a Delaware corporation.

“*Share of Additional Book Basis Derivative Items*” means in connection with any allocation of Additional Book Basis Derivative Items for any taxable period, (i) with respect to the Unitholders holding Common Units, the amount that bears the same ratio to such Additional Book Basis Derivative Items as the Unitholders’ Remaining Net Positive Adjustments as of the end of such taxable period bears to the Aggregate Remaining Net Positive Adjustments as of that time and (ii) with respect to the Partners holding Incentive Distribution Rights, the amount that bears the same ratio to such Additional Book Basis Derivative Items as the Remaining Net Positive Adjustments of the Partners holding the Incentive Distribution Rights as of the end of such period bears to the Aggregate Remaining Net Positive Adjustments as of that time.

“*Special Approval*” means approval by a majority of the members of the Conflicts Committee.

“*Stripes LLC*” means Stripes LLC, a Texas limited liability company.

“*Subordinated Unit*” means a Partnership Interest having the rights and obligations specified with respect to Subordinated Units in the Prior Partnership Agreement.

“*Subsidiary*” means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general partner of such partnership, but only if such Person, directly or by one or more Subsidiaries of such Person, or a combination thereof, controls such partnership at the date of determination, or (c) any other Person in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

“*Surviving Business Entity*” is defined in Section 14.2(b)(ii).

“*Target Distribution*” means each of the Minimum Quarterly Distribution, the First Target Distribution, Second Target Distribution and Third Target Distribution.

“*Third Target Distribution*” means \$0.65625 per Unit per Quarter (or, with respect to periods of less than a full fiscal quarter, it means the product of such amount multiplied by a fraction of which the numerator is the number of days in such period, and the denominator is the total number of days in such fiscal quarter), subject to adjustment in accordance with Sections 5.11, 6.6 and Section 6.8.

“*Trading Day*” means, for the purpose of determining the Current Market Price of any class of Limited Partner Interests, a day on which the principal National Securities Exchange on which such class of Limited Partner Interests is listed or admitted to trading is open for the transaction of business or, if Limited Partner Interests of a class are not listed or admitted to trading on any National Securities Exchange, a day on which banking institutions in New York City generally are open.

“*transfer*” is defined in Section 4.4(a).

“*Transfer Agent*” means such bank, trust company or other Person (including the General Partner or one of its Affiliates) as may be appointed from time to time by the Partnership to act as registrar and transfer agent for any class of Partnership Interests; *provided*, that if no Transfer Agent is specifically designated for any class of Partnership Interests, the General Partner shall act in such capacity.

“*Underwriter*” means each Person named as an underwriter in Schedule I to the Underwriting Agreement who purchases Common Units pursuant thereto.

“*Underwriting Agreement*” means that certain Underwriting Agreement, dated as of September 19, 2012, among the Underwriters, the Partnership, the General Partner, SHC and the other parties thereto, providing for the purchase of Common Units by the Underwriters.

“*Unit*” means a Partnership Interest that is designated as a “Unit” and shall include Common Units and Class C Units but shall not include (i) the General Partner Interest or (ii) Incentive Distribution Rights.

“*Unitholders*” means the holders of Units.

“*Unit Majority*” means at least a majority of the Outstanding Common Units.

“*Unpaid MQD*” is defined in Section 6.1(c)(i)(B).

“*Unrealized Gain*” attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the fair market value of such property as of such date (as determined under Section 5.5(d)) over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.5(d) as of such date).

“*Unrealized Loss*” attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.5(d) as of such date) over (b) the fair market value of such property as of such date (as determined under Section 5.5(d)).

“*Unrecovered Initial Unit Price*” means at any time, with respect to a Unit, the Initial Unit Price less the sum of all distributions constituting Capital Surplus theretofore made in respect of an Initial Common Unit and any distributions of cash (or the Net Agreed Value of any distributions in kind) in connection with the dissolution and liquidation of the Partnership theretofore made in respect of an Initial Common Unit, adjusted as the General Partner determines to be appropriate to give effect to any distribution, subdivision, or combination of such Units.

“*Unrestricted Person*” means (a) each Indemnitee, (b) each Partner, (c) each Person who is or was a member, partner, director, officer, employee or agent of any Group Member, a General Partner or any Departing General Partner or any Affiliate of any Group Member, a General Partner or any Departing General Partner and (d) any Person the General Partner designates as an “Unrestricted Person” for purposes of this Agreement.

“*U.S. GAAP*” means United States generally accepted accounting principles, as in effect from time to time, consistently applied.

“*Withdrawal Opinion of Counsel*” is defined in Section 11.1(b).

“*Working Capital Borrowings*” means borrowings used solely for working capital purposes or to pay distributions to Partners, made pursuant to a credit facility, commercial paper facility or other similar financing arrangement; provided that when incurred it is the intent of the borrower to repay such borrowings within 12 months from sources other than additional Working Capital Borrowings.

Section 1.2 *Construction.* Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) the terms “include”, “includes”, “including” and words of like import shall be deemed to be followed by the words “without limitation”; and (d) the terms “hereof”, “herein” and “hereunder” refer to this Agreement as a whole and not to any particular provision of this Agreement. The table of contents and headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

## Article II

### ORGANIZATION

Section 2.1 *Formation.* The General Partner and the Organizational Limited Partner have previously formed the Partnership as a limited partnership pursuant to the provisions of the Delaware Act. The Prior Agreement is hereby amended and restated by this Agreement, and this Agreement shall become effective as of the date hereof. Except as expressly provided to the contrary in this Agreement, the rights, duties (including fiduciary duties), liabilities and obligations of the Partners and the administration, dissolution and termination of the Partnership shall be governed by the Delaware Act.

Section 2.2 *Name.* The name of the Partnership shall be “Sunoco LP”. The Partnership’s business may be conducted under any other name or names as determined by the General Partner, including the name of the General Partner. The words “Limited Partnership,” “L.P.,” “Ltd.” or similar words or letters shall be included in the Partnership’s name where necessary for the purpose of complying with the laws of any jurisdiction that so requires. The General Partner may change the name of the Partnership at any time and from time to time and shall notify the Limited Partners of such change in the next regular communication to the Limited Partners.

Section 2.3 *Registered Office; Registered Agent; Principal Office; Other Offices.* Unless and until changed by the General Partner, the registered office of the Partnership in the State of Delaware shall be located at 251 Little Falls Drive, Wilmington, Delaware, 19808, and the registered agent for service of process of the Partnership in the State of Delaware at such registered office shall be Corporation Service Company. The principal office of the Partnership shall be located at 8111 Westchester Drive, Suite 400, Dallas, Texas 75225, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner determines to be necessary or appropriate. The address of the General Partner shall be 8111 Westchester Drive, Suite 400, Dallas, Texas 75225, or such other place as the General Partner may from time to time designate by notice to the Limited Partners.

Section 2.4 *Purpose and Business.* The purpose and nature of the business to be conducted by the Partnership shall be to (a) engage directly in, or enter into or form, hold and dispose of any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that is approved by the General Partner, in its sole discretion, and that lawfully may be conducted by a limited partnership organized pursuant to the Delaware Act and, in connection therewith, to exercise all of the rights and powers conferred upon the Partnership pursuant to the agreements relating to such business activity, and (b) do anything necessary or appropriate to the foregoing, including the making of capital contributions or loans to a Group Member; *provided, however,* that the General Partner shall not cause the Partnership to engage, directly or indirectly, in any business activity that the General Partner determines would be reasonably likely to cause the Partnership to be treated as an association taxable as a corporation or otherwise taxable as an entity for U.S. federal income tax purposes. To the fullest extent permitted by law, the General Partner shall have no duty or



obligation to propose or approve, and may, in its sole discretion, decline to propose or approve, the conduct by the Partnership of any business.

Section 2.5 *Powers*. The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described in Section 2.4 and for the protection and benefit of the Partnership.

Section 2.6 *Term*. The term of the Partnership commenced upon the filing of the Certificate of Limited Partnership in accordance with the Delaware Act and shall continue in existence until the dissolution of the Partnership in accordance with the provisions of Article XII. The existence of the Partnership as a separate legal entity shall continue until the cancellation of the Certificate of Limited Partnership as provided in the Delaware Act.

Section 2.7 *Title to Partnership Assets*. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner, one or more of its Affiliates or one or more nominees, as the General Partner may determine. The General Partner hereby declares and warrants that any Partnership assets for which record title is held in the name of the General Partner or one or more of its Affiliates or one or more nominees shall be held by the General Partner or such Affiliate or nominee for the use and benefit of the Partnership in accordance with the provisions of this Agreement; *provided, however*, that the General Partner shall use reasonable efforts to cause record title to such assets (other than those assets in respect of which the General Partner determines that the expense and difficulty of conveyancing makes transfer of record title to the Partnership impracticable) to be vested in the Partnership or one or more of the Partnership's designated Affiliates as soon as reasonably practicable; *provided, further*, that, prior to the withdrawal or removal of the General Partner or as soon thereafter as practicable, the General Partner shall use reasonable efforts to effect the transfer of record title to the Partnership and, prior to any such transfer, will provide for the use of such assets in a manner satisfactory to the General Partner. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which record title to such Partnership assets is held.

### **Article III**

#### **RIGHTS OF LIMITED PARTNERS**

Section 3.1 *Limitation of Liability*. The Limited Partners shall have no liability under this Agreement except as expressly provided in this Agreement or the Delaware Act.

Section 3.2 *Management of Business*. No Limited Partner, in its capacity as such, shall participate in the operation, management or control (within the meaning of the Delaware Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. All actions taken by any Affiliate of the General Partner or any officer, director, employee, manager, member, general partner,

agent or trustee of the General Partner or any of its Affiliates, or any officer, director, employee, manager, member, general partner, agent or trustee of a Group Member, in its capacity as such, shall not be deemed to be participating in the control of the business of the Partnership by a limited partner of the Partnership (within the meaning of Section 17-303(a) of the Delaware Act) and shall not affect, impair or eliminate the limitations on the liability of the Limited Partners under this Agreement.

Section 3.3 *Outside Activities of the Limited Partners.* Subject to the provisions of Section 7.6, which shall continue to be applicable to the Persons referred to therein, regardless of whether such Persons shall also be Limited Partners, each Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership Group. Neither the Partnership nor any of the other Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner.

Section 3.4 *Rights of Limited Partners.*

(a) Each Limited Partner shall have the right, for a purpose that is reasonably related, as determined by the General Partner, to such Limited Partner's interest as a Limited Partner in the Partnership, upon reasonable written demand stating the purpose of such demand and at such Limited Partner's own expense, to obtain:

(i) true and full information regarding the status of the business and financial condition of the Partnership (provided that the requirements of this Section 3.4(a)(i) shall be satisfied if the Limited Partner is furnished the Partnership's most recent annual report and any subsequent periodic reports required to be filed (or which would be required to be filed) with the Commission pursuant to Section 13 of the Securities Exchange Act);

(ii) a current list of the name and last known business, residence or mailing address of each Record Holder; and

(iii) a copy of this Agreement and the Certificate of Limited Partnership and all amendments thereto, together with copies of the executed copies of all powers of attorney pursuant to which this Agreement, the Certificate of Limited Partnership and all amendments thereto have been executed.

(b) The rights to information granted to each of the Limited Partners pursuant to Section 3.4(a) replace in their entirety any rights to information provided for in Section 17-305(a) of the Delaware Act and each of the Partners and each other Person or Group who acquires an interest in Partnership Interests hereby agrees to the fullest extent permitted by law that they do not have any rights as Partners to receive any information either pursuant to Sections 17-305(a) of the Delaware Act or otherwise except for the information identified in Section 3.4(a).

(c) The General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner deems reasonable, (i) any information that the General Partner reasonably believes to be in the nature of trade secrets or (ii) other information the disclosure of which the General Partner believes (A) is not in the best interests of the Partnership

Group, (B) could damage the Partnership Group or its business or (C) that any Group Member is required by law or by agreement with any third party to keep confidential (other than agreements with Affiliates of the Partnership the primary purpose of which is to circumvent the obligations set forth in this Section 3.4).

(d) Notwithstanding any other provision of this Agreement or Section 17-305 of the Delaware Act, each of the Partners, each other Person who acquires an interest in a Partnership Interest and each other Person bound by this Agreement hereby agrees to the fullest extent permitted by law that they do not have rights to receive information from the Partnership or any Indemnitee for the purpose of determining whether to pursue litigation or assist in pending litigation against the Partnership or any Indemnitee relating to the affairs of the Partnership except pursuant to the applicable rules of discovery relating to litigation commenced by such Person.

## Article IV

### CERTIFICATES; RECORD HOLDERS; TRANSFER OF PARTNERSHIP INTERESTS; REDEMPTION OF PARTNERSHIP INTERESTS

Section 4.1 *Certificates.* Notwithstanding anything to the contrary herein, unless the General Partner shall determine otherwise in respect of some or all of any or all classes of Partnership Interests, Partnership Interests shall not be evidenced by certificates. Certificates that may be issued shall be executed on behalf of the Partnership by the Chairman of the Board, President, the Chief Executive Officer or any Senior Vice President or Vice President and the Chief Financial Officer or the Secretary or any Assistant Secretary of the General Partner. No Certificate for a class of Partnership Interests shall be valid for any purpose until it has been countersigned by the Transfer Agent for such class of Partnership Interests; *provided, however*, that if the General Partner elects to cause the Partnership to issue Partnership Interests of such class in global form, the Certificate shall be valid upon receipt of a certificate from the Transfer Agent certifying that the Partnership Interests have been duly registered in accordance with the directions of the Partnership.

#### Section 4.2 *Mutilated, Destroyed, Lost or Stolen Certificates.*

(a) If any mutilated Certificate is surrendered to the Transfer Agent, the appropriate officers of the General Partner on behalf of the Partnership shall execute, and the Transfer Agent shall countersign and deliver in exchange therefor, a new Certificate evidencing the same number and type of Partnership Interests as the Certificate so surrendered.

(b) The appropriate officers of the General Partner on behalf of the Partnership shall execute and deliver, and the Transfer Agent shall countersign, a new Certificate in place of any Certificate previously issued, if the Record Holder of the Certificate:

(i) makes proof by affidavit, in form and substance satisfactory to the General Partner, that a previously issued Certificate has been lost, destroyed or stolen;

(ii) requests the issuance of a new Certificate before the General Partner has notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(iii) if requested by the General Partner, delivers to the General Partner a bond, in form and substance satisfactory to the General Partner, with surety or sureties and with fixed or open penalty as the General Partner may direct to indemnify the Partnership, the Partners, the General Partner and the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and

(iv) satisfies any other reasonable requirements imposed by the General Partner or the Transfer Agent.

If a Limited Partner fails to notify the General Partner within a reasonable period of time after such Limited Partner has notice of the loss, destruction or theft of a Certificate, and a transfer of the Limited Partner Interests represented by the Certificate is registered before the Partnership, the General Partner or the Transfer Agent receives such notification, the Limited Partner shall be precluded from making any claim against the Partnership, the General Partner or the Transfer Agent for such transfer or for a new Certificate.

(c) As a condition to the issuance of any new Certificate under this Section 4.2, the General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Transfer Agent) reasonably connected therewith.

**Section 4.3 *Record Holders.*** The Partnership shall be entitled to recognize the Record Holder as the Partner with respect to any Partnership Interest and, accordingly, shall not be bound to recognize any equitable or other claim to, or interest in, such Partnership Interest on the part of any other Person, regardless of whether the Partnership shall have actual or other notice thereof, except as otherwise provided by law or any applicable rule, regulation, guideline or requirement of any National Securities Exchange on which such Partnership Interests are listed or admitted to trading. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring and/or holding Partnership Interests, as between the Partnership on the one hand, and such other Persons on the other, such representative Person shall be (a) the Record Holder of such Partnership Interest and (b) bound by this Agreement and shall have the rights and obligations of a Partner hereunder as, and to the extent, provided herein.

#### **Section 4.4 *Transfer Generally.***

(a) The term “transfer,” when used in this Agreement with respect to a Partnership Interest, shall mean a transaction (i) by which the General Partner assigns its General Partner Interest to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise or (ii) by which the holder of a Limited Partner Interest assigns such Limited Partner Interest to another Person

who is or becomes a Limited Partner, and includes a sale, assignment, gift, exchange or any other disposition by law or otherwise, excluding a pledge, encumbrance, hypothecation or mortgage but including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage.

(b) No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article IV. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article IV shall be, to the fullest extent permitted by law, null and void.

(c) Nothing contained in this Agreement shall be construed to prevent a disposition by any stockholder, member, partner or other owner of any Partner of any or all of the shares of stock, membership interests, partnership interests or other ownership interests in such Partner and the term “transfer” shall not mean any such disposition.

#### Section 4.5 *Registration and Transfer of Limited Partner Interests.*

(a) The General Partner shall keep or cause to be kept on behalf of the Partnership a register in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of Section 4.5(b), the Partnership will provide for the registration and transfer of Limited Partner Interests.

(b) The Partnership shall not recognize any transfer of Limited Partner Interests evidenced by Certificates until the Certificates evidencing such Limited Partner Interests are surrendered for registration of transfer. No charge shall be imposed by the General Partner for such transfer; *provided*, that as a condition to the issuance of any new Certificate under this Section 4.5, the General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed with respect thereto. Upon surrender of a Certificate for registration of transfer of any Limited Partner Interests evidenced by a Certificate, and subject to the provisions hereof, the appropriate officers of the General Partner on behalf of the Partnership shall execute and deliver, and in the case of Certificates evidencing Limited Partner Interests, the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Certificates evidencing the same aggregate number and type of Limited Partner Interests as was evidenced by the Certificate so surrendered.

(c) By acceptance of the transfer of any Limited Partner Interests in accordance with this Section 4.5 and except as provided in Section 4.8, each transferee of a Limited Partner Interest (including any nominee holder or an agent or representative acquiring such Limited Partner Interests for the account of another Person) acknowledges and agrees to the provisions of Section 10.1(a).

(d) Subject to (i) the foregoing provisions of this Section 4.5, (ii) Section 4.3, (iii) Section 4.7, (iv) with respect to any class or series of Limited Partner Interests, the provisions of any statement of designations or an amendment to this Agreement establishing such class or series, (v) any contractual provisions binding on any Limited Partner and

(vi) provisions of applicable law including the Securities Act, Limited Partner Interests shall be freely transferable.

(e) The General Partner and its Affiliates shall have the right at any time to transfer their Common Units and Incentive Distribution Rights to one or more Persons.

**Section 4.6** *Transfer of the General Partner's General Partner Interest.*

(a) Subject to Section 4.6(b) below, the General Partner may at its option transfer all or any part of its General Partner Interest without approval from any other Partner.

(b) Notwithstanding anything herein to the contrary, no transfer by the General Partner of all or any part of its General Partner Interest to another Person shall be permitted unless (i) the transferee agrees to assume the rights and duties of the General Partner under this Agreement and to be bound by the provisions of this Agreement, (ii) the Partnership receives an Opinion of Counsel that such transfer would not result in the loss of limited liability under the Delaware Act of any Limited Partner or cause the Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (to the extent not already so treated or taxed) and (iii) such transferee also agrees to purchase all (or the appropriate portion thereof, if applicable) of the partnership or membership interest held by the General Partner as the general partner or managing member, if any, of each other Group Member. In the case of a transfer pursuant to and in compliance with this Section 4.6, the transferee or successor (as the case may be) shall, subject to compliance with the terms of Section 10.2, be admitted to the Partnership as the General Partner effective immediately prior to the transfer of the General Partner Interest, and the business of the Partnership shall continue without dissolution.

**Section 4.7** *Restrictions on Transfers.*

(a) Notwithstanding the other provisions of this Article IV, no transfer of any Partnership Interests shall be made if such transfer would (i) violate the then applicable federal or state securities laws or rules and regulations of the Commission, any state securities commission or any other governmental authority with jurisdiction over such transfer, (ii) terminate the existence or qualification of the Partnership under the laws of the jurisdiction of its formation, or (iii) cause the Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (to the extent not already so treated or taxed).

(b) The General Partner may impose restrictions on the transfer of Partnership Interests if it determines, with the advice of counsel, that such restrictions are necessary or advisable to (i) avoid a significant risk of the Partnership becoming taxable as a corporation or otherwise becoming taxable as an entity for U.S. federal income tax purposes or (ii) preserve the uniformity of the Limited Partner Interests (or any class or classes thereof). The General Partner may impose such restrictions by amending this Agreement; *provided, however*, that any amendment that would result in the delisting or suspension of trading of any class of Limited Partner Interests on the principal National Securities Exchange on which such class of Limited Partner Interests is then listed or admitted to trading must be approved, prior to such amendment

being effected, by the holders of at least a majority of the Outstanding Limited Partner Interests of such class.

(c) Nothing contained in this Agreement, other than Section 4.7(a), shall preclude the settlement of any transactions involving Partnership Interests entered into through the facilities of any National Securities Exchange on which such Partnership Interests are listed or admitted to trading.

(d) *Intentionally deleted.*

(e) The transfer of an IDR Reset Common Unit that was issued in connection with an IDR Reset Election pursuant to Section 5.11 shall be subject to the restrictions imposed by Section 6.8.

#### Section 4.8 *Eligibility Certificates; Ineligible Holders.*

(a) If at any time the General Partner determines, with the advice of counsel, that:

(i) the U.S. federal income tax status (or lack of proof of the U.S. federal income tax status) of one or more Limited Partners or their beneficial owners has or is reasonably likely to have a material adverse effect on the rates that can be charged to customers by any Group Member with respect to assets that are subject to regulation by the Federal Energy Regulatory Commission or similar regulatory body (a “**Rate Eligibility Trigger**”); or

(ii) any Group Member is subject to any federal, state or local law or regulation that would create a substantial risk of cancellation or forfeiture of any property in which the Group Member has an interest based on the nationality, citizenship or other related status of a Limited Partner (a “**Citizenship Eligibility Trigger**”);

then, the General Partner may adopt such amendments to this Agreement as it determines to be necessary or appropriate to (x) in the case of a Rate Eligibility Trigger, obtain such proof of the U.S. federal income tax status of the Limited Partners and, to the extent relevant, their beneficial owners, as the General Partner determines to be necessary or appropriate to reduce risk of the occurrence of a material adverse effect on the rates that can be charged to customers by any Group Member or (y) in the case of a Citizenship Eligibility Trigger, obtain such proof of the nationality, citizenship or other related status of the Limited Partner and, to the extent relevant, their beneficial owners as the General Partner determines to be necessary or appropriate to eliminate or mitigate a significant risk of cancellation or forfeiture of any properties or interests therein of a Group Member.

(b) Such amendments may include provisions requiring all Partners to certify as to their (and their beneficial owners’) status as Eligible Holders upon demand and on a regular basis, as determined by the General Partner, and may require transferees of Units to so certify prior to being admitted to the Partnership as a Partner (any such required certificate, an “**Eligibility Certificate**”).



(c) Such amendments may provide that any Partner who fails to furnish to the General Partner within a reasonable period requested proof of its (and its beneficial owners') status as an Eligible Holder or if upon receipt of such Eligibility Certificate or other requested information the General Partner determines that a Limited Partner (or its beneficial owner) is not an Eligible Holder (an "**Ineligible Holder**"), the Partnership Interests owned by such Limited Partner shall be subject to redemption in accordance with the provisions of Section 4.9. In addition, the General Partner shall be substituted and treated as the owner of all Partnership Interests owned by an Ineligible Holder.

(d) The General Partner shall, in exercising voting rights in respect of Partnership Interests held by it on behalf of Ineligible Holders, cast such votes in the same manner and in the same ratios as the votes of Partners (including the General Partner and its Affiliates) in respect of Partnership Interests other than those of Ineligible Holders are cast.

(e) Upon dissolution of the Partnership, an Ineligible Holder shall have no right to receive a distribution in kind pursuant to Section 12.4 but shall be entitled to the cash equivalent thereof, and the Partnership shall provide cash in exchange for an assignment of the Ineligible Holder's share of any distribution in kind. Such payment and assignment shall be treated for purposes hereof as a purchase by the Partnership from the Ineligible Holder of the portion of his Partnership Interest representing his right to receive his share of such distribution in kind.

(f) At any time after he can and does certify that he has become an Eligible Holder, an Ineligible Holder may, upon application to the General Partner, request that with respect to any Partnership Interests of such Ineligible Holder not redeemed pursuant to Section 4.9, such Ineligible Holder be admitted as a Partner, and upon approval of the General Partner, such Ineligible Holder shall be admitted as a Partner and shall no longer constitute an Ineligible Holder and the General Partner shall cease to be deemed to be the owner in respect of such Ineligible Holder's Partnership Interests.

#### Section 4.9 *Redemption of Partnership Interests of Ineligible Holders.*

(a) If at any time a Partner falsely certifies its status as an Eligible Holder or fails to furnish an Eligibility Certificate or other information requested within the period of time specified in amendments adopted pursuant to Section 4.8 or if upon receipt of such Eligibility Certificate, the General Partner determines, with the advice of counsel, that a Partner is an Ineligible Holder, the Partnership may, unless the Partner establishes to the satisfaction of the General Partner that such Partner is an Eligible Holder or has transferred his Limited Partner Interests to a Person who is an Eligible Holder and who furnishes an Eligibility Certificate to the General Partner prior to the date fixed for redemption as provided below, redeem the Partnership Interest of such Partner as follows:

(i) The General Partner shall, not later than the 30th day before the date fixed for redemption, give notice of redemption to the Partner, at his last address designated on the records of the Partnership or the Transfer Agent, as applicable, by registered or certified mail, postage prepaid. The notice shall be deemed to have been given when so mailed. The notice shall specify the Redeemable Interests, the date fixed for redemption, the place of payment, that payment of the redemption price will be made upon redemption of the Redeemable Interests (or,

if later in the case of Redeemable Interests evidenced by Certificates, upon surrender of the Certificate evidencing the Redeemable Interests) and that on and after the date fixed for redemption no further allocations or distributions to which the Partner would otherwise be entitled in respect of the Redeemable Interests will accrue or be made.

(ii) The aggregate redemption price for Redeemable Interests shall be an amount equal to the Current Market Price (the date of determination of which shall be the date fixed for redemption) of Partnership Interests of the class to be so redeemed multiplied by the number of Partnership Interests of each such class included among the Redeemable Interests. The redemption price shall be paid, as determined by the General Partner, in cash or by delivery of a promissory note of the Partnership in the principal amount of the redemption price, bearing interest at the rate of 8% annually and payable in three equal annual installments of principal together with accrued interest, commencing one year after the redemption date.

(iii) The Partner or his duly authorized representative shall be entitled to receive the payment for the Redeemable Interests at the place of payment specified in the notice of redemption on the redemption date (or, if later in the case of Redeemable Interests evidenced by Certificates, upon surrender by or on behalf of the Partner at the place specified in the notice of redemption, of the Certificate evidencing the Redeemable Interests, duly endorsed in blank or accompanied by an assignment duly executed in blank).

(iv) After the redemption date, Redeemable Interests shall no longer constitute issued and Outstanding Limited Partner Interests.

(b) The provisions of this Section 4.9 shall also be applicable to Partnership Interests held by a Partner as nominee of a Person determined to be an Ineligible Holder.

(c) Nothing in this Section 4.9 shall prevent the recipient of a notice of redemption from transferring his Partnership Interest before the redemption date if such transfer is otherwise permitted under this Agreement. Upon receipt of notice of such a transfer, the General Partner shall withdraw the notice of redemption, provided the transferee of such Partnership Interest certifies to the satisfaction of the General Partner that he is an Eligible Holder. If the transferee fails to make such certification, such redemption will be effected from the transferee on the original redemption date.

## **Article V**

### **CAPITAL CONTRIBUTIONS AND ISSUANCE OF PARTNERSHIP INTERESTS**

Section 5.1 *Organizational Contributions.* In connection with the formation of the Partnership under the Delaware Act, the General Partner was admitted as the General Partner of the Partnership. The Organizational Limited Partner made an initial Capital Contribution to the Partnership in the amount of \$1,000.00 in exchange for a Limited Partner Interest equal to a 100% Percentage Interest and has been admitted as a Limited Partner of the Partnership. As of the Closing Date, and effective with the admission of another Limited Partner to the Partnership, the interests of the Organizational Limited Partner were redeemed as provided in the Contribution Agreement and the initial Capital Contribution of the Organizational Limited

Partner was refunded. One-hundred percent of any interest or other profit that may have resulted from the investment or other use of such initial Capital Contribution was allocated and distributed to the Organizational Limited Partner.

Section 5.2 *Contributions by the General Partner and its Affiliates.* On the Closing Date and pursuant to the Contribution Agreement, SHC and its subsidiaries contributed to the Partnership, as a Capital Contribution, the Susser Operating Interests (as defined in the Contribution Agreement) in exchange for 14,436 Common Units, 10,939,436 Subordinated Units, the Incentive Distribution Rights and the right to receive the Deferred Issuance and Distribution.

Section 5.3 *Contributions by Initial Limited Partners.*

(a) On the Closing Date and pursuant to the Underwriting Agreement, each Underwriter contributed cash to the Partnership in exchange for the issuance by the Partnership of Common Units to each Underwriter, all as set forth in the Underwriting Agreement.

(b) Upon the exercise, if any, of the Over-Allotment Option, each Underwriter contributed cash to the Partnership in exchange for the issuance by the Partnership of Common Units to each Underwriter, all as set forth in the Underwriting Agreement.

Section 5.4 *Interest and Withdrawal.* No interest shall be paid by the Partnership on Capital Contributions. No Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon liquidation of the Partnership may be considered as such by law and then only to the extent provided for in this Agreement. Except to the extent expressly provided in this Agreement, no Partner shall have priority over any other Partner either as to the return of Capital Contributions or as to profits, losses or distributions. Any such return shall be a compromise to which all Partners agree within the meaning of Section 17-502(b) of the Delaware Act.

Section 5.5 *Capital Accounts.*

(a) The Partnership shall maintain for each Partner (or a beneficial owner of Partnership Interests held by a nominee in any case in which the nominee has furnished the identity of such owner to the Partnership in accordance with Section 6031(c) of the Code or any other method acceptable to the General Partner) owning a Partnership Interest a separate Capital Account with respect to such Partnership Interest in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). Such Capital Account shall be increased by (i) the amount of all Capital Contributions made to the Partnership with respect to such Partnership Interest and (ii) all items of Partnership income and gain (including income and gain exempt from tax) computed in accordance with Section 5.5(b) and allocated with respect to such Partnership Interest pursuant to Section 6.1, and decreased by (x) the amount of cash or Net Agreed Value of all actual and deemed distributions of cash or property made with respect to such Partnership Interest and (y) all items of Partnership deduction and loss computed in accordance with Section 5.5(b) and allocated with respect to such Partnership Interest pursuant to Section 6.1.

(b) For purposes of computing the amount of any item of income, gain, loss or deduction that is to be allocated pursuant to Article VI and is to be reflected in the Partners'

Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for U.S. federal income tax purposes (including any method of depreciation, cost recovery or amortization used for that purpose), *provided*, that:

(i) Solely for purposes of this Section 5.5, the Partnership shall be treated as owning directly its proportionate share (as determined by the General Partner based upon the provisions of the applicable Group Member Agreement) of all property owned by (x) any other Group Member that is classified as a partnership for U.S. federal income tax purposes and (y) any other partnership, limited liability company, unincorporated business or other entity classified as a partnership for U.S. federal income tax purposes of which a Group Member is, directly or indirectly, a partner, member or other equity holder.

(ii) All fees and other expenses incurred by the Partnership to promote the sale of (or to sell) a Partnership Interest that can neither be deducted nor amortized under Section 709 of the Code, if any, shall, for purposes of Capital Account maintenance, be treated as an item of deduction at the time such fees and other expenses are incurred and shall be allocated among the Partners pursuant to Section 6.1.

(iii) Except as otherwise provided in Treasury Regulation Section 1.704-1(b)(2)(iv)(m), the computation of all items of income, gain, loss and deduction shall be made without regard to any election under Section 754 of the Code that may be made by the Partnership and, as to those items described in Section 705(a)(1)(B) or 705(a)(2)(B) of the Code, without regard to the fact that such items are not includable in gross income or are neither currently deductible nor capitalized for U.S. federal income tax purposes. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment in the Capital Accounts shall be treated as an item of gain or loss.

(iv) Any income, gain or loss attributable to the taxable disposition of any Partnership property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the property's Carrying Value as of such date.

(v) Any deductions for depreciation, cost recovery or amortization attributable to any Contributed Property or Adjusted Property shall be determined under the rules prescribed by Treasury Regulation Section 1.704-3(d)(2) as if the adjusted basis of such property were equal to the Carrying Value of such property immediately following such adjustment.

(vi) The Gross Liability Value of each Liability of the Partnership described in Treasury Regulation Section 1.752-7(b)(3)(i) shall be adjusted at such times as provided in this Agreement for an adjustment to Carrying Values. The amount of any such adjustment shall be treated for purposes hereof as an item of loss (if the adjustment increases the Carrying Value of such Liability of the Partnership) or an item of gain (if the adjustment decreases the Carrying Value of such Liability of the Partnership).

(c) (i) Except as otherwise provided in this Section 5.5(c), a transferee of a Partnership Interest shall succeed to a pro rata portion of the Capital Account of the transferor relating to the Partnership Interest so transferred.

(i) *Intentionally deleted.*

(ii) Subject to 6.8(b), immediately prior to the transfer of an IDR Reset Common Unit by a holder thereof (other than a transfer to an Affiliate unless the General Partner elects to have this subparagraph 5.5(c)(iii) apply), the Capital Account maintained for such Person with respect to its IDR Reset Common Units will (A) first, be allocated to the IDR Reset Common Units to be transferred in an amount equal to the product of (x) the number of such IDR Reset Common Units to be transferred and (y) the Per Unit Capital Amount for a Common Unit, and (B) second, any remaining balance in such Capital Account will be retained by the transferor, regardless of whether it has retained any IDR Reset Common Units. Following any such allocation, the transferor's Capital Account, if any, maintained with respect to the retained IDR Reset Common Units, if any, will have a balance equal to the amount allocated under clause (B) hereinabove, and the transferee's Capital Account established with respect to the transferred IDR Reset Common Units will have a balance equal to the amount allocated under clause (A) above.

(d) (i) Consistent with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), on an issuance of additional Partnership Interests for cash or Contributed Property, the issuance of Partnership Interests as consideration for the provision of services, or the conversion of the Combined Interest to Common Units pursuant to Section 11.3(b), the Carrying Value of each Partnership property immediately prior to such issuance shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, and any such Unrealized Gain or Unrealized Loss shall be treated, for purposes of maintaining Capital Accounts, as if it had been recognized on an actual sale of each such property for an amount equal to its fair market value immediately prior to such issuance and had been allocated among the Partners at such time pursuant to Section 6.1 in the same manner as any item of gain or loss actually recognized following an event giving rise to the dissolution of the Partnership would have been allocated; *provided, however*, that in the event of an issuance of Partnership Interests for a de minimis amount of cash or Contributed Property, or in the event of an issuance of a de minimis amount of Partnership Interests as consideration for the provision of services, the General Partner may determine that such adjustments are unnecessary for the proper administration of the Partnership. In determining such Unrealized Gain or Unrealized Loss, the aggregate fair market value of all Partnership property (including cash or cash equivalents) immediately prior to the issuance of additional Partnership Interests shall be determined by the General Partner using such method of valuation as it may adopt. In making its determination of the fair market values of individual properties, the General Partner may determine that it is appropriate to first determine an aggregate value for the Partnership, based on the current trading price of the Common Units, and taking fully into account the fair market value of the Partnership Interests of all Partners at such time, and then allocate such aggregate value among the individual properties of the Partnership (in such manner as it determines appropriate).

(i) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), immediately prior to any actual or deemed distribution to a Partner of any Partnership property

(other than a distribution of cash that is not in redemption or retirement of a Partnership Interest), the Carrying Value of all Partnership property shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, and any such Unrealized Gain or Unrealized Loss shall be treated, for purposes of maintaining Capital Accounts, as if it had been recognized on an actual sale of each such property immediately prior to such distribution for an amount equal to its fair market value, and had been allocated among the Partners, at such time, pursuant to Section 6.1 in the same manner as any item of gain or loss actually recognized following an event giving rise to the dissolution of the Partnership would have been allocated. In determining such Unrealized Gain or Unrealized Loss the aggregate fair market value of all Partnership property (including cash or cash equivalents) immediately prior to a distribution shall (A) in the case of an actual or deemed distribution other than a distribution made pursuant to Section 12.4, be determined in the same manner as that provided in Section 5.5(d)(i) or (B) in the case of a liquidating distribution pursuant to Section 12.4, be determined by the Liquidator using such method of valuation as it may adopt.

Section 5.6 *Issuances of Additional Partnership Interests.*

(a) The Partnership may issue additional Partnership Interests and Derivative Instruments for any Partnership purpose at any time and from time to time to such Persons for such consideration and on such terms and conditions as the General Partner shall determine, all without the approval of any Limited Partners.

(b) Each additional Partnership Interest authorized to be issued by the Partnership pursuant to Section 5.6(a) may be issued in one or more classes, or one or more series of any such classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of Partnership Interests), as shall be fixed by the General Partner, including (i) the right to share in Partnership profits and losses or items thereof; (ii) the right to share in Partnership distributions; (iii) the rights upon dissolution and liquidation of the Partnership; (iv) whether, and the terms and conditions upon which, the Partnership may or shall be required to redeem the Partnership Interest (including sinking fund provisions); (v) whether such Partnership Interest is issued with the privilege of conversion or exchange and, if so, the terms and conditions of such conversion or exchange; (vi) the terms and conditions upon which each Partnership Interest will be issued, evidenced by certificates and assigned or transferred; (vii) the method for determining the Percentage Interest as to such Partnership Interest; and (viii) the right, if any, of each such Partnership Interest to vote on Partnership matters, including matters relating to the relative rights, preferences and privileges of such Partnership Interest.

(c) The General Partner shall take all actions that it determines to be necessary or appropriate in connection with (i) each issuance of Partnership Interests and Derivative Instruments pursuant to this Section 5.6, (ii) the conversion of the Combined Interest into Units pursuant to the terms of this Agreement, (iii) the issuance of Common Units pursuant to Section 5.11, (iv) reflecting admission of such additional Limited Partners in the books and records of the Partnership as the Record Holders of such Limited Partner Interests and (v) all additional issuances of Partnership Interests. The General Partner shall determine the relative rights, powers and duties of the holders of the Units or other Partnership Interests being so issued. The General Partner shall do all things necessary to comply with the Delaware Act and is authorized and directed to do all things that it determines to be necessary or appropriate in

connection with any future issuance of Partnership Interests or in connection with the conversion of the Combined Interest into Units pursuant to the terms of this Agreement, including compliance with any statute, rule, regulation or guideline of any federal, state or other governmental agency or any National Securities Exchange on which the Units or other Partnership Interests are listed or admitted to trading.

(d) No fractional Units shall be issued by the Partnership.

Section 5.7 *Intentionally deleted.*

Section 5.8 *Limited Preemptive Right.* Except as provided in this Section 5.8 or as otherwise provided in a separate agreement by the Partnership, no Person shall have any preemptive, preferential or other similar right with respect to the issuance of any Partnership Interest, whether unissued, held in the treasury or hereafter created. The General Partner shall have the right, which it may from time to time assign in whole or in part to any of its Affiliates, to purchase Partnership Interests from the Partnership whenever, and on the same terms that, the Partnership issues Partnership Interests to Persons other than the General Partner and its Affiliates, to the extent necessary to maintain the Percentage Interests of the General Partner and its Affiliates equal to that which existed immediately prior to the issuance of such Partnership Interests.

Section 5.9 *Splits and Combinations.*

(a) Subject to Section 5.9(d), the Partnership may make a Pro Rata distribution of Partnership Interests to all Record Holders or may effect a subdivision or combination of Partnership Interests so long as, after any such event, each Partner shall have the same Percentage Interest in the Partnership as before such event, and any amounts calculated on a per Unit basis or stated as a number of Units are proportionately adjusted retroactive to the beginning of the Partnership.

(b) Whenever such a distribution, subdivision or combination of Partnership Interests is declared, the General Partner shall select a Record Date as of which the distribution, subdivision or combination shall be effective and shall send notice thereof at least 20 days prior to such Record Date to each Record Holder as of a date not less than 10 days prior to the date of such notice. The General Partner also may cause a firm of independent public accountants selected by it to calculate the number of Partnership Interests to be held by each Record Holder after giving effect to such distribution, subdivision or combination. The General Partner shall be entitled to rely on any certificate provided by such firm as conclusive evidence of the accuracy of such calculation.

(c) Promptly following any such distribution, subdivision or combination, the Partnership may issue Certificates to the Record Holders of Partnership Interests as of the applicable Record Date representing the new number of Partnership Interests held by such Record Holders, or the General Partner may adopt such other procedures that it determines to be necessary or appropriate to reflect such changes. If any such combination results in a smaller total number of Partnership Interests Outstanding, the Partnership shall require, as a condition to



the delivery to a Record Holder of such new Certificate, the surrender of any Certificate held by such Record Holder immediately prior to such Record Date.

(d) The Partnership shall not issue fractional Units upon any distribution, subdivision or combination of Units. If a distribution, subdivision or combination of Units would result in the issuance of fractional Units but for the provisions of Section 5.6(d) and this Section 5.9(d), each fractional Unit shall be rounded to the nearest whole Unit (and a 0.5 Unit shall be rounded to the next higher Unit).

Section 5.10 *Fully Paid and Non-Assessable Nature of Limited Partner Interests.* All Limited Partner Interests issued pursuant to, and in accordance with the requirements of, this Article V shall be fully paid and non-assessable Limited Partner Interests in the Partnership, except as such non-assessability may be affected by Section 17-607 or 17-804 of the Delaware Act.

Section 5.11 *Issuance of Common Units in Connection with Reset of Incentive Distribution Rights.*

(a) Subject to the provisions of this Section 5.11, the holder of the Incentive Distribution Rights (or, if there is more than one holder of the Incentive Distribution Rights, the holders of a majority in interest of the Incentive Distribution Rights) shall have the right, at any time when the Partnership has made a distribution pursuant to Section 6.4(b)(v) for each of the four most recently completed Quarters and the amount of each such distribution did not exceed Adjusted Operating Surplus for such Quarter, to make an election (the “**IDR Reset Election**”) to cause the Target Distributions to be reset in accordance with the provisions of Section 5.11(e) and, in connection therewith, the holder or holders of the Incentive Distribution Rights will become entitled to receive their respective proportionate share of a number of Common Units (the “**IDR Reset Common Units**”) derived by dividing (i) the average amount of aggregate cash distributions made by the Partnership for the two full Quarters immediately preceding the giving of the Reset Notice (as defined in Section 5.11(b)) in respect of the Incentive Distribution Rights by (ii) the average of the cash distributions made by the Partnership in respect of each Common Unit for the two full Quarters immediately preceding the giving of the Reset Notice (the “**Reset MQD**”) (the number of Common Units determined by such quotient is referred to herein as the “**Aggregate Quantity of IDR Reset Common Units**”). The making of the IDR Reset Election in the manner specified in Section 5.11(b) shall cause the Target Distributions to be reset in accordance with the provisions of Section 5.11(e) and, in connection therewith, the holder or holders of the Incentive Distribution Rights will become entitled to receive Common Units on the basis specified above, without any further approval required by the General Partner or the Unitholders, at the time specified in Section 5.11(c) unless the IDR Reset Election is rescinded pursuant to Section 5.11(d).

(b) To exercise the right specified in Section 5.11(a), the holder of the Incentive Distribution Rights (or, if there is more than one holder of the Incentive Distribution Rights, the holders of a majority in interest of the Incentive Distribution Rights) shall deliver a written notice (the “**Reset Notice**”) to the Partnership. Within 10 Business Days after the receipt by the Partnership of such Reset Notice, the Partnership shall deliver a written notice to the holder or holders of the Incentive Distribution Rights of the Partnership’s determination of the aggregate

number of Common Units that each holder of Incentive Distribution Rights will be entitled to receive.

(c) The holder(s) of the Incentive Distribution Rights will be entitled to receive the Aggregate Quantity of IDR Reset Common Units on the fifteenth Business Day after receipt by the Partnership of the Reset Notice; *provided, however*, that the issuance of Common Units to the holder or holders of the Incentive Distribution Rights shall not occur prior to the approval of the listing or admission for trading of such Common Units by the principal National Securities Exchange upon which the Common Units are then listed or admitted for trading if any such approval is required pursuant to the rules and regulations of such National Securities Exchange.

(d) If the principal National Securities Exchange upon which the Common Units are then traded has not approved the listing or admission for trading of the Common Units to be issued pursuant to this Section 5.11 on or before the 30th calendar day following the Partnership's receipt of the Reset Notice and such approval is required by the rules and regulations of such National Securities Exchange, then the holder of the Incentive Distribution Rights (or, if there is more than one holder of the Incentive Distribution Rights, the holders of a majority in interest of the Incentive Distribution Rights) shall have the right to either rescind the IDR Reset Election or elect to receive other Partnership Interests having such terms as the General Partner may approve, with the approval of the Conflicts Committee, that will provide (i) the same economic value, in the aggregate, as the Aggregate Quantity of IDR Reset Common Units would have had at the time of the Partnership's receipt of the Reset Notice, as determined by the General Partner, and (ii) for the subsequent conversion (on terms acceptable to the National Securities Exchange upon which the Common Units are then traded) of such Partnership Interests into Common Units within not more than 12 months following the Partnership's receipt of the Reset Notice upon the satisfaction of one or more conditions that are reasonably acceptable to the holder of the Incentive Distribution Rights (or, if there is more than one holder of the Incentive Distribution Rights, the holders of a majority in interest of the Incentive Distribution Rights).

(e) The Target Distributions shall be adjusted at the time of the issuance of Common Units or other Partnership Interests pursuant to this Section 5.11 such that (i) the Minimum Quarterly Distribution shall be reset to be equal to the Reset MQD, (ii) the First Target Distribution shall be reset to equal 115% of the Reset MQD, (iii) the Second Target Distribution shall be reset to equal 125% of the Reset MQD and (iv) the Third Target Distribution shall be reset to equal 150% of the Reset MQD.

(f) Upon the issuance of IDR Reset Common Units pursuant to Section 5.11(a) (or other Partnership Interests as described in Section 5.11(d)), the Capital Account maintained with respect to the Incentive Distribution Rights shall (A) first, be allocated to IDR Reset Common Units (or other Partnership Interests) in an amount equal to the product of (x) the Aggregate Quantity of IDR Reset Common Units (or other Partnership Interests) and (y) the Per Unit Capital Amount for an Initial Common Unit, and (B) second, any remaining balance in such Capital Account will be retained by the holder of the Incentive Distribution Rights. If there is not a sufficient Capital Account associated with the Incentive Distribution Rights to allocate the full Per Unit Capital Amount for an Initial Common Unit to the IDR Reset Common Units in

accordance with clause (A) of this Section 5.11(f), the IDR Reset Common Units shall be subject to Section 6.1(d)(x)(B) and (C).

Section 5.12 *Intentionally deleted.*

Section 5.13 *Intentionally deleted.*

Section 5.14 *Establishment of Class C Units.*

(a) *General.* The General Partner previously designated and created a series of Units designated as “Class C Units” that initially consisted of a total of 16,410,780 Class C Units. In accordance with Section 5.6, the General Partner shall have the power and authority to issue additional Class C Units from time to time following the Class C Unit Effective Date.

(b) *Rights of Class C Units.* The Class C Units shall have the following rights, preferences and privileges and shall be subject to the following duties and obligations (and such rights, preferences, privileges and duties shall continue, and the Class C Units shall continue to be deemed Outstanding to the extent of such rights, preferences, privileges and duties, if and when such Class C Units are held by any Group Member, notwithstanding Section 17-702(d) of the Delaware Act or any provision in Section 7.11 to the contrary):

(i) *Initial Capital Account.* The initial Capital Account with respect to each Class C Unit will be equal the Class C Unit Issue Price.

(ii) *Voting Rights.* Notwithstanding any other provisions of this Agreement, the holders of Class C Units shall not have any voting, consent or approval rights with respect to such Class C Units, except as otherwise required by any non-waivable provision of law. With respect to any matter on which the holders of Class C Units are entitled to vote, each Class C Unit will be entitled to one vote on such matter and shall vote together with the Common Units as a single class.

(iii) *Redemption and Conversion Rights.* The Class C Units shall be perpetual and shall not have any rights of redemption or conversion.

(iv) *Registrar and Transfer Agent.* Unless and until the General Partner determines to assign the responsibility to another Person, the General Partner shall act as the Transfer Agent for the Class C Units.

(v) *Allocations.*

(A) The holders of Class C Units shall not be entitled to receive (i) any allocations of Retail Items, and (ii) except as otherwise provided in this Section 5.14(b)(v), allocations of (1) Net Income pursuant to Section 6.1(a), (2) Net Loss pursuant to Section 6.1(b), or (3) Net Termination Gains and Net Termination Losses pursuant to Section 6.1(c).

(B) Items of Partnership depreciation, amortization and cost recovery deductions for the taxable period shall be allocated to the holders of Class C Units to the extent

such items would be allocated to the holders of Class C Units if each Class C Unit were treated as a Common Unit.

(C) For each taxable period, after the application of Section 6.1(c)(i)(A), but before the application of Section 6.1(c)(i)(B), Net Termination Gain (other than from Retail Items) shall be allocated to the holders of the Class C Units, Pro Rata, until the Capital Account of each Class C Unit is equal to the Class C Unit Issue Price.

(D) For each taxable period, after the application of Section 6.1(c)(i)(B), but before the application of Section 6.1(c)(i)(D), the holders of the Class C Units shall be allocated, Pro Rata, 1% of the remaining aggregate Net Termination Gain (other than from Retail Items), if any, that is to be allocated pursuant to Sections 6.1(c)(i)(D)-(G); *provided, however*, that an allocation shall only be made to the holders of Class C Units pursuant to this Section 5.14(b)(v)(D) if the Capital Account of each Common Unit is equal to or greater than the Class C Unit Issue Price immediately prior to making such allocation.

(E) For each taxable period, after the application of Section 6.1(c)(ii)(B), but before the application of Section 6.1(c)(ii)(C), the holders of the Class C Units shall be allocated Net Termination Loss (other than from Retail Items) until the Capital Account in respect of each Class C Unit has been reduced to zero.

(F) For the purposes of effectuating the intent of the foregoing allocation provisions, the General Partner shall have the sole discretion to make special allocations of items of Partnership gross income, gain, loss or deductions among the Unitholders as it deems reasonable.

(G) Notwithstanding the foregoing, if Retail (or a successor entity thereto that is classified as a corporation for U.S. federal income tax purposes) is an asset of the Partnership in the year in which the Partnership is liquidated and the aggregate balance of the Capital Accounts of the Unitholders (other than the holders of the Class C Units) after the allocations under Section 6.1(c) would be less than the Carrying Value of Retail, then Net Termination Gain or Net Termination Loss, as the case may be, or if necessary items thereof, shall be allocated among the Unitholders to the extent necessary to cause the aggregate balance of the Capital Accounts of the Unitholders (other than the holders of the Class C Units) to equal the Carrying Value of Retail (or a successor as set forth above) after all allocations have been made.

(vi) *Distributions.* Commencing with the Class C Unit Effective Date, the holders of the Class C Units as of an applicable Record Date shall be entitled to receive distributions (each, a “***Class C Quarterly Distribution***”) of the Partnership’s Available Cash other than Retail Available Cash, prior to any other distributions made in respect of any other Partnership Interests pursuant to Section 6.3, Section 6.4 or Section 6.5, in cash in an amount equal to the Class C Distribution Rate on all Outstanding Class C Units. Distributions shall be paid Quarterly within sixty (60) days following the end of each Quarter, commencing with the Quarter ending December 31, 2015. Each Record Date established for a Class C Quarterly Distribution in respect of any Quarter shall be the same Record Date established for any distribution to be made by the Partnership in respect of other Partnership Interests pursuant to

Section 6.3, Section 6.4 or Section 6.5 for such Quarter. Each Class C Quarterly Distribution (or, if applicable, portion thereof) for any Quarter that is payable in cash shall be paid in cash unless either the Partnership's Available Cash other than Retail Available Cash is insufficient to pay the Class C Quarterly Distribution or such payment is prohibited by the terms of the Partnership's material financing agreements, in which case (A) the amount of such accrued and unpaid distributions will accumulate until paid in full in cash, and (B) the balance of such accrued and unpaid distributions shall increase at a rate of 1.5% per annum, compounded quarterly, from the date such distribution was due until the date it is paid. In no event will a holder of Class C Units be entitled to receive any distributions of Retail Available Cash. Notwithstanding anything to the contrary in this Section 5.14(b)(vi), Aloha, as a holder of Class C Units, shall not receive distributions pursuant to this Section 5.14(b)(vi) with respect to the Quarter ending December 31, 2015. For the avoidance of doubt, holders of Class C Units (other than Aloha) shall be entitled to receive distributions pursuant to this Section 5.14(b)(vi) with respect to the Quarter ending December 31, 2015.

(vii) *Certificates.* The Class C Units shall be evidenced by certificates in such form as the General Partner may approve and, subject to the satisfaction of any applicable legal, regulatory and contractual requirements, may be assigned or transferred in a manner identical to the assignment and transfer of other Common Units.

## Article VI

### ALLOCATIONS AND DISTRIBUTIONS

Section 6.1 *Allocations for Capital Account Purposes.* Except as otherwise required pursuant to Section 5.14(b)(v), for purposes of maintaining the Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's items of income, gain, loss and deduction (computed in accordance with Section 5.5(b)) for each taxable period shall be allocated among the Partners as provided herein below.

(a) *Net Income.* Net Income for each taxable period (including a pro rata part of each item of income, gain, loss and deduction taken into account in computing Net Income for such taxable period) shall be allocated:

(i) First, to the Unitholders to which Net Loss has been allocated pursuant to the proviso provision of Section 6.1(b), in proportion to the allocations of Net Loss pursuant to the proviso provision of Section 6.1(b) until the aggregate Net Income allocated pursuant to this Section 6.1(a)(i) is equal to the aggregate Net Loss previously allocated pursuant to the proviso provision of Section 6.1(b); and

(ii) Thereafter, to the Unitholders, Pro Rata.

(b) *Net Loss.* Net Loss for each taxable period (including a pro rata part of each item of income, gain, loss and deduction taken into account in computing Net Loss for such taxable period) shall be allocated to the Unitholders, Pro Rata; *provided*, that Net Loss shall not be allocated pursuant to this Section 6.1(b) to the extent that such allocation would cause any Unitholder to have a deficit balance in its Adjusted Capital Account at the end of such taxable

period (or increase any existing deficit balance in its Adjusted Capital Account) and such Net Loss shall instead be allocated to the Unitholders with positive Adjusted Capital Account balances in proportion to such positive balances.

(c) *Net Termination Gains and Losses.* Net Termination Gain or Net Termination Loss for each taxable period shall be allocated in the manner set forth in this Section 6.1(c). All allocations under this Section 6.1(c) shall be made after Capital Account balances have been adjusted by all other allocations provided under this Section 6.1 and after all distributions of cash and cash equivalents provided under Section 6.4 and Section 6.5 have been made; *provided, however*, that solely for purposes of this Section 6.1(c), Capital Accounts shall not be adjusted for distributions made pursuant to Section 12.4.

(i) Net Termination Gain (including a pro rata part of each item of income, gain, loss, and deduction taken into account in computing Net Termination Gain) shall be allocated:

(A) First, to the Unitholders allocated Net Termination Loss pursuant to the proviso provision of Section 6.1(c)(ii)(C), in proportion to the allocations of Net Termination Loss pursuant to the proviso provision of Section 6.1(c)(ii)(C), until the aggregate Net Termination Gain allocated pursuant to this Section 6.1(c)(i)(A) is equal to the aggregate Net Termination Loss previously allocated pursuant to the proviso provision of Section 6.1(c)(ii)(C);

(B) Second, to all Unitholders holding Common Units, Pro Rata, until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) its Unrecovered Initial Unit Price and (2) the Minimum Quarterly Distribution for the Quarter during which the Liquidation Date occurs, reduced by any distribution pursuant to Section 6.4(b)(i) with respect to such Common Unit for such Quarter (the amount determined pursuant to this clause (2) is hereinafter referred to as the “**Unpaid MQD**”);

(C) *Intentionally deleted;*

(D) Third, to all Unitholders, Pro Rata, until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) its Unrecovered Initial Unit Price, (2) the Unpaid MQD and (3) the excess of (aa) the First Target Distribution less the Minimum Quarterly Distribution for each Quarter of the Partnership’s existence over (bb) the cumulative per Unit amount of any distributions of cash or cash equivalents that are deemed to be Operating Surplus made pursuant to Section 6.4(b)(ii) (the sum of (1), (2) and (3) is hereinafter referred to as the “**First Liquidation Target Amount**”);

(E) Fourth, 15.0% to the holders of the Incentive Distribution Rights, Pro Rata, and 85.0% to all Unitholders, Pro Rata, until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) the First Liquidation Target Amount, and (2) the excess of (aa) the Second Target Distribution less the First Target Distribution for each Quarter of the Partnership’s existence over (bb) the cumulative per Unit amount of any distributions of cash or cash equivalents that are deemed to be Operating Surplus made pursuant to Section 6.4(b)(iii) (the sum of (1) and (2) is hereinafter referred to as the “**Second Liquidation Target Amount**”);

(F) Fifth, 25.0% to the holders of the Incentive Distribution Rights, Pro Rata, and 75% to all Unitholders, Pro Rata, until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) the Second Liquidation Target Amount, and (2) the excess of (aa) the Third Target Distribution less the Second Target Distribution for each Quarter of the Partnership's existence over (bb) the cumulative per Unit amount of any distributions of cash or cash equivalents that are deemed to be Operating Surplus made pursuant to Section 6.4(b)(iv); and

(G) Finally, 50.0% to the holders of the Incentive Distribution Rights, Pro Rata, and 50.0% to all Unitholders, Pro Rata.

(ii) Net Termination Loss shall be allocated:

(A) *Intentionally deleted;*

(B) First, to all Unitholders holding Common Units, Pro Rata, until the Capital Account in respect of each Common Unit then Outstanding has been reduced to zero; and

(C) Second, to the Unitholders, Pro Rata; *provided, however*, that Net Termination Loss shall not be allocated pursuant to this Section 6.1(c)(ii)(C) to the extent such allocation would cause any Unitholder to have a deficit balance in its Adjusted Capital Account (or increase any existing deficit in its Adjusted Capital Account) and such Net Termination Loss shall instead be allocated to the Unitholders with positive Adjusted Capital Account balances in proportion to such positive balances.

(d) *Special Allocations.* Notwithstanding any other provision of this Section 6.1, the following special allocations shall be made for each taxable period.

(i) *Partnership Minimum Gain Chargeback.* Notwithstanding any other provision of this Section 6.1, if there is a net decrease in Partnership Minimum Gain during any Partnership taxable period, each Partner shall be allocated items of Partnership income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(f)(6), 1.704-2(g)(2) and 1.704-2(j)(2)(i), or any successor provision. For purposes of this Section 6.1(d), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(d) with respect to such taxable period (other than an allocation pursuant to Section 6.1(d)(vi) and Section 6.1(d)(vii)). This Section 6.1(d)(i) is intended to comply with the Partnership Minimum Gain chargeback requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) *Chargeback of Partner Nonrecourse Debt Minimum Gain.* Notwithstanding the other provisions of this Section 6.1 (other than Section 6.1(d)(i)), except as provided in Treasury Regulation Section 1.704-2(i)(4), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain during any Partnership taxable period, any Partner with a share of Partner Nonrecourse Debt Minimum Gain at the beginning of such taxable period shall be allocated items of Partnership income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(i)(4) and

1.704-2(j)(2)(ii), or any successor provisions. For purposes of this Section 6.1(d), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(d), other than Section 6.1(d)(i) and other than an allocation pursuant to Section 6.1(d)(vi) and Section 6.1(d)(vii), with respect to such taxable period. This Section 6.1(d)(ii) is intended to comply with the chargeback of items of income and gain requirement in Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) *Priority Allocations.*

(A) If the amount of cash or the Net Agreed Value of any property distributed with respect to a Unit, other than a Class C Unit, for a taxable period exceeds the amount of cash or the Net Agreed Value of property distributed with respect to another Unit, other than a Class C Unit, within the same taxable period (the amount of the excess, an “**Excess Distribution**” and the Units with respect to which the greater distribution is paid, an “**Excess Distribution Unit**”), then there shall be allocated gross income and gain to each Unitholder receiving an Excess Distribution with respect to the Excess Distribution Unit until the aggregate amount of such items allocated with respect to such Excess Distribution Unit pursuant to this Section 6.1(d)(iii)(A) for the current and all previous taxable periods is equal to the amount of the Excess Distribution.

(B) After the application of Section 6.1(d)(iii)(A), the remaining items of Partnership gross income or gain for the taxable period, if any, shall be allocated to the holders of Incentive Distribution Rights, Pro Rata, until the aggregate amount of such items allocated to the holders of Incentive Distribution Rights pursuant to this Section 6.1(d)(iii)(B) for the current taxable period and all previous taxable periods is equal to the cumulative amount of all Incentive Distributions made to the holders of Incentive Distribution Rights from the Closing Date to a date 45 days after the end of the current taxable period.

(C) After the application of Section 6.1(d)(iii)(B), all or any portion of the remaining items of Partnership gross income or gain (other than Retail Items) for the taxable period shall be allocated (1) first, to the holders of the Class C Units (other than Aloha), Pro Rata, until the aggregate amount of such items allocated to the holders of Class C Units (other than Aloha) pursuant to this Section 6.1(d)(iii)(C)(1) for the current taxable period and all previous taxable periods is equal to the cumulative amount of all cash distributions made to the holders of the Class C Units (other than Aloha) pursuant to Section 5.14(b)(vi) with respect to the Quarter ending December 31, 2015, and (2) then, to the holders of the Class C Units, Pro Rata, until the aggregate amount of such items allocated to the holders of Class C Units pursuant to this Section 6.1(d)(iii)(C)(2) for the current taxable period and all previous taxable periods is equal to the cumulative amount of all cash distributions made to the holders of the Class C Units pursuant to Section 5.14(b)(vi) from the Class C Unit Effective Date to a date that is 60 days after the end of the current taxable year, other than distributions made to the holders of Class C Units (other than Aloha) pursuant to Section 5.14(b)(vi) with respect the Quarter ending December 31, 2015.



(iv) *Qualified Income Offset.* In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Partnership gross income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code, the deficit balance, if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible; provided, that an allocation pursuant to this Section 6.1(d)(iv) shall be made only if and to the extent that such Partner would have a deficit balance in its Adjusted Capital Account after all other allocations provided for in this Section 6.1 have been tentatively made as if this Section 6.1(d)(iv) were not in this Agreement.

(v) *Gross Income Allocation.* In the event any Partner has a deficit balance in its Capital Account at the end of any taxable period in excess of the sum of (A) the amount such Partner is required to restore pursuant to the provisions of this Agreement and (B) the amount such Partner is deemed obligated to restore pursuant to Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5), such Partner shall be specially allocated items of Partnership gross income and gain in the amount of such excess as quickly as possible; provided, that an allocation pursuant to this Section 6.1(d)(v) shall be made only if and to the extent that such Partner would have a deficit balance in its Capital Account after all other allocations provided for in this Section 6.1 have been tentatively made as if Section 6.1(d)(iv) and this Section 6.1(d)(v) were not in this Agreement.

(vi) *Nonrecourse Deductions.* Nonrecourse Deductions for any taxable period shall be allocated to the Partners Pro Rata. If the General Partner determines that the Partnership's Nonrecourse Deductions should be allocated in a different ratio to satisfy the safe harbor requirements of the Treasury Regulations promulgated under Section 704(b) of the Code, the General Partner is authorized to revise the prescribed ratio to the numerically closest ratio that does satisfy such requirements.

(vii) *Partner Nonrecourse Deductions.* Partner Nonrecourse Deductions for any taxable period shall be allocated 100% to the Partner that bears the Economic Risk of Loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i). If more than one Partner bears the Economic Risk of Loss with respect to a Partner Nonrecourse Debt, the Partner Nonrecourse Deductions attributable thereto shall be allocated between or among such Partners in accordance with the ratios in which they share such Economic Risk of Loss.

(viii) *Nonrecourse Liabilities.* For purposes of Treasury Regulation Section 1.752-3(a)(3), the Partners agree that Nonrecourse Liabilities of the Partnership in excess of the sum of (A) the amount of Partnership Minimum Gain and (B) the total amount of Nonrecourse Built-in Gain shall be allocated among the Partners Pro Rata.

(ix) *Code Section 754 Adjustments.* To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts as a result of a distribution to a Partner in complete liquidation

of such Partner's interest in the Partnership, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) taken into account pursuant to Section 5.5, and such item of gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

(x) *Economic Uniformity; Changes in Law.*

(A) *Intentionally deleted.*

(B) With respect to an event triggering an adjustment to the Carrying Value of Partnership property pursuant to Section 5.5(d) during any taxable period of the Partnership ending upon, or after, the issuance of IDR Reset Common Units pursuant to Section 5.11, any Unrealized Gains and Unrealized Losses shall be allocated among the Partners in a manner that to the nearest extent possible results in the Capital Accounts maintained with respect to such IDR Reset Common Units issued pursuant to Section 5.11 equaling the product of (1) the Aggregate Quantity of IDR Reset Common Units and (2) the Per Unit Capital Amount for an Initial Common Unit.

(C) With respect to any taxable period during which an IDR Reset Common Unit is transferred to any Person who is not an Affiliate of the transferor, all or a portion of the remaining items of Partnership gross income or gain for such taxable period shall be allocated 100% to the transferor Partner of such transferred IDR Reset Common Unit until such transferor Partner has been allocated an amount of gross income or gain that increases the Capital Account maintained with respect to such transferred IDR Reset Common Unit to an amount equal to the Per Unit Capital Amount for an Initial Common Unit.

(D) *Intentionally deleted.*

(E) For the proper administration of the Partnership and for the preservation of uniformity of the Limited Partner Interests (or any class or classes thereof), the General Partner shall (1) adopt such conventions as it deems appropriate in determining the amount of depreciation, amortization and cost recovery deductions; (2) make special allocations of income, gain, loss, deduction, Unrealized Gain or Unrealized Loss; and (3) amend the provisions of this Agreement as appropriate (x) to reflect the proposal or promulgation of Treasury Regulations under Section 704(b) or Section 704(c) of the Code or (y) otherwise to preserve or achieve uniformity of the Limited Partner Interests (or any class or classes thereof). The General Partner may adopt such conventions, make such allocations and make such amendments to this Agreement as provided in this Section 6.1(d)(x)(E) only if such conventions, allocations or amendments would not have a material adverse effect on the Partners, the holders of any class or classes of Outstanding Limited Partner Interests or the Partnership.

(xi) *Curative Allocation.*

(A) Notwithstanding any other provision of this Section 6.1, other than the Required Allocations, the Required Allocations shall be taken into account in making the Agreed Allocations so that, to the extent possible, the net amount of items of gross income, gain,

loss and deduction allocated to each Partner pursuant to the Required Allocations and the Agreed Allocations, together, shall be equal to the net amount of such items that would have been allocated to each such Partner under the Agreed Allocations had the Required Allocations and the related Curative Allocation not otherwise been provided in this Section 6.1. In exercising its discretion under this Section 6.1(d)(xi)(A), the General Partner may take into account future Required Allocations that, although not yet made, are likely to offset other Required Allocations previously made. Allocations pursuant to this Section 6.1(d)(xi)(A) shall only be made with respect to Required Allocations to the extent the General Partner determines that such allocations will otherwise be inconsistent with the economic agreement among the Partners.

(B) The General Partner shall, with respect to each taxable period, (1) apply the provisions of Section 6.1(d)(xi)(A) in whatever order is most likely to minimize the economic distortions that might otherwise result from the Required Allocations, and (2) divide all allocations pursuant to Section 6.1(d)(xi)(A) among the Partners in a manner that is likely to minimize such economic distortions.

(xii) *Corrective and Other Allocations.* In the event of any allocation of Additional Book Basis Derivative Items or any Book-Down Event or any recognition of a Net Termination Loss, the following rules shall apply:

(A) Except as provided in Section 6.1(d)(xii)(B), in the case of any allocation of Additional Book Basis Derivative Items (other than an allocation of Unrealized Gain or Unrealized Loss under Section 5.5(d) hereof), the General Partner shall allocate such Additional Book Basis Derivative Items to (1) the holders of Incentive Distribution Rights to the same extent that the Unrealized Gain or Unrealized Loss giving rise to such Additional Book Basis Derivative Items was allocated to them pursuant to Section 5.5(d) and (2) all Unitholders, Pro Rata, to the extent that the Unrealized Gain or Unrealized Loss giving rise to such Additional Book Basis Derivative Items was allocated to any Unitholders pursuant to Section 5.5(d).

(B) In the case of any allocation of Additional Book Basis Derivative Items (other than an allocation of Unrealized Gain or Unrealized Loss under Section 5.5(d) hereof or an allocation of Net Termination Gain or Net Termination Loss pursuant to Section 6.1(c) hereof) as a result of a sale or other taxable disposition of any Partnership asset that is an Adjusted Property (“***Disposed of Adjusted Property***”), the General Partner shall allocate (1) additional items of gross income and gain (x) away from the holders of Incentive Distribution Rights and (y) to the Unitholders, or (2) additional items of deduction and loss (x) away from the Unitholders and (y) to the holders of Incentive Distribution Rights, to the extent that the Additional Book Basis Derivative Items allocated to the Unitholders exceed their Share of Additional Book Basis Derivative Items with respect to such Disposed of Adjusted Property. Any allocation made pursuant to this Section 6.1(d)(xii)(B) shall be made after all of the other Agreed Allocations have been made as if this Section 6.1(d)(xii) were not in this Agreement and, to the extent necessary, shall require the reallocation of items that have been allocated pursuant to such other Agreed Allocations.

(C) In the case of any negative adjustments to the Capital Accounts of the Partners resulting from a Book-Down Event or from the recognition of a Net Termination Loss, such negative adjustment (1) shall first be allocated, to the extent of the Aggregate

Remaining Net Positive Adjustments, in such a manner, as determined by the General Partner, that to the extent possible the aggregate Capital Accounts of the Partners will equal the amount that would have been the Capital Account balances of the Partners if no prior Book-Up Events had occurred, and (2) any negative adjustment in excess of the Aggregate Remaining Net Positive Adjustments shall be allocated pursuant to Section 6.1(c) hereof.

(D) For purposes of this Section 6.1(d)(xii), the Unitholders shall be treated as being allocated Additional Book Basis Derivative Items to the extent that such Additional Book Basis Derivative Items have reduced the amount of income that would otherwise have been allocated to the Unitholders under this Agreement. In making the allocations required under this Section 6.1(d)(xii), the General Partner may apply whatever conventions or other methodology it determines will satisfy the purpose of this Section 6.1(d)(xii). Without limiting the foregoing, if an Adjusted Property is contributed by the Partnership to another entity classified as a partnership for U.S. federal income tax purposes (the “*lower tier partnership*”), the General Partner may make allocations similar to those described in Sections 6.1(d)(xii)(A)—(C) to the extent the General Partner determines such allocations are necessary to account for the Partnership’s allocable share of income, gain, loss and deduction of the lower tier partnership that relate to the contributed Adjusted Property in a manner that is consistent with the purpose of this Section 6.1(d)(xii).

(xiii) *Intentionally deleted.*

(xiv) *Special Allocation in Event of Section 482 Adjustment.* If, and to the extent that, the Partnership is deemed to recognize any item of income, gain, loss or deduction (or any adjustment to these items) pursuant to Section 482 of the Code or similar provision now or hereafter in effect and the Treasury Regulations promulgated thereunder as a result of any transaction between a Partner and the Partnership, the General Partner shall allocate such items among the Partners in a manner that will, as nearly as possible, cause the Capital Account balance of each Partner (taking into account any deemed contributions or distributions) to equal the amount it would have been had no adjustment under Section 482 or similar provision been made.

(xv) *Allocations of Retail Items.* All Retail Items shall, to the maximum extent possible, be allocated to the holders of the Common Units, Pro Rata.

## Section 6.2 *Allocations for Tax Purposes.*

(a) Except as otherwise provided herein, for U.S. federal income tax purposes, each item of income, gain, loss and deduction shall be allocated among the Partners in the same manner as its correlative item of “book” income, gain, loss or deduction is allocated pursuant to Section 6.1.

(b) In an attempt to eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss, depreciation, amortization and cost recovery deductions shall be allocated for U.S. federal income tax purposes among the Partners in the manner provided under Section 704(c) of the Code, and the Treasury Regulations promulgated under Section 704(b) and 704(c) of the Code, as determined appropriate by the

General Partner (taking into account the General Partner's discretion under Section 6.1(d)(x)(E)); *provided*, that the General Partner shall apply the principles of Treasury Regulation Section 1.704-3(d) in all events.

(c) The General Partner may determine to depreciate or amortize the portion of an adjustment under Section 743(b) of the Code attributable to unrealized appreciation in any Adjusted Property (to the extent of the unamortized Book-Tax Disparity) using a predetermined rate derived from the depreciation or amortization method and useful life applied to the unamortized Book-Tax Disparity of such property, despite any inconsistency of such approach with Treasury Regulation Section 1.167(c)-1(a)(6) or any successor regulations thereto. If the General Partner determines that such reporting position cannot reasonably be taken, the General Partner may adopt depreciation and amortization conventions under which all purchasers acquiring Limited Partner Interests in the same month would receive depreciation and amortization deductions, based upon the same applicable rate as if they had purchased a direct interest in the Partnership's property. If the General Partner chooses not to utilize such aggregate method, the General Partner may use any other depreciation and amortization conventions to preserve the uniformity of the intrinsic tax characteristics of any Limited Partner Interests, so long as such conventions would not have a material adverse effect on the Limited Partners or the Record Holders of any class or classes of Limited Partner Interests.

(d) In accordance with Treasury Regulation Sections 1.1245-1(e) and 1.1250-1(f), any gain allocated to the Partners upon the sale or other taxable disposition of any Partnership asset shall, to the extent possible, after taking into account other required allocations of gain pursuant to this Section 6.2, be characterized as Recapture Income in the same proportions and to the same extent as such Partners (or their predecessors in interest) have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

(e) All items of income, gain, loss, deduction and credit recognized by the Partnership for U.S. federal income tax purposes and allocated to the Partners in accordance with the provisions hereof shall be determined without regard to any election under Section 754 of the Code that may be made by the Partnership; *provided, however*, that such allocations, once made, shall be adjusted (in the manner determined by the General Partner) to take into account those adjustments permitted or required by Sections 734 and 743 of the Code.

(f) Each item of Partnership income, gain, loss and deduction shall, for U.S. federal income tax purposes, be determined for each taxable period and prorated on a monthly basis and shall be allocated to the Partners as of the opening of the National Securities Exchange on which Partnership Interests are listed or admitted to trading on the first Business Day of each month; *provided, however*, such items for the period beginning on the Closing Date and ending on the last day of the month in which the Over-Allotment Option is exercised in full or the expiration of the Over-Allotment Option occurs shall be allocated to the Partners as of the opening of the National Securities Exchange on which Partnership Interests are listed or admitted to trading on the first Business Day of the next succeeding month; *provided, further*, that gain or loss on a sale or other disposition of any assets of the Partnership or any other extraordinary item of income, gain, loss or deduction as determined by the General Partner, shall be allocated to the Partners as of the opening of the National Securities Exchange on which Partnership Interests are listed or admitted to trading on the first Business Day of the month in which such item is recognized for

federal income tax purposes. The General Partner may revise, alter or otherwise modify such methods of allocation to the extent permitted or required by Section 706 of the Code and the regulations or rulings promulgated thereunder.

(g) Allocations that would otherwise be made to a Limited Partner under the provisions of this Article VI shall instead be made to the beneficial owner of Limited Partner Interests held by a nominee in any case in which the nominee has furnished the identity of such owner to the Partnership in accordance with Section 6031(c) of the Code or any other method determined by the General Partner.

**Section 6.3**     *Requirements and Characterization of Distributions; Distributions to Record Holders.*

(a) Within 60 days following the end of each Quarter commencing with the Quarter ending on September 30, 2012, an amount equal to 100% of Available Cash with respect to such Quarter shall be distributed in accordance with this Section 6.3 by the Partnership to Partners as of the Record Date selected by the General Partner. All amounts of Available Cash distributed by the Partnership on any date from any source shall be deemed to be Operating Surplus until the sum of all amounts of Available Cash theretofore distributed by the Partnership to the Partners pursuant to Section 6.4 equals the Operating Surplus from the Closing Date through the close of the immediately preceding Quarter. Any remaining amounts of Available Cash distributed by the Partnership on such date shall, except as otherwise provided in Section 6.5, be deemed to be “**Capital Surplus**.” All distributions required to be made under this Agreement or otherwise made by the Partnership shall be made subject to Sections 17-607 and 17-804 of the Delaware Act.

(b) Notwithstanding Section 6.3(a), in the event of the dissolution and liquidation of the Partnership, all Partnership assets shall be applied and distributed solely in accordance with, and subject to the terms and conditions of, Section 12.4.

(c) Each distribution in respect of a Partnership Interest shall be paid by the Partnership, directly or through any Transfer Agent or through any other Person or agent, only to the Record Holder of such Partnership Interest as of the Record Date set for such distribution. Such payment shall constitute full payment and satisfaction of the Partnership’s liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise.

**Section 6.4**     *Distributions of Available Cash from Operating Surplus.*

(a) *Intentionally deleted.*

(b) Subject to Section 5.14(b)(vi) and except as otherwise contemplated by Section 5.6(b) in respect of additional Partnership Interests issued pursuant thereto, Available Cash with respect to any Quarter that is deemed to be Operating Surplus pursuant to the provisions of Section 6.3 or Section 6.5 shall be distributed as follows:

(i) First, to all the Unitholders holding Common Units, Pro Rata, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Minimum Quarterly Distribution for such Quarter;

(ii) Second, to all the Unitholders holding Common Units, Pro Rata, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the excess of the First Target Distribution over the Minimum Quarterly Distribution for such Quarter;

(iii) Third, (A) 15.0% to the holders of the Incentive Distribution Rights, Pro Rata; and (B) 85.0% to all Unitholders holding Common Units, Pro Rata, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution for such Quarter;

(iv) Fourth, (A) 25.0% to the holders of the Incentive Distribution Rights, Pro Rata; and (B) 75.0% to all Unitholders holding Common Units, Pro Rata, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the excess of the Third Target Distribution over the Second Target Distribution for such Quarter; and

(v) Thereafter, (A) 50.0% to the holders of the Incentive Distribution Rights, Pro Rata; and (B) 50.0% to all Unitholders holding Common Units, Pro Rata;

*provided, however*, if the Target Distributions have been reduced to zero pursuant to the second sentence of Section 6.6(a), the distribution of Available Cash that is deemed to be Operating Surplus with respect to any Quarter will be made solely in accordance with Section 6.4(b)(v).

Section 6.5 *Distributions of Available Cash from Capital Surplus.* Subject to Section 5.14(b)(vi) and unless the provisions of Section 6.3 require otherwise, Available Cash that is deemed to be Capital Surplus pursuant to the provisions of Section 6.3(a) shall be distributed:

(a) First, 100% to all the Unitholders holding Common Units, Pro Rata, until the Minimum Quarterly Distribution has been reduced to zero pursuant to the second sentence of Section 6.6(a); and

(b) Thereafter, all Available Cash shall be distributed as if it were Operating Surplus and shall be distributed in accordance with Section 6.4(b).

Section 6.6 *Adjustment of Minimum Quarterly Distribution and Target Distribution Levels.*

(a) The Target Distributions shall be proportionately adjusted in the event of any distribution, combination or subdivision (whether effected by a distribution payable in Units or otherwise) of Units or other Partnership Interests. In the event of a distribution of Available Cash that is deemed to be from Capital Surplus, the then applicable Target Distributions shall be reduced in the same proportion that the distribution had to the fair market value of the Common Units immediately prior to the announcement of the distribution. If the Common Units are publicly traded on a National Securities Exchange, the fair market value will be the Current

Market Price before the ex-dividend date. If the Common Units are not publicly traded, the fair market value will be determined by the Board of Directors.

(b) The Target Distributions shall also be subject to adjustment pursuant to Section 5.11 and Section 6.8.

Section 6.7 *Intentionally deleted.*

Section 6.8 *Special Provisions Relating to the Holders of IDR Reset Common Units.*

(a) A Unitholder shall not be permitted to transfer an IDR Reset Common Unit (other than a transfer to an Affiliate) if the remaining balance in the transferring Unitholder's Capital Account with respect to the retained IDR Reset Common Units would be negative after giving effect to the allocation under Section 5.5(c)(iii).

(b) A Unitholder holding an IDR Reset Common Unit shall not be permitted to transfer such Common Unit to a Person that is not an Affiliate of the holder until such time as the General Partner determines, based on advice of counsel, that upon transfer each such Common Unit should have, as a substantive matter, like intrinsic economic and U.S. federal income tax characteristics to the transferee, in all material respects, to the intrinsic economic and U.S. federal income tax characteristics of an Initial Common Unit to such transferee. In connection with the condition imposed by this Section 6.8(b), the General Partner may apply Sections 5.5(c)(iii), 6.1(d)(x) and 6.8(a) or, to the extent not resulting in a material adverse effect on the Unitholders holding Common Units, take whatever steps are required to provide economic uniformity to such Common Units in preparation for a transfer of such IDR Reset Common Units.

Section 6.9 *Entity-Level Taxation.* If legislation is enacted or the official interpretation of existing legislation is modified by a governmental authority, which after giving effect to such enactment or modification, results in a Group Member becoming subject to federal, state or local or non-U.S. income or withholding taxes in excess of the amount of such taxes due from the Group Member prior to such enactment or modification (including, for the avoidance of doubt, any increase in the rate of such taxation applicable to the Group Member), then the General Partner may, in its sole discretion, reduce the Target Distributions by the amount of income or withholding taxes that are payable by reason of any such new legislation or interpretation (the “**Incremental Income Taxes**”), or any portion thereof selected by the General Partner, in the manner provided in this Section 6.9. If the General Partner elects to reduce the Target Distributions for any Quarter with respect to all or a portion of any Incremental Income Taxes, the General Partner shall estimate for such Quarter the Partnership Group's aggregate liability (the “**Estimated Incremental Quarterly Tax Amount**”) for all (or the relevant portion of) such Incremental Income Taxes; provided that any difference between such estimate and the actual liability for Incremental Income Taxes (or the relevant portion thereof) for such Quarter may, to the extent determined by the General Partner, be taken into account in determining the Estimated Incremental Quarterly Tax Amount with respect to each Quarter in which any such difference can be determined. For each such Quarter, the Target Distributions, shall be the product obtained by multiplying (a) the amounts therefor that are set out herein prior to the application of this Section 6.9 times (b) the quotient obtained by dividing (i) Available Cash with respect to such



Quarter by (ii) the sum of Available Cash with respect to such Quarter and the Estimated Incremental Quarterly Tax Amount for such Quarter, as determined by the General Partner. For purposes of the foregoing, Available Cash with respect to a Quarter will be deemed reduced by the Estimated Incremental Quarterly Tax Amount for that Quarter.

## **Article VII**

### **MANAGEMENT AND OPERATION OF BUSINESS**

#### **Section 7.1    *Management.***

(a) The General Partner shall conduct, direct and manage all activities of the Partnership. Except as otherwise expressly provided in this Agreement, but without limitation on the ability of the General Partner to delegate its rights and power to other Persons, all management powers over the business and affairs of the Partnership shall be exclusively vested in the General Partner, and no other Partner shall have any management power over the business and affairs of the Partnership. In addition to the powers now or hereafter granted to a general partner of a limited partnership under applicable law or that are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to Section 7.4, shall have full power and authority to do all things and on such terms as it determines to be necessary or appropriate to conduct the business of the Partnership, to exercise all powers set forth in Section 2.5 and to effectuate the purposes set forth in Section 2.4, including the following:

- (i) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness, including indebtedness that is convertible or exchangeable into Partnership Interests, and the incurring of any other obligations;
- (ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;
- (iii) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Partnership or the merger or other combination of the Partnership with or into another Person (the matters described in this clause (iii) being subject, however, to any prior approval that may be required by Section 7.4 or Article XIV);
- (iv) the use of the assets of the Partnership (including cash on hand) for any purpose consistent with the terms of this Agreement, including the financing of the conduct of the operations of the Partnership Group; the lending of funds to other Persons (including other Group Members); the repayment or guarantee of obligations of any Group Member; and the making of capital contributions to any Group Member;
- (v) the negotiation, execution and performance of any contracts, conveyances or other instruments (including instruments that limit the liability of the Partnership under contractual arrangements to all or particular assets of the Partnership, with the other party to the contract to have no recourse against the General Partner or its assets other than its interest in the

Partnership, even if the same results in the terms of the transaction being less favorable to the Partnership than would otherwise be the case);

- (vi) the distribution of cash or cash equivalents by the Partnership;
- (vii) the selection, employment, retention and dismissal of employees (including employees having titles such as “president,” “vice president,” “secretary” and “treasurer”) and agents, outside attorneys, accountants, consultants and contractors of the General Partner or the Partnership Group and the determination of their compensation and other terms of employment or hiring;
- (viii) the maintenance of insurance for the benefit of the Partnership Group, the Partners and Indemnitees;
- (ix) the formation of, or acquisition of an interest in, and the contribution of property and the making of loans to, any further limited or general partnerships, joint ventures, corporations, limited liability companies or other Persons (including the acquisition of interests in, and the contributions of property to, any Group Member from time to time);
- (x) the control of any matters affecting the rights and obligations of the Partnership, including the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation, arbitration or mediation and the incurring of legal expense and the settlement of claims and litigation;
- (xi) the indemnification of any Person against liabilities and contingencies to the extent permitted by law;
- (xii) the entering into of listing agreements with any National Securities Exchange and the delisting of some or all of the Limited Partner Interests from, or requesting that trading be suspended on, any such exchange;
- (xiii) the purchase, sale or other acquisition or disposition of Partnership Interests, or the issuance of Derivative Instruments;
- (xiv) the undertaking of any action in connection with the Partnership’s participation in the management of any Group Member; and
- (xv) the entering into of agreements with any of its Affiliates to render services to a Group Member or to itself in the discharge of its duties as General Partner of the Partnership.

(b) Each of the Partners and each other Person who acquires an interest in a Partnership Interest and each other Person who is otherwise bound by this Agreement hereby (i) approves, ratifies and confirms the execution, delivery and performance by the parties thereto of this Agreement, the Underwriting Agreement, the Contribution Agreement and the other agreements described in or filed as exhibits to the Registration Statement that are related to the transactions contemplated by the Registration Statement (in the case of each agreement other than this Agreement, without giving effect to any amendments, supplements or restatements after the date hereof); (ii) agrees that the General Partner (on its own behalf or on behalf of the

Partnership) is authorized to execute, deliver and perform the agreements referred to in clause (b) of this sentence and the other agreements, acts, transactions and matters described in or contemplated by the Registration Statement on behalf of the Partnership without any further act, approval or vote of the Partners, the other Persons who acquire a Partnership Interest and the Persons who are otherwise bound by this Agreement; and (iii) agrees that the execution, delivery or performance by the General Partner, any Group Member or any Affiliate of any of them of this Agreement or any agreement authorized or permitted under this Agreement (including the exercise by the General Partner or any Affiliate of the General Partner of the rights accorded pursuant to Article XV) shall not constitute a breach by the General Partner of any fiduciary or other duty existing at law, in equity or otherwise that the General Partner may owe the Partnership, the Limited Partners, the other Persons who acquire a Partnership Interest or the Persons who are otherwise bound by this Agreement.

(c) As used in the following provisions of this Article VII other than Section 7.12, the term Partnership Interest shall include any Derivative Instruments.

#### Section 7.2 *Replacement of Fiduciary Duties.*

Notwithstanding any other provision of this Agreement, to the extent that any provision of this Agreement purports or is interpreted (a) to have the effect of replacing, restricting or eliminating the duties that might otherwise, as a result of Delaware or other applicable law, be owed by the General Partner or any other Indemnitee to the Partnership, the Limited Partners, any other Person who acquires an interest in a Partnership Interest or any other Person who is bound by this Agreement, or (b) to constitute a waiver or consent by the Partnership, the Limited Partners, any other Person who acquires an interest in a Partnership Interest or any other Person who is bound by this Agreement to any such replacement or restriction, such provision shall be deemed to have been approved by the Partnership, all the Partners, each other Person who acquires an interest in a Partnership Interest and each other Person who is bound by this Agreement.

Section 7.3 *Certificate of Limited Partnership.* The General Partner has caused the Certificate of Limited Partnership to be filed with the Secretary of State of the State of Delaware as required by the Delaware Act. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents that the General Partner determines to be necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware or any other state in which the Partnership may elect to do business or own property. To the extent the General Partner determines such action to be necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate of Limited Partnership and do all things to maintain the Partnership as a limited partnership (or a partnership or other entity in which the limited partners have limited liability) under the laws of the State of Delaware or of any other state in which the Partnership may elect to do business or own property. Subject to the terms of Section 3.4(a), the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate of Limited Partnership, any qualification document or any amendment thereto to any Partner.

Section 7.4 *Restrictions on the General Partner's Authority.* Except as provided in Article XII and Article XIV, the General Partner may not sell, exchange or otherwise dispose of all or substantially all of the assets of the Partnership Group, taken as a whole, in a single transaction or a series of related transactions without the approval of a Unit Majority; *provided, however,* that this provision shall not preclude or limit the General Partner's ability to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the assets of the Partnership Group and shall not apply to any forced sale of any or all of the assets of the Partnership Group pursuant to the foreclosure of, or other realization upon, any such encumbrance.

Section 7.5 *Reimbursement of the General Partner.*

(a) The General Partner shall be reimbursed by the Partnership Group on a monthly basis, or such other basis as the General Partner may determine, for (i) all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership Group (including salary, bonus, incentive compensation and other amounts paid to any Person (including Affiliates of the General Partner) to perform services for the Partnership Group or for the General Partner in the discharge of its duties to the Partnership Group), and (ii) all other expenses allocable to the Partnership Group or otherwise incurred by the General Partner in connection with operating the Partnership Group's business (including expenses allocated to the General Partner by its Affiliates). The General Partner shall determine the expenses that are allocable to the General Partner or any member of the Partnership Group. Reimbursements pursuant to this Section 7.5 shall be in addition to any reimbursement to the General Partner as a result of indemnification pursuant to Section 7.7. The General Partner and its Affiliates may charge any member of the Partnership Group a management fee to the extent necessary to allow the Partnership Group to reduce the amount of any state franchise or income tax or any tax based upon revenues or gross margin of any member of the Partnership Group if the tax benefit produced by the payment for such management fee exceeds the amount of such fee.

(b) The General Partner, without the approval of the Limited Partners (who shall have no right to vote in respect thereof), may propose and adopt on behalf of the Partnership benefit plans, programs and practices (including plans, programs and practices involving the issuance of Partnership Interests), or cause the Partnership to issue Partnership Interests in connection with, or pursuant to, any benefit plan, program or practice maintained or sponsored by the General Partner or any of its Affiliates, in each case for the benefit of employees, officers, consultants and directors of the General Partner or its Affiliates, in respect of services performed, directly or indirectly, for the benefit of the Partnership Group. The Partnership agrees to issue and sell to the General Partner or any of its Affiliates any Partnership Interests that the General Partner or such Affiliates are obligated to provide to any employees, officers, consultants and directors pursuant to any such benefit plans, programs or practices. Expenses incurred by the General Partner in connection with any such plans, programs and practices (including the net cost to the General Partner or such Affiliates of Partnership Interests purchased by the General Partner or such Affiliates, from the Partnership or otherwise, to fulfill awards under such plans, programs and practices) shall be reimbursed in accordance with Section 7.5(a). Any and all obligations of the General Partner under any benefit plans, programs or practices adopted by the General Partner as permitted by this Section 7.5(b) shall constitute obligations of the General Partner hereunder and shall be assumed by any successor General Partner approved pursuant to

Section 11.1 or Section 11.2 or the transferee of or successor to all of the General Partner's General Partner Interest pursuant to Section 4.6.

Section 7.6 *Outside Activities.*

(a) The General Partner, for so long as it is the General Partner of the Partnership, shall not engage in any business or activity or incur any debts or liabilities except in connection with or incidental to (A) its performance as general partner or managing member, if any, of one or more Group Members or as described in or contemplated by the Registration Statement, (B) the acquiring, owning or disposing of debt securities or equity interests in any Group Member or (C) the direct or indirect provision of management, advisory, and administrative services to its Affiliates or to other Persons.

(b) Except to the extent otherwise set forth in the Omnibus Agreement, each Unrestricted Person (other than the General Partner) shall have the right to engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by any Group Member, independently or with others, including business interests and activities in direct competition with the business and activities of any Group Member. No such business interest or activity shall constitute a breach of this Agreement, any fiduciary or other duty existing at law, in equity or otherwise, or obligation of any type whatsoever to the Partnership or other Group Member, any Partner, any Person who acquires an interest in a Partnership Interest or any Person who is otherwise bound by this Agreement.

(c) Notwithstanding anything to the contrary in this Agreement, the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to any Unrestricted Person (including the General Partner). Except to the extent otherwise set forth in the Omnibus Agreement, no Unrestricted Person (including the General Partner) who acquires knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for the Partnership, shall have any duty to communicate or offer such opportunity to any Group Member, and such Unrestricted Person (including the General Partner) shall not be liable to the Partnership or any other Group Member, any Partner any person who acquires a Partnership Interest or any other Person who is otherwise bound by this Agreement for breach of any fiduciary or other duty existing at law, in equity or otherwise by reason of the fact that such Unrestricted Person (including the General Partner) pursues or acquires such opportunity for itself, directs such opportunity to another Person or does not communicate such opportunity or information to any Group Member.

(d) The General Partner and each of its Affiliates may acquire Units or other Partnership Interests in addition to those acquired on the Closing Date and, except as otherwise expressly provided in this Agreement, shall be entitled to exercise, at their option, all rights relating to all Units or other Partnership Interests acquired by them. The term "Affiliates" when used in this Section 7.6(d) with respect to the General Partner shall not include any Group Member.

Section 7.7 *Indemnification.*

(a) To the fullest extent permitted by law, all Indemnitees shall be indemnified and held harmless by the Partnership from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened pending or completed claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, in which any Indemnatee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnatee and acting (or refraining to act) in such capacity; *provided*, that the Indemnatee shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnatee is seeking indemnification pursuant to this Agreement, the Indemnatee acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnatee's conduct was unlawful; *provided*, further that no indemnification pursuant to this Section 7.7 shall be available to the General Partner, any of its Affiliates or any other Indemnatee (other than a Group Member) with respect to its obligations pursuant to the Underwriting Agreement or the Omnibus Agreement. Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership, it being agreed that the General Partner shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate such indemnification.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnatee who is indemnified pursuant to Section 7.7(a) in appearing at, participating in or defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnatee is seeking indemnification pursuant to this Section 7.7, the Indemnatee is not entitled to be indemnified upon receipt by the Partnership of any undertaking by or on behalf of the Indemnatee to repay such amount if it shall be ultimately determined that the Indemnatee is not entitled to be indemnified as authorized by this Section 7.7.

(c) The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnatee may be entitled under any agreement, pursuant to any vote of the holders of Outstanding Limited Partner Interests, as a matter of law, in equity or otherwise, both as to actions in the Indemnatee's capacity as an Indemnatee and as to actions in any other capacity, and shall continue as to an Indemnatee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnatee.

(d) The Partnership may purchase and maintain (or reimburse the General Partner or its Affiliates for the cost of) insurance, on behalf of an Indemnatee and such other Persons as the General Partner shall determine, against any liability that may be asserted against, or expense that may be incurred by, such Indemnatee in connection with the Partnership's activities or such Indemnatee's activities on behalf of the Partnership, regardless of whether the Partnership would have the power to indemnify such Indemnatee against such liability under the provisions of this Agreement.

(e) For purposes of this Section 7.7, the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Partnership also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute “fines” within the meaning of Section 7.7(a); and action taken or omitted by an Indemnitee with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the best interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is in the best interests of the Partnership.

(f) In no event may an Indemnitee subject the Limited Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 7.7 are for the benefit of the Indemnitees and their heirs, successors, assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 7.7 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Partnership, nor the obligations of the Partnership to indemnify any such Indemnitee under and in accordance with the provisions of this Section 7.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

#### Section 7.8 *Liability of Indemnitees.*

(a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Partnership, the Partners or any other Persons who have acquired interests in a Partnership Interest or is otherwise bound by this Agreement, for losses sustained or liabilities incurred as a result of any act or omission of an Indemnitee unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Indemnitee acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee’s conduct was criminal. In the case where an Indemnitee is liable for damages, those damages shall only be direct damages and shall not include punitive damages, consequential damages or lost profits.

(b) The General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.

(c) To the extent that, at law or in equity, an Indemnatee has duties (including fiduciary duties) and liabilities relating thereto to the Partnership, the Partners, any Person who acquires an interest in a Partnership Interest or is otherwise bound by this Agreement, the General Partner and any other Indemnatee acting in connection with the Partnership's business or affairs shall not be liable, to the fullest extent permitted by law, to the Partnership, the Partners, any Person who acquires an interest in a Partnership Interest or is otherwise bound by this Agreement, for its reliance on the provisions of this Agreement.

(d) Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of the Indemnitees under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

#### Section 7.9 *Standards of Conduct and Modification of Duties.*

(a) Whenever the General Partner, the Board of Directors or any committee of the Board of Directors (including the Conflicts Committee), makes a determination or takes or declines to take any other action, or any Affiliates of the General Partner cause the General Partner to do so, in its capacity as the general partner of the Partnership as opposed to in its individual capacity, whether under this Agreement, any Group Member Agreement or any other agreement contemplated hereby or otherwise, then, unless another express standard is provided for in this Agreement, the General Partner, the Board of Directors, such committee or such Affiliates causing the General Partner to do so, shall make such determination or take or decline to take such other action in good faith and shall not be subject to any higher standard contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity. A determination, other action or failure to act by the General Partner, the Board of Directors of the General Partner or any committee thereof (including the Conflicts Committee) will be deemed to be in good faith unless the General Partner, the Board of Directors of the General Partner or any committee thereof (including the Conflicts Committee) believed such determination, other action or failure to act was adverse to the interests of the Partnership. In any proceeding brought by the Partnership, any Limited Partner, or any Person who acquires an interest in a Partnership Interest or any other Person who is bound by this Agreement challenging such action, determination or failure to act, the Person bringing or prosecuting such proceeding shall have the burden of proving that such determination, action or failure to act was not in good faith.

(b) Whenever the General Partner makes a determination or takes or declines to take any other action, or any of its Affiliates causes it to do so, in its individual capacity as opposed to in its capacity as the general partner of the Partnership, whether under this Agreement or any other agreement contemplated hereby or otherwise, then the General Partner, or such Affiliates causing it to do so, are entitled, to the fullest extent permitted by law, to make such determination or to take or decline to take such other action free of any fiduciary duty or other duty existing at law, in equity or otherwise or obligation whatsoever to the Partnership, any Limited Partner, any other Person who acquires an interest in a Partnership Interest or any other Person who otherwise is bound by this Agreement, and the General Partner, or such Affiliates causing it to do so, shall



not, to the fullest extent permitted by law, be required to act in good faith or pursuant to any other standard imposed by this Agreement or any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity. By way of illustration and not of limitation, whenever the phrases, “at the option of the General Partner,” “in its sole discretion” or some variation of those phrases, are used in this Agreement, it indicates that the General Partner is acting in its individual capacity. For the avoidance of doubt, whenever the General Partner votes or transfers its Partnership Interests, or refrains from voting or transferring its Partnership Interests, it shall be acting in its individual capacity.

(c) Whenever a potential conflict of interest exists or arises between the General Partner or any Affiliates, on the one hand, and the Partnership, any Group Member or any Partner, any other Person who acquires an interest in a Partnership Interest or any other Person who is bound by this Agreement on the other hand, the General Partner may in its discretion submit any resolution or course of action with respect to such conflict of interest for (i) Special Approval or (ii) approval by the vote of a majority of the Common Units (excluding Common Units owned by the General Partner and its Affiliates). If such course of action or resolution receives Special Approval or approval of a majority of the Common Units (excluding Common Units owned by the General Partner and its Affiliates), then such course of action or resolution shall be conclusively deemed approved by the Partnership, all the Partners, each Person who acquires an interest in a Partnership Interest and each other Person who is bound by this Agreement, and shall not constitute a breach of this Agreement, of any Group Member Agreement, of any agreement contemplated herein or therein, or of any fiduciary or other duty existing at law, in equity or otherwise or obligation of any type whatsoever. Notwithstanding anything to the contrary in this Agreement or any duty otherwise existing at law or equity, the existence of the conflicts of interest described in the Registration Statement and any actions of the General Partner taken in connection therewith, including any conflicts of interest arising from the provision of Potential Affiliate Financial Support or other Permitted Actions, are hereby approved by all Partners and shall not constitute a breach of this Agreement or of any duty hereunder or existing at law, in equity or otherwise. For the avoidance of doubt, any potential conflict of interest that exists or arises between the General Partner or any Affiliates, on the one hand, and the Partnership, any Group Member or any Partner, any other Person who acquires an interest in a Partnership Interest or any other Person who is bound by this Agreement on the other hand may be resolved as provided in this Section 7.9(c)(i) and (ii) or as directed by the Board of Directors of the General Partner, provided that the Board of Directors of the General Partner makes takes or declines to take any action to resolve the conflict in accordance with the standard of care set forth in Section 7.9(a).

(d) Notwithstanding anything to the contrary in this Agreement, the General Partner and its Affiliates or any other Indemnitee shall have no duty or obligation, express or implied, to (i) sell or otherwise dispose of any asset of the Partnership Group other than in the ordinary course of business or (ii) permit any Group Member to use any facilities or assets of the General Partner and its Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use. Any determination by the General Partner or any of its Affiliates to enter into such contracts shall be in its sole discretion.

(e) The Partners, each Person who acquires an interest in a Partnership Interest or is otherwise bound by this Agreement hereby authorize the General Partner, on behalf of the

Partnership as a partner or member of a Group Member, to approve actions by the general partner or managing member of such Group Member similar to those actions permitted to be taken by the General Partner pursuant to this Section 7.9.

*Section 7.10 Other Matters Concerning the General Partner and Indemnitees.*

(a) The General Partner and any other Indemnatee may rely upon, and shall be protected in acting or refraining from acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner and any other Indemnatee may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted in reliance upon the advice or opinion (including an Opinion of Counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such advice or opinion.

(c) The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers, a duly appointed attorney or attorneys-in-fact or the duly authorized officers of any Group Member.

*Section 7.11 Purchase or Sale of Partnership Interests.* The General Partner may cause the Partnership to purchase or otherwise acquire Partnership Interests. As long as Partnership Interests are held by any Group Member, such Partnership Interests shall not be considered Outstanding for any purpose, except as otherwise provided herein. The General Partner or any Affiliate of the General Partner may also purchase or otherwise acquire and sell or otherwise dispose of Partnership Interests for its own account, subject to the provisions of Article IV and Article VX.

*Section 7.12 Registration Rights of the General Partner and its Affiliates.*

(a) If (i) the General Partner or any Affiliate of the General Partner (including for purposes of this Section 7.12, any Person that is an Affiliate of the General Partner at the date hereof notwithstanding that it may later cease to be an Affiliate of the General Partner) holds Partnership Interests that it desires to sell and (ii) Rule 144 of the Securities Act (or any successor rule or regulation to Rule 144) or another exemption from registration is not available to enable such holder of Partnership Interests (the "**Holder**") to dispose of the number of Partnership Interests it desires to sell at the time it desires to do so without registration under the Securities Act, then at the option and upon the request of the Holder, the Partnership shall file with the Commission as promptly as practicable after receiving such request, and use all commercially reasonable efforts to cause to become effective and remain effective for a period of not less than six months following its effective date or such shorter period as shall terminate when all Partnership Interests covered by such registration statement have been sold, a registration statement under the Securities Act registering the offering and sale of the number of

Partnership Interests specified by the Holder; *provided, however*, that the Partnership shall not be required to effect more than three registrations pursuant to this Section 7.12(a); *provided further, however*, that if the General Partner determines that a postponement of the requested registration would be in the best interests of the Partnership and its Partners due to a pending transaction, investigation or other event, the filing of such registration statement or the effectiveness thereof may be deferred for up to six months, but not thereafter. In connection with any registration pursuant to the immediately preceding sentence, the Partnership shall (i) promptly prepare and file (A) such documents as may be necessary to register or qualify the securities subject to such registration under the securities laws of such states as the Holder shall reasonably request; *provided, however*, that no such qualification shall be required in any jurisdiction where, as a result thereof, the Partnership would become subject to general service of process or to taxation or qualification to do business as a foreign corporation or partnership doing business in such jurisdiction solely as a result of such registration, and (B) such documents as may be necessary to apply for listing or to list the Partnership Interests subject to such registration on such National Securities Exchange as the Holder shall reasonably request, and (ii) do any and all other acts and things that may be necessary or appropriate to enable the Holder to consummate a public sale of such Partnership Interests in such states. Except as set forth in Section 7.12(c), all costs and expenses of any such registration and offering (other than the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(b) If the Partnership shall at any time propose to file a registration statement under the Securities Act for an offering of Partnership Interests for cash (other than an offering relating solely to a benefit plan), the Partnership shall use all commercially reasonable efforts to include such number or amount of Partnership Interests held by any Holder in such registration statement as the Holder shall request; *provided*, that the Partnership is not required to make any effort or take any action to so include the Partnership Interests of the Holder once the registration statement becomes or is declared effective by the Commission, including any registration statement providing for the offering from time to time of Partnership Interests pursuant to Rule 415 of the Securities Act. If the proposed offering pursuant to this Section 7.12(b) shall be an underwritten offering, then, in the event that the managing underwriter or managing underwriters of such offering advise the Partnership and the Holder that in their opinion the inclusion of all or some of the Holder's Partnership Interests would adversely and materially affect the timing or success of the offering, the Partnership shall include in such offering only that number or amount, if any, of Partnership Interests held by the Holder that, in the opinion of the managing underwriter or managing underwriters, will not so adversely and materially affect the offering. Except as set forth in Section 7.12(c), all costs and expenses of any such registration and offering (other than the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(c) If underwriters are engaged in connection with any registration referred to in this Section 7.12, the Partnership shall provide indemnification, representations, covenants, opinions and other assurance to the underwriters in form and substance reasonably satisfactory to such underwriters. Further, in addition to and not in limitation of the Partnership's obligation under Section 7.7, the Partnership shall, to the fullest extent permitted by law, indemnify and hold harmless the Holder, its officers and directors and each Person who controls the Holder (within the meaning of the Securities Act) and any agent thereof (collectively, "**Indemnified Persons**") from and against any and all losses, claims, damages, liabilities, joint or several, expenses

(including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnified Person may be involved, or is threatened to be involved, as a party or otherwise, under the Securities Act or otherwise (hereinafter referred to in this Section 7.12(c) as a “claim” and in the plural as “claims”) based upon, arising out of or resulting from any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which any Partnership Interests were registered under the Securities Act or any state securities or Blue Sky laws, in any preliminary prospectus (if used prior to the effective date of such registration statement), or in any summary or final prospectus or issuer free writing prospectus or in any amendment or supplement thereto (if used during the period the Partnership is required to keep the registration statement current), or arising out of, based upon or resulting from the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made therein not misleading; *provided, however*, that the Partnership shall not be liable to any Indemnified Person to the extent that any such claim arises out of, is based upon or results from an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, such preliminary, summary or final prospectus or free writing prospectus or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Partnership by or on behalf of such Indemnified Person specifically for use in the preparation thereof.

(d) The provisions of Section 7.12(a) and Section 7.12(b) shall continue to be applicable with respect to the General Partner (and any of the General Partner’s Affiliates) after it ceases to be a general partner of the Partnership, during a period of two years subsequent to the effective date of such cessation and for so long thereafter as is required for the Holder to sell all of the Partnership Interests with respect to which it has requested during such two-year period inclusion in a registration statement otherwise filed or that a registration statement be filed; *provided, however*, that the Partnership shall not be required to file successive registration statements covering the same Partnership Interests for which registration was demanded during such two-year period. The provisions of Section 7.12(c) shall continue in effect thereafter.

(e) The rights to cause the Partnership to register Partnership Interests pursuant to this Section 7.12 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such Partnership Interests, provided (i) the Partnership is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the Partnership Interests with respect to which such registration rights are being assigned; and (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms set forth in this Section 7.12.

(f) Any request to register Partnership Interests pursuant to this Section 7.12 shall (i) specify the Partnership Interests intended to be offered and sold by the Person making the request, (ii) express such Person’s present intent to offer such Partnership Interests for distribution, (iii) describe the nature or method of the proposed offer and sale of Partnership Interests, and (iv) contain the undertaking of such Person to provide all such information and materials and take all action as may be required in order to permit the Partnership to comply with all applicable requirements in connection with the registration of such Partnership Interests.

Section 7.13 *Reliance by Third Parties.* Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner and any officer of the General Partner authorized by the General Partner to act on behalf of and in the name of the Partnership has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any authorized contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner or any such officer as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives, to the fullest extent permitted by law, any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner or any such officer in connection with any such dealing. In no event shall any Person dealing with the General Partner or any such officer or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or any such officer or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

## Article VIII

### BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 8.1 *Records and Accounting.* The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including all books and records necessary to provide to the Limited Partners any information required to be provided pursuant to Section 3.4(a). Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including the record of the Record Holders of Units or other Partnership Interests, books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard drives, magnetic tape, photographs, micrographics or any other information storage device; provided, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with U.S. GAAP. The Partnership shall not be required to keep books maintained on a cash basis and the General Partner shall be permitted to calculate cash-based measures, including Operating Surplus and Adjusted Operating Surplus, by making such adjustments to its accrual basis books to account for non-cash items and other adjustments as the General Partner determines to be necessary or appropriate.

Section 8.2 *Fiscal Year.* The fiscal year of the Partnership shall be a fiscal year ending December 31.

### Section 8.3 *Reports.*

(a) As soon as practicable, but in no event later than 105 days after the close of each fiscal year of the Partnership, the General Partner shall cause to be mailed or made available, by any reasonable means, to each Record Holder of a Unit or other Partnership Interest as of a date selected by the General Partner, an annual report containing financial statements of the Partnership for such fiscal year of the Partnership, presented in accordance with U.S. GAAP, including a balance sheet and statements of operations, Partnership equity and cash flows, such statements to be audited by a firm of independent public accountants selected by the General Partner, and such other information as may be required by applicable law, regulation or rule of any National Securities Exchange on which the Units are listed or admitted to trading, or as the General Partner determines to be necessary or appropriate.

(b) As soon as practicable, but in no event later than 50 days after the close of each Quarter except the last Quarter of each fiscal year, the General Partner shall cause to be mailed or made available, by any reasonable means to each Record Holder of a Unit or other Partnership Interest, as of a date selected by the General Partner, a report containing unaudited financial statements of the Partnership and such other information as may be required by applicable law, regulation or rule of any National Securities Exchange on which the Units are listed or admitted to trading, or as the General Partner determines to be necessary or appropriate.

(c) The General Partner shall be deemed to have made a report available to each Record Holder as required by this Section 8.3 if it has either (i) filed such report with the Commission via its Electronic Data Gathering, Analysis and Retrieval system or any successor system and such report is publicly available on such system or (ii) made such report available on any publicly available website maintained by the Partnership.

## Article IX

### TAX MATTERS

Section 9.1 *Tax Returns and Information.* The Partnership shall timely file all returns of the Partnership that are required for federal, state and local income tax purposes on the basis of the accrual method and the taxable period or year that it is required by law to adopt, from time to time, as determined by the General Partner. In the event the Partnership is required to use a taxable period other than a year ending on December 31, the General Partner shall use reasonable efforts to change the taxable period of the Partnership to a year ending on December 31. The tax information reasonably required by Record Holders for federal, state and local income tax reporting purposes with respect to a taxable period shall be furnished to them within 90 days of the close of the calendar year in which the Partnership's taxable period ends. The classification, realization and recognition of income, gain, losses and deductions and other items shall be on the accrual method of accounting for U.S. federal income tax purposes.

### Section 9.2 *Tax Elections.*

(a) The Partnership shall make the election under Section 754 of the Code in accordance with applicable regulations thereunder, subject to the reservation of the right to seek

to revoke any such election upon the General Partner's determination that such revocation is in the best interests of the Limited Partners. Notwithstanding any other provision herein contained, for the purposes of computing the adjustments under Section 743(b) of the Code, the General Partner shall be authorized (but not required) to adopt a convention whereby the price paid by a transferee of a Limited Partner Interest will be deemed to be the lowest quoted closing price of the Limited Partner Interests on any National Securities Exchange on which such Limited Partner Interests are listed or admitted to trading during the calendar month in which such transfer is deemed to occur pursuant to Section 6.2(f) without regard to the actual price paid by such transferee.

(b) Except as otherwise provided herein, the General Partner shall determine whether the Partnership should make any other elections permitted by the Code.

### Section 9.3 *Tax Controversies.*

The General Partner shall designate the Organizational Limited Partner, or such other Partner as the General Partner shall designate, as the "partnership representative" in accordance with the rules prescribed pursuant to Section 6223 of the Code (the "**Partnership Representative**"). The Partnership Representative shall have the authority to designate from time to time a "Designated Individual" to act on behalf of the Partnership Representative, and such Designated Individual shall be subject to replacement by the Partnership Representative in accordance with Treasury Regulations Section 301.6223-1. The Partnership Representative, or the Designated Individual, as applicable, shall have the sole authority to act on behalf of the Partnership in connection with all examinations of the Partnership's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. The Partnership Representative or the Designated Individual, as applicable, shall exercise in its sole discretion, any and all authority of the Partnership Representative under the Code, including, without limitation, (i) binding the Partnership and its Partners with respect to tax matters and (ii) determining whether to make any available election under Section 6226 of the Code. Any reasonable, documented cost or expense that the Partnership Representative or the Designated Individual, as applicable, incurs in connection with its duties, including the preparation for or pursuance of administrative or judicial proceedings, shall be paid by the Partnership. Neither the Partnership Representative nor the Designated Individual shall be liable to the Partnership or to its partners for acts or omissions taken or suffered by it in its capacity as either Partnership Representative or Designated Individual, as the case may be, in good faith; provided that such act or omission is not in willful violation of this Agreement and does not constitute fraud or a willful violation of law. Each Partner agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably required by the General Partner in connection with any examinations of the Partnership's affairs by tax authorities.

The General Partner shall amend the provisions of this Agreement as appropriate in accordance with Article XIII to reflect the proposal or promulgation of Treasury Regulations implementing the partnership audit, assessment and collection rules adopted by the Bipartisan Budget Act of 2015, including any amendments to those rules.

#### Section 9.4 *Withholding; Tax Payments.*

(a) The General Partner may treat taxes paid by the Partnership on behalf of, all or less than all of the Partners, either as a distribution of cash to such Partners or as a general expense of the Partnership, as determined appropriate under the circumstances by the General Partner.

(b) Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action that may be required to cause the Partnership and other Group Members to comply with any withholding requirements established under the Code or any other federal, state or local law including pursuant to Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Partnership is required or elects to withhold and pay over to any taxing authority any amount resulting from the allocation or distribution of income or from a distribution to any Partner (including by reason of Section 1446 of the Code), the General Partner may treat the amount withheld as a distribution of cash pursuant to Section 6.3 in the amount of such withholding from such Partner.

### **Article X**

#### **ADMISSION OF PARTNERS**

##### Section 10.1 *Admission of Limited Partners.*

(a) A Person shall be admitted as a Limited Partner and shall become bound by the terms of this Agreement if such Person purchases or otherwise lawfully acquires any Limited Partner Interest and becomes the Record Holder of such Limited Partner Interests in accordance with the provisions of Article IV or Article V hereof. Upon the issuance by the Partnership of Common Units and Incentive Distribution Rights to the General Partner, the Organizational Limited Partner and the Underwriters as described in Article V in connection with the Initial Offering, such parties will be automatically admitted to the Partnership as Initial Limited Partners in respect of the Common Units or Incentive Distribution Rights issued to them.

(b) By acceptance of the transfer of any Limited Partner Interests in accordance with Article IV or the acceptance of any Limited Partner Interests issued pursuant to Article V or pursuant to a merger or consolidation or conversion pursuant to Article XIV, and except as provided in Section 4.8, each transferee of, or other such Person acquiring, a Limited Partner Interest (including any nominee holder or an agent or representative acquiring such Limited Partner Interests for the account of another Person) (i) shall be admitted to the Partnership as a Limited Partner with respect to the Limited Partner Interests so transferred or issued to such Person when any such transfer or admission is reflected in the books and records of the Partnership and such Limited Partner becomes the Record Holder of the Limited Partner Interests so transferred, (ii) shall become bound, and shall be deemed to have agreed to be



bound, by the terms of this Agreement, (iii) represents that the transferee or other recipient has the capacity, power and authority to enter into this Agreement, (iv) makes the consents, acknowledgements and waivers contained in this Agreement and (v) shall be deemed to certify that the transferee is not an Ineligible Holder, all with or without execution of this Agreement by such Person. The transfer of any Limited Partner Interests and the admission of any new Limited Partner shall not constitute an amendment to this Agreement. A Person may become a Limited Partner or Record Holder of a Limited Partner Interest without the consent or approval of any of the Partners. A Person may not become a Limited Partner without acquiring a Limited Partner Interest and until such Person is reflected in the books and records of the Partnership as the Record Holder of such Limited Partner Interest. The rights and obligations of a Person who is an Ineligible Holder shall be determined in accordance with Section 4.8.

(c) The name and mailing address of each Record Holder shall be listed on the books and records of the Partnership maintained for such purpose by the Partnership or the Transfer Agent. The General Partner shall update the books and records of the Partnership from time to time as necessary to reflect accurately the information therein (or shall cause the Transfer Agent to do so, as applicable). A Limited Partner Interest may be represented by a Certificate, as provided in Section 4.1.

(d) Any transfer of a Limited Partner Interest shall not entitle the transferee to share in the profits and losses, to receive distributions, to receive allocations of income, gain, loss, deduction or credit or any similar item or to any other rights to which the transferor was entitled until the transferee becomes a Limited Partner pursuant to Section 10.1(b).

Section 10.2 *Admission of Successor General Partner.* A successor General Partner approved pursuant to Section 11.1 or Section 11.2 or the transferee of or successor to all of the General Partner Interest pursuant to Section 4.6 who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately prior to the withdrawal or removal of the predecessor or transferring General Partner, pursuant to Section 11.1 or 11.2 or the transfer of the General Partner Interest pursuant to Section 4.6, *provided, however,* that no such successor shall be admitted to the Partnership until compliance with the terms of Section 4.6 has occurred and such successor has executed and delivered such other documents or instruments as may be required to effect such admission. Any such successor shall, subject to the terms hereof, carry on the business of the members of the Partnership Group without dissolution.

Section 10.3 *Amendment of Agreement and Certificate of Limited Partnership.* To effect the admission to the Partnership of any Partner, the General Partner shall take all steps necessary or appropriate under the Delaware Act to amend the records of the Partnership to reflect such admission and, if necessary, to prepare as soon as practicable an amendment to this Agreement and, if required by law, the General Partner shall prepare and file an amendment to the Certificate of Limited Partnership.

## Article XI

### WITHDRAWAL OR REMOVAL OF PARTNERS

#### Section 11.1 *Withdrawal of the General Partner.*

(a) The General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any one of the following events (each such event herein referred to as an “***Event of Withdrawal***”);

(i) The General Partner voluntarily withdraws from the Partnership by giving written notice to the other Partners;

(ii) The General Partner transfers all of its General Partner Interest pursuant to Section 4.6;

(iii) The General Partner is removed pursuant to Section 11.2;

(iv) The General Partner (A) makes a general assignment for the benefit of creditors; (B) files a voluntary bankruptcy petition for relief under Chapter 7 of the United States Bankruptcy Code; (C) files a petition or answer seeking for itself a liquidation, dissolution or similar relief (but not a reorganization) under any law; (D) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the General Partner in a proceeding of the type described in clauses (iv)-(iv) of this Section 11.1(a)(iv); or (E) seeks, consents to or acquiesces in the appointment of a trustee (but not a debtor-in-possession), receiver or liquidator of the General Partner or of all or any substantial part of its properties;

(v) A final and non-appealable order of relief under Chapter 7 of the United States Bankruptcy Code is entered by a court with appropriate jurisdiction pursuant to a voluntary or involuntary petition by or against the General Partner; or

(vi) (A) if the General Partner is a corporation, a certificate of dissolution or its equivalent is filed for the General Partner, or 90 days expire after the date of notice to the General Partner of revocation of its charter without a reinstatement of its charter, under the laws of its state of incorporation; (B) if the General Partner is a partnership or a limited liability company, the dissolution and commencement of winding up of the General Partner; (C) if the General Partner is acting in such capacity by virtue of being a trustee of a trust, the termination of the trust; (D) if the General Partner is a natural person, his death or adjudication of incompetency; and (E) otherwise upon the termination of the General Partner.

If an Event of Withdrawal specified in Section 11.1(a)(iv), (v) or (vi)(A), (B), (C) or (D) occurs, the withdrawing General Partner shall give notice to the Limited Partners within 30 days after such occurrence. The Partners hereby agree that only the Events of Withdrawal described in this Section 11.1 shall result in the withdrawal of the General Partner from the Partnership.

(b) Withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall not constitute a breach of this Agreement under the following circumstances: (i) at any time during the period beginning on the Closing Date and ending at 11:59 pm, prevailing Central Time, on September 30, 2022, the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partners; provided, that prior to the effective date of such withdrawal, the withdrawal is approved by Unitholders holding at least a majority of the Outstanding Common Units (excluding Common Units held by the General Partner and its Affiliates) and the General Partner delivers to the Partnership an Opinion of Counsel ("***Withdrawal Opinion of Counsel***") that such withdrawal (following the selection of the successor General Partner) would not result in the loss of the limited liability under the Delaware Act of any Limited Partner or cause any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (to the extent not already so treated or taxed); (ii) at any time after 11:59 pm, prevailing Central Time, on September 30, 2022, the General Partner voluntarily withdraws by giving at least 90 days' advance notice to the Unitholders, such withdrawal to take effect on the date specified in such notice; (iii) at any time that the General Partner ceases to be the General Partner pursuant to Section 11.1(a)(ii) or is removed pursuant to Section 11.2; or (iv) notwithstanding clause (b) of this sentence, at any time that the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partners, such withdrawal to take effect on the date specified in the notice, if at the time such notice is given one Person and its Affiliates (other than the General Partner and its Affiliates) own beneficially or of record or control at least 50% of the Outstanding Units. The withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall also constitute the withdrawal of the General Partner as general partner or managing member, if any, to the extent applicable, of the other Group Members. If the General Partner gives a notice of withdrawal pursuant to Section 11.1(a)(i), a Unit Majority, may, prior to the effective date of such withdrawal, elect a successor General Partner. The Person so elected as successor General Partner shall automatically become the successor general partner or managing member, to the extent applicable, of the other Group Members of which the General Partner is a general partner or a managing member. If, prior to the effective date of the General Partner's withdrawal pursuant to Section 11.1(a)(i), a successor is not selected by the Unitholders as provided herein or the Partnership does not receive a Withdrawal Opinion of Counsel, the Partnership shall be dissolved in accordance with Section 12.1 unless the business of the Partnership is continued pursuant to Section 12.2. Any successor General Partner elected in accordance with the terms of this Section 11.1 shall be subject to the provisions of Section 10.3.

**Section 11.2 *Removal of the General Partner.*** The General Partner may be removed if such removal is approved by the Unitholders holding at least 66 2/3% of the Outstanding Units (including Units held by the General Partner and its Affiliates) voting as a single class. Any such action by such holders for removal of the General Partner must also provide for the election of a successor General Partner by the Unitholders holding a majority of the Outstanding Common Units, voting as a class (including, in each case, Units held by the General Partner and its Affiliates). Such removal shall be effective immediately following the admission of a successor General Partner pursuant to Section 10.2. The removal of the General Partner shall also automatically constitute the removal of the General Partner as general partner or managing member, to the extent applicable, of the other Group Members of which the General Partner is a general partner or a managing member. If a Person is elected as a successor General Partner in

accordance with the terms of this Section 11.2, such Person shall, upon admission pursuant to Section 10.2, automatically become a successor general partner or managing member, to the extent applicable, of the other Group Members of which the General Partner is a general partner or a managing member. The right of the holders of Outstanding Units to remove the General Partner shall not exist or be exercised unless the Partnership has received an opinion opining as to the matters covered by a Withdrawal Opinion of Counsel. Any successor General Partner elected in accordance with the terms of this Section 11.2 shall be subject to the provisions of Section 10.2.

*Section 11.3 Interest of Departing General Partner and Successor General Partner.*

(a) In the event of (i) withdrawal of the General Partner under circumstances where such withdrawal does not violate this Agreement or (ii) removal of the General Partner by the holders of Outstanding Units under circumstances where Cause does not exist, if the successor General Partner is elected in accordance with the terms of Section 11.1 or Section 11.2, the Departing General Partner shall have the option, exercisable prior to the effective date of the withdrawal or removal of such Departing General Partner, to require its successor to purchase its General Partner Interest and its or its Affiliates' general partner interest (or equivalent interest), if any, in the other Group Members and all of its or its Affiliates' Incentive Distribution Rights (collectively, the “**Combined Interest**”) in exchange for an amount in cash equal to the fair market value of such Combined Interest, such amount to be determined and payable as of the effective date of its withdrawal or removal. If the General Partner is removed by the Unitholders under circumstances where Cause exists or if the General Partner withdraws under circumstances where such withdrawal violates this Agreement, and if a successor General Partner is elected in accordance with the terms of Section 11.1 or Section 11.2 (or if the business of the Partnership is continued pursuant to Section 12.2 and the successor General Partner is not the former General Partner), such successor shall have the option, exercisable prior to the effective date of the withdrawal or removal of such Departing General Partner (or, in the event the business of the Partnership is continued, prior to the date the business of the Partnership is continued), to purchase the Combined Interest for such fair market value of such Combined Interest. In either event, the Departing General Partner shall be entitled to receive all reimbursements due such Departing General Partner pursuant to Section 7.5, including any employee-related liabilities (including severance liabilities), incurred in connection with the termination of any employees employed by the Departing General Partner or its Affiliates (other than any Group Member) for the benefit of the Partnership or the other Group Members.

For purposes of this Section 11.3(a), the fair market value of the Combined Interest shall be determined by agreement between the Departing General Partner and its successor or, failing agreement within 30 days after the effective date of such Departing General Partner's withdrawal or removal, by an independent investment banking firm or other independent expert selected by the Departing General Partner and its successor, which, in turn, may rely on other experts, and the determination of which shall be conclusive as to such matter. If such parties cannot agree upon one independent investment banking firm or other independent expert within 45 days after the effective date of such withdrawal or removal, then the Departing General Partner shall designate an independent investment banking firm or other independent expert, the Departing

General Partner's successor shall designate an independent investment banking firm or other independent expert, and such firms or experts shall mutually select a third independent investment banking firm or independent expert, which third independent investment banking firm or other independent expert shall determine the fair market value of the Combined Interest. In making its determination, such third independent investment banking firm or other independent expert may consider the value of the Units, including the then current trading price of Units on any National Securities Exchange on which Units are then listed or admitted to trading, the value of the Partnership's assets, the rights and obligations of the Departing General Partner, the value of the Incentive Distribution Rights and the General Partner Interest and other factors it may deem relevant.

(b) If the Combined Interest is not purchased in the manner set forth in Section 11.3(a), the Departing General Partner (and its Affiliates, if applicable) shall become a Limited Partner and the Combined Interest shall be converted into Common Units pursuant to a valuation made by an investment banking firm or other independent expert selected pursuant to Section 11.3(a), without reduction in such Partnership Interest (but subject to proportionate dilution by reason of the admission of its successor). Any successor General Partner shall indemnify the Departing General Partner as to all debts and liabilities of the Partnership arising on or after the date on which the Departing General Partner becomes a Limited Partner. For purposes of this Agreement, conversion of the Combined Interest to Common Units will be characterized as if the Departing General Partner (and its Affiliates, if applicable) contributed the Combined Interest to the Partnership in exchange for the newly issued Common Units.

(c) If a successor General Partner is elected in accordance with the terms of Section 11.1 or Section 11.2 (or if the business of the Partnership is continued pursuant to Section 12.2 and the successor General Partner is not the former General Partner) and the option described in Section 11.3(a) is not exercised by the party entitled to do so, the successor General Partner shall, at the effective date of its admission to the Partnership, contribute to the Partnership cash in the amount equal to the product of (x) the quotient obtained by dividing (A) the Percentage Interest of the General Partner Interest of the Departing General Partner by (B) a percentage equal to 100% less the Percentage Interest of the General Partner Interest of the Departing General Partner and (y) the Net Agreed Value of the Partnership's assets on such date. In such event, such successor General Partner shall, subject to the following sentence, be entitled to its Percentage Interest of all Partnership allocations and distributions to which the Departing General Partner was entitled. In addition, the successor General Partner shall cause this Agreement to be amended to reflect that, from and after the date of such successor General Partner's admission, the successor General Partner's interest in all Partnership distributions and allocations shall be its Percentage Interest.

Section 11.4 *Intentionally deleted.*

Section 11.5 *Withdrawal of Limited Partners.* No Limited Partner shall have any right to withdraw from the Partnership; *provided, however*, that when a transferee of a Limited Partner's Limited Partner Interest becomes a Record Holder of the Limited Partner Interest so

transferred, such transferring Limited Partner shall cease to be a Limited Partner with respect to the Limited Partner Interest so transferred.

## Article XII

### DISSOLUTION AND LIQUIDATION

Section 12.1 *Dissolution.* The Partnership shall not be dissolved by the admission of additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the removal or withdrawal of the General Partner, if a successor General Partner is elected pursuant to Section 11.1, 11.2 or 12.2, the Partnership shall not be dissolved and such successor General Partner is hereby authorized to, and shall, continue the business of the Partnership. Subject to Section 12.2, the Partnership shall dissolve, and its affairs shall be wound up, upon:

- (a) an Event of Withdrawal of the General Partner as provided in Section 11.1(a) (other than Section 11.1(a)(ii)), unless a successor is elected and such successor is admitted to the Partnership pursuant to this Agreement;
- (b) an election to dissolve the Partnership by the General Partner that is approved by a Unit Majority;
- (c) the entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Delaware Act; or
- (d) at any time there are no Limited Partners, unless the Partnership is continued without dissolution in accordance with the Delaware Act.

Section 12.2 *Continuation of the Business of the Partnership After Dissolution.* Upon (a) an Event of Withdrawal caused by the withdrawal or removal of the General Partner as provided in Section 11.1(a)(i) or (iii) and the failure of the Partners to select a successor to such Departing General Partner pursuant to Section 11.1 or Section 11.2, then within 90 days thereafter, or (b) an event constituting an Event of Withdrawal as defined in Section 11.1(a)(iv), (v) or (vi), then, to the maximum extent permitted by law, within 180 days thereafter, a Unit Majority may elect to continue the business of the Partnership on the same terms and conditions set forth in this Agreement by appointing as a successor General Partner a Person approved by a Unit Majority. Unless such an election is made within the applicable time period as set forth above, the Partnership shall conduct only activities necessary to wind up its affairs. If such an election is so made, then:

- (i) the Partnership shall continue without dissolution unless earlier dissolved in accordance with this Article XII;
- (ii) if the successor General Partner is not the former General Partner, then the interest of the former General Partner shall be treated in the manner provided in Section 11.3; and

(iii) the successor General Partner shall be admitted to the Partnership as General Partner, effective as of the Event of Withdrawal, by agreeing in writing to be bound by this Agreement; *provided*, that the right of a Unit Majority to approve a successor General Partner and to continue the business of the Partnership shall not exist and may not be exercised unless the Partnership has received an Opinion of Counsel that (x) the exercise of the right would not result in the loss of limited liability under the Delaware Act of any Limited Partner and (y) neither the Partnership nor any Group Member 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 such right to continue (to the extent not already so treated or taxed).

Section 12.3 *Liquidator*. Upon dissolution of the Partnership, unless the business of the Partnership is continued pursuant to Section 12.2, the General Partner shall select one or more Persons to act as Liquidator. The Liquidator (if other than the General Partner) shall be entitled to receive such compensation for its services as may be approved by holders of at least a majority of the Outstanding Common Units. The Liquidator (if other than the General Partner) shall agree not to resign at any time without 15 days' prior notice and may be removed at any time, with or without cause, by notice of removal approved by holders of at least a majority of the Outstanding Common Units. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be approved by holders of at least a majority of the Outstanding Common Units. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article XII, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, other than the limitation on sale set forth in Section 7.4) necessary or appropriate to carry out the duties and functions of the Liquidator hereunder for and during the period of time required to complete the winding up and liquidation of the Partnership as provided for herein.

Section 12.4 *Liquidation*. The Liquidator shall proceed to dispose of the assets of the Partnership, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as determined by the Liquidator, subject to Section 17-804 of the Delaware Act and the following:

(a) The assets may be disposed of by public or private sale or by distribution in kind to one or more Partners on such terms as the Liquidator and such Partner or Partners may agree. If any property is distributed in kind, the Partner receiving the property shall be deemed for purposes of Section 12.4(c) to have received cash equal to its fair market value; and contemporaneously therewith, appropriate cash distributions must be made to the other Partners. The Liquidator may defer liquidation or distribution of the Partnership's assets for a reasonable time if it determines that an immediate sale or distribution of all or some of the Partnership's assets would be impractical or would cause undue loss to the Partners. The Liquidator may distribute the Partnership's assets, in whole or in part, in kind if it determines that a sale would be impractical or would cause undue loss to the Partners.

(b) Liabilities of the Partnership include amounts owed to the Liquidator as compensation for serving in such capacity (subject to the terms of Section 12.3) and amounts to Partners otherwise than in respect of their distribution rights under Article VI. With respect to any liability that is contingent, conditional or unmatured or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment. When paid, any unused portion of the reserve shall be distributed as additional liquidation proceeds.

(c) All property and all cash in excess of that required to discharge liabilities as provided in Section 12.4(b) shall be distributed to the Partners in accordance with, and to the extent of, the positive balances in their respective Capital Accounts, as determined after taking into account all Capital Account adjustments (other than those made by reason of distributions pursuant to this Section 12.4(c)) for the taxable period of the Partnership during which the liquidation of the Partnership occurs (with such date of occurrence being determined pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(g)), and such distribution shall be made by the end of such taxable period (or, if later, within 90 days after said date of such occurrence).

Section 12.5 *Cancellation of Certificate of Limited Partnership.* Upon the completion of the distribution of Partnership cash and property as provided in Section 12.4 in connection with the liquidation of the Partnership, the Certificate of Limited Partnership and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 12.6 *Return of Contributions.* The General Partner shall not be personally liable for, and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate, the return of the Capital Contributions of the Limited Partners or Unitholders, or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

Section 12.7 *Waiver of Partition.* To the maximum extent permitted by law, each Partner hereby waives any right to partition of the Partnership property.

Section 12.8 *Capital Account Restoration.* No Limited Partner shall have any obligation to restore any negative balance in its Capital Account upon liquidation of the Partnership. The General Partner shall be obligated to restore any negative balance in its Capital Account upon liquidation of its interest in the Partnership by the end of the taxable period of the Partnership during which such liquidation occurs, or, if later, within 90 days after the date of such liquidation.

### **Article XIII**

#### **AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS; RECORD DATE**

Section 13.1 *Amendments to be Adopted Solely by the General Partner.* Each Partner agrees that the General Partner, without the approval of any Partner, may amend any provision of



this Agreement and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

- (a) a change in the name of the Partnership, the location of the principal place of business of the Partnership, the registered agent of the Partnership or the registered office of the Partnership;
- (b) admission, substitution, withdrawal or removal of Partners in accordance with this Agreement;
- (c) a change that the General Partner determines to be necessary or appropriate to qualify or continue the qualification of the Partnership 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 the Group Members will not be treated as associations taxable as corporations or otherwise taxed as entities for U.S. federal income tax purposes;
- (d) a change that the General Partner determines (i) does not adversely affect the Limited Partners (including any particular class or series of Partnership Interests as compared to other classes or series of Partnership Interests) in any material respect (except as permitted by subsection (g) hereof), (ii) to be necessary or appropriate to (A) 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 (including the Delaware Act) or (B) facilitate the trading of the Units (including the division of any class or classes of Outstanding Units into different classes or series to facilitate uniformity of tax consequences within such classes or series of Units) or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are or will be listed or admitted to trading, (iii) to be necessary or appropriate in connection with action taken by the General Partner pursuant to Section 5.9 or (iv) is required to effect the intent expressed in the Registration Statement or the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement;
- (e) a change in the fiscal year or taxable period of the Partnership and any other changes that the General Partner determines to be necessary or appropriate as a result of a change in the fiscal year or taxable period of the Partnership including, if the General Partner shall so determine, a change in the definition of "Quarter" and the dates on which distributions are to be made by the Partnership;
- (f) an amendment that is necessary, in the Opinion of Counsel, to prevent the Partnership, or the General Partner or its directors, officers, trustees or agents from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) an amendment that the General Partner determines to be necessary or appropriate in connection with the creation, authorization or issuance of any class or series of Partnership Interests or Derivative Instruments pursuant to Section 5.6;

(h) any amendment expressly permitted in this Agreement to be made by the General Partner acting alone;

(i) an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 14.3;

(j) an amendment that the General Partner determines to be necessary or appropriate to reflect and account for the formation by the Partnership of, or investment by the Partnership in, any corporation, partnership, joint venture, limited liability company or other entity, in connection with the conduct by the Partnership of activities permitted by the terms of Section 2.4 or Section 7.1(a);

(k) a merger, conveyance or conversion pursuant to Section 14.3(d); or

(l) any other amendments substantially similar to the foregoing.

Section 13.2 *Amendment Procedures.* Amendments to this Agreement may be proposed only by the General Partner. To the fullest extent permitted by law, the General Partner shall have no duty or obligation to propose or approve any amendment to this Agreement and may decline to do so in its sole discretion, and, in declining to propose or approve an amendment, to the fullest extent permitted by law, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity. An amendment shall be effective upon its approval by the General Partner and, except as otherwise provided by Section 13.1 or 13.3, a Unit Majority, unless a greater or different percentage is required under this Agreement or by Delaware law. Each proposed amendment that requires the approval of the holders of a specified percentage of Outstanding Units shall be set forth in a writing that contains the text of the proposed amendment. If such an amendment is proposed, the General Partner shall seek the written approval of the requisite percentage of Outstanding Units or call a meeting of the Unitholders to consider and vote on such proposed amendment. The General Partner shall notify all Record Holders upon final adoption of any amendments. The General Partner shall be deemed to have notified all Record Holders as required by this Section 13.2 if it has either (i) filed such amendment with the Commission via its Electronic Data Gathering, Analysis and Retrieval system and such amendment is publicly available on such system or (ii) made such amendment available on any publicly available website maintained by the Partnership

### Section 13.3 *Amendment Requirements.*

(a) Notwithstanding the provisions of Section 13.1 and Section 13.2, no provision of this Agreement (other than Section 11.2 or 13.4) that establishes a percentage of Outstanding Units (including Units deemed owned by the General Partner) or requires a vote or approval of Partners (or a subset of Partners) holding a specified Percentage Interest required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have

the effect of reducing or increasing such percentage, unless such amendment is approved by the written consent or the affirmative vote of holders of Outstanding Units whose aggregate Outstanding Units constitute not less than the voting requirement sought to be reduced or increased, as applicable, or the affirmative vote of Partners whose aggregate Percentage Interests constitute not less than the voting requirement sought to be reduced, as applicable.

(b) Notwithstanding the provisions of Section 13.1 and Section 13.2, no amendment to this Agreement may (i) enlarge the obligations of (including requiring any holder of a class of Partnership Interests to make additional Capital Contributions to the Partnership) any Limited Partner without its consent, unless such shall be deemed to have occurred as a result of an amendment approved pursuant to Section 13.3(c), or (ii) enlarge the obligations of, restrict, change or modify in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to, the General Partner or any of its Affiliates without its consent, which consent may be given or withheld at its option.

(c) Except as provided in Section 14.3 or Section 13.1, any amendment that would have a material adverse effect on the rights or preferences of any class of Partnership Interests in relation to other classes of Partnership Interests must be approved by the holders of not less than a majority of the Outstanding Partnership Interests of the class affected. If the General Partner determines an amendment does not satisfy the requirements of Section 13.1(d) because it adversely affects one or more classes of Partnership Interests, as compared to other classes of Partnership Interests, in any material respect, such amendment shall only be required to be approved by the adversely affected class or classes.

(d) Notwithstanding any other provision of this Agreement, except for amendments pursuant to Section 13.1 and except as otherwise provided by Section 14.3(b), no amendments shall become effective without the approval of the holders of at least 90% of the Percentage Interests of all Limited Partners voting as a single class unless the Partnership obtains an Opinion of Counsel to the effect that such amendment will not affect the limited liability of any Limited Partner under applicable partnership law of the state under whose laws the Partnership is organized.

(e) Except as provided in Section 13.1, this Section 13.3 shall only be amended with the approval of Partners (including the General Partner and its Affiliates) holding at least 90% of the Percentage Interests of all Limited Partners.

**Section 13.4 *Special Meetings.*** All acts of Limited Partners to be taken pursuant to this Agreement shall be taken in the manner provided in this Article XIII. Special meetings of the Limited Partners may be called by the General Partner or by Limited Partners owning 20% or more of the Outstanding Units of the class or classes for which a meeting is proposed. Limited Partners shall call a special meeting by delivering to the General Partner one or more requests in writing stating that the signing Limited Partners wish to call a special meeting and indicating the general or specific purposes for which the special meeting is to be called. Within 60 days after receipt of such a call from Limited Partners or within such greater time as may be reasonably necessary for the Partnership to comply with any statutes, rules, regulations, listing agreements or similar requirements governing the holding of a meeting or the solicitation of proxies for use at such a meeting, the General Partner shall send a notice of the meeting to the Limited Partners

either directly or indirectly through the Transfer Agent. A meeting shall be held at a time and place determined by the General Partner on a date not less than 10 days nor more than 60 days after the time notice of the meeting is given as provided in Section 16.1. Limited Partners shall not vote on matters that would cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability under the Delaware Act or the law of any other state in which the Partnership is qualified to do business.

Section 13.5 *Notice of a Meeting.* Notice of a meeting called pursuant to Section 13.4 shall be given to the Record Holders of the class or classes of Units for which a meeting is proposed in writing by mail or other means of written communication in accordance with Section 16.1. The notice shall be deemed to have been given at the time when deposited in the mail or sent by other means of written communication.

Section 13.6 *Record Date.* For purposes of determining the Limited Partners entitled to notice of or to vote at a meeting of the Limited Partners or to give approvals without a meeting as provided in Section 13.11 the General Partner may set a Record Date, which shall not be less than 10 nor more than 60 days before (a) the date of the meeting (unless such requirement conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are listed or admitted to trading or U.S. federal securities laws, in which case the rule, regulation, guideline or requirement of such National Securities Exchange or U.S. federal securities laws shall govern) or (b) in the event that approvals are sought without a meeting, the date by which Limited Partners are requested in writing by the General Partner to give such approvals. If the General Partner does not set a Record Date, then (a) the Record Date for determining the Limited Partners entitled to notice of or to vote at a meeting of the Limited Partners shall be the close of business on the day next preceding the day on which notice is given, and (b) the Record Date for determining the Limited Partners entitled to give approvals without a meeting shall be the date the first written approval is deposited with the Partnership in care of the General Partner in accordance with Section 13.11.

Section 13.7 *Adjournment.* When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed, if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than 45 days. At the adjourned meeting, the Partnership may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if a new Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given in accordance with this Article XIII.

Section 13.8 *Waiver of Notice; Approval of Meeting; Approval of Minutes.* The transaction of business at any meeting of Limited Partners, however called and noticed, and whenever held, shall be as valid as if it had occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy. Attendance of a Limited Partner at a meeting shall constitute a waiver of notice of the meeting, except when the Limited Partner attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened; and except that attendance at a meeting is not a waiver of any right to disapprove the consideration of

matters required to be included in the notice of the meeting, but not so included, if the disapproval is expressly made at the meeting.

**Section 13.9 *Quorum and Voting.*** The holders of a majority, by Percentage Interest, of Partnership Interests of the class or classes for which a meeting has been called (including Partnership Interests deemed owned by the General Partner) represented in person or by proxy shall constitute a quorum at a meeting of Partners of such class or classes unless any such action by the Partners requires approval by holders of a greater Percentage Interest, in which case the quorum shall be such greater Percentage Interest. At any meeting of the Partners duly called and held in accordance with this Agreement at which a quorum is present, the act of Partners holding Partnership Interests that, in the aggregate, represent a majority of the Percentage Interest of those present in person or by proxy at such meeting shall be deemed to constitute the act of all Partners, unless a greater or different percentage is required with respect to such action under the provisions of this Agreement, in which case the act of the Partners holding Partnership Interests that in the aggregate represent at least such greater or different percentage shall be required; provided, however, that if, as a matter of law or amendment to this Agreement, approval by plurality vote of Partners (or any class thereof) is required to approve any action, no minimum quorum shall be required. The Partners present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Partners to leave less than a quorum, if any action taken (other than adjournment) is approved by Partners holding the required Percentage Interest specified in this Agreement. In the absence of a quorum any meeting of Partners may be adjourned from time to time by the affirmative vote of Partners with at least a majority, by Percentage Interest, of the Partnership Interests entitled to vote at such meeting (including Partnership Interests deemed owned by the General Partner) represented either in person or by proxy, but no other business may be transacted, except as provided in Section 13.7.

**Section 13.10 *Conduct of a Meeting.*** The General Partner shall have full power and authority concerning the manner of conducting any meeting of the Limited Partners or solicitation of approvals in writing, including the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of Section 13.4, the conduct of voting, the validity and effect of any proxies and the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting. The General Partner shall designate a Person to serve as chairman of any meeting and shall further designate a Person to take the minutes of any meeting. All minutes shall be kept with the records of the Partnership maintained by the General Partner. The General Partner may make such other regulations consistent with applicable law and this Agreement as it may deem advisable concerning the conduct of any meeting of the Limited Partners or solicitation of approvals in writing, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of approvals in writing.

**Section 13.11 *Action Without a Meeting.*** If authorized by the General Partner, any action that may be taken at a meeting of the Limited Partners may be taken without a meeting, without a vote and without prior notice, if an approval in writing setting forth the action so taken is signed by Limited Partners owning not less than the minimum percentage, by Percentage Interest, of the Partnership Interests of the class or classes for which a meeting has been called

(including Partnership Interests deemed owned by the General Partner), as the case may be, that would be necessary to authorize or take such action at a meeting at which all the Limited Partners entitled to vote at such meeting were present and voted (unless such provision conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are listed or admitted to trading, in which case the rule, regulation, guideline or requirement of such National Securities Exchange shall govern). Prompt notice of the taking of action without a meeting shall be given to the Limited Partners who have not approved in writing. The General Partner may specify that any written ballot submitted to Limited Partners for the purpose of taking any action without a meeting shall be returned to the Partnership within the time period, which shall be not less than 20 days, specified by the General Partner. If a ballot returned to the Partnership does not vote all of the Units held by the Limited Partners, the Partnership shall be deemed to have failed to receive a ballot for the Units that were not voted. If approval of the taking of any action by the Limited Partners is solicited by any Person other than by or on behalf of the General Partner, the written approvals shall have no force and effect unless and until (a) they are deposited with the Partnership in care of the General Partner and (b) an Opinion of Counsel is delivered to the General Partner to the effect that the exercise of such right and the action proposed to be taken with respect to any particular matter (i) will not cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability, and (ii) is otherwise permissible under the state statutes then governing the rights, duties and liabilities of the Partnership and the Partners. Nothing contained in this Section 13.11 shall be deemed to require the General Partner to solicit all Limited Partners in connection with a matter approved by the holders of the requisite percentage of Units acting by written consent without a meeting.

#### Section 13.12 *Right to Vote and Related Matters.*

(a) Only those Record Holders of the Outstanding Units on the Record Date set pursuant to Section 13.6 shall be entitled to notice of, and to vote at, a meeting of Limited Partners or to act with respect to matters as to which the holders of the Outstanding Units have the right to vote or to act. All references in this Agreement to votes of, or other acts that may be taken by, the Outstanding Units shall be deemed to be references to the votes or acts of the Record Holders of such Outstanding Units.

(b) With respect to Units that are held for a Person's account by another Person (such as a broker, dealer, bank, trust company or clearing corporation, or an agent of any of the foregoing), in whose name such Units are registered, such other Person shall, in exercising the voting rights in respect of such Units on any matter, and unless the arrangement between such Persons provides otherwise, vote such Units in favor of, and at the direction of, the Person who is the beneficial owner, and the Partnership shall be entitled to assume it is so acting without further inquiry. The provisions of this Section 13.12(b) (as well as all other provisions of this Agreement) are subject to the provisions of Section 4.3.

#### Section 13.13 *Voting of Incentive Distribution Rights.*

(a) For so long as a majority of the Incentive Distribution Rights are held by the General Partner and its Affiliates, the holders of the Incentive Distribution Rights shall not be entitled to vote such Incentive Distribution Rights on any Partnership matter except as may

otherwise be required by law and the holders of the Incentive Distribution Rights, in their capacity as such, shall be deemed to have approved any matter approved by the General Partner.

(b) If less than a majority of the Incentive Distribution Rights are held by the General Partner and its Affiliates, the Incentive Distribution Rights will be entitled to vote on all matters submitted to a vote of Unitholders, other than amendments and other matters that the General Partner determines do not adversely affect the holders of the Incentive Distribution Rights as a whole in any material respect. On any matter in which the holders of Incentive Distribution Rights are entitled to vote, such holders will vote together with the Common Units as a single class except as otherwise required by Section 13.3(c), and such Incentive Distribution Rights shall be treated in all respects as Common Units when sending notices of a meeting of Limited Partners to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under this Agreement. The relative voting power of the Incentive Distribution Rights and the Common Units will be set in the same proportion as cumulative cash distributions, if any, in respect of the Incentive Distribution Rights for the four consecutive Quarters prior to the record date for the vote bears to the cumulative cash distributions in respect of such class of Units for such four Quarters.

(c) In connection with any equity financing, or anticipated equity financing, by the Partnership of an Expansion Capital Expenditure, the General Partner may, without the approval of the holders of the Incentive Distribution Rights, temporarily or permanently reduce the amount of Incentive Distributions that would otherwise be distributed to such holders, provided that in the judgment of the General Partner, such reduction will be in the long-term best interest of such holders.

## Article XIV

### MERGER OR CONSOLIDATION

Section 14.1 *Authority.* The Partnership may merge or consolidate with or into one or more corporations, limited liability companies, statutory trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including a partnership (whether general or limited (including a limited liability partnership)) or convert into any such entity, whether such entity is formed under the laws of the State of Delaware or any other state of the United States of America, pursuant to a written plan of merger or consolidation (“**Merger Agreement**”) in accordance with this Article XIV.

#### Section 14.2 *Procedure for Merger or Consolidation.*

(a) Merger or consolidation of the Partnership pursuant to this Article XIV requires the prior consent of the General Partner, *provided, however*, that, to the fullest extent permitted by law, the General Partner shall have no duty or obligation to consent to any merger or consolidation of the Partnership and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership, any Limited Partner and, in declining to consent to a merger or consolidation, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity.

(b) If the General Partner shall determine to consent to the merger or consolidation, the General Partner shall approve the Merger Agreement, which shall set forth:

- (i) the name and jurisdiction of formation or organization of each of the business entities proposing to merge or consolidate;
- (ii) the name and jurisdiction of formation or organization of the business entity that is to survive the proposed merger or consolidation (the “**Surviving Business Entity**”);
- (iii) the terms and conditions of the proposed merger or consolidation;
- (iv) the manner and basis of exchanging or converting the equity interests of each constituent business entity for, or into, cash, property or interests, rights, securities or obligations of the Surviving Business Entity; and (i) if any interests, securities or rights of any constituent business entity are not to be exchanged or converted solely for, or into, cash, property or interests, rights, securities or obligations of the Surviving Business Entity, then the cash, property or interests, rights, securities or obligations of any general or limited partnership, corporation, trust, limited liability company, unincorporated business or other entity (other than the Surviving Business Entity) which the holders of such interests, securities or rights are to receive in exchange for, or upon conversion of their interests, securities or rights, and (ii) in the case of equity interests represented by certificates, upon the surrender of such certificates, which cash, property or interests, rights, securities or obligations of the Surviving Business Entity or any general or limited partnership, corporation, trust, limited liability company, unincorporated business or other entity (other than the Surviving Business Entity), or evidences thereof, are to be delivered;
- (v) a statement of any changes in the constituent documents or the adoption of new constituent documents (the articles or certificate of incorporation, articles of trust, declaration of trust, certificate or agreement of limited partnership, certificate of formation or limited liability company agreement or other similar charter or governing document) of the Surviving Business Entity to be effected by such merger or consolidation;
- (vi) the effective time of the merger, which may be the date of the filing of the certificate of merger pursuant to Section 14.4 or a later date specified in or determinable in accordance with the Merger Agreement (provided, that if the effective time of the merger is to be later than the date of the filing of such certificate of merger, the effective time shall be fixed at a date or time certain and stated in the certificate of merger); and
- (vii) such other provisions with respect to the proposed merger or consolidation that the General Partner determines to be necessary or appropriate.

#### Section 14.3 *Approval by Limited Partners.*

(a) Except as provided in Section 14.3(d), the General Partner, upon its approval of the Merger Agreement shall direct that the Merger Agreement and the merger or consolidation contemplated thereby, as applicable, be submitted to a vote of Limited Partners, whether at a special meeting or by written consent, in either case in accordance with the requirements of



Article XIII. A copy or a summary of the Merger Agreement, as the case may be, shall be included in or enclosed with the notice of a special meeting or the written consent.

(b) Except as provided in Sections 14.3(d) and 14.3(e), the Merger Agreement shall be approved upon receiving the affirmative vote or consent of the holders of a Unit Majority unless the Merger Agreement contains any provision that, if contained in an amendment to this Agreement, the provisions of this Agreement or the Delaware Act would require for its approval the vote or consent of a greater percentage of the Outstanding Units or of any class of Limited Partners, in which case such greater percentage vote or consent shall be required for approval of the Merger Agreement.

(c) Except as provided in Sections 14.3(d) and 14.3(e), after such approval by vote or consent of the Limited Partners, and at any time prior to the filing of the certificate of merger pursuant to Section 14.4, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

(d) Notwithstanding anything else contained in this Article XIV or in this Agreement, the General Partner is permitted, without Limited Partner approval, to convert the Partnership or any Group Member into a new limited liability entity, to merge the Partnership or any Group Member into, or convey all of the Partnership's assets to, another limited liability entity that shall be newly formed and shall have no assets, liabilities or operations at the time of such merger or conveyance other than those it receives from the Partnership or other Group Member if (i) the General Partner has received an Opinion of Counsel that the merger or conveyance, as the case may be, would not result in the loss of the limited liability under the Delaware Act of any Limited Partner or cause the Partnership or any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (to the extent not already treated as such), (ii) the sole purpose of such merger, or conveyance is to effect a mere change in the legal form of the Partnership into another limited liability entity and (iii) the governing instruments of the new entity provide the Limited Partners and the General Partner with substantially the same rights and obligations as are herein contained.

(e) Additionally, notwithstanding anything else contained in this Article XIV or in this Agreement, the General Partner is permitted, without Limited Partner approval, to merge or consolidate the Partnership with or into another entity if (A) the General Partner has received an Opinion of Counsel that the merger or consolidation, as the case may be, would not result in the loss of the limited liability under the Delaware Act of any Limited Partner or cause the Partnership or any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (to the extent not already treated as such), (B) the merger or consolidation would not result in an amendment to this Agreement, other than any amendments that could be adopted pursuant to Section 13.1, (C) the Partnership is the Surviving Business Entity in such merger or consolidation, (D) each Partnership Interest outstanding immediately prior to the effective date of the merger or consolidation is to be an identical Partnership Interest of the Partnership after the effective date of the merger or consolidation, and (E) the number of Partnership Interests to be issued by the Partnership in such merger or consolidation does not exceed 20% of the Partnership Interests

(other than Incentive Distribution Rights) Outstanding immediately prior to the effective date of such merger or consolidation.

(f) Pursuant to Section 17-211(g) of the Delaware Act, an agreement of merger or consolidation approved in accordance with this Article XIV may (a) effect any amendment to this Agreement or (b) effect the adoption of a new partnership agreement for the Partnership if it is the Surviving Business Entity. Any such amendment or adoption made pursuant to this Section 14.3 shall be effective at the effective time or date of the merger or consolidation.

Section 14.4 *Certificate of Merger.* Upon the required approval by the General Partner and the Unitholders of a Merger Agreement, a certificate of merger shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Delaware Act.

Section 14.5 *Effect of Merger or Consolidation.*

(a) At the effective time of the certificate of merger:

(i) all of the rights, privileges and powers of each of the business entities that has merged or consolidated, and all property, real, personal and mixed, and all debts due to any of those business entities and all other things and causes of action belonging to each of those business entities, shall be vested in the Surviving Business Entity and after the merger or consolidation shall be the property of the Surviving Business Entity to the extent they were of each constituent business entity;

(ii) the title to any real property vested by deed or otherwise in any of those constituent business entities shall not revert and is not in any way impaired because of the merger or consolidation;

(iii) all rights of creditors and all liens on or security interests in property of any of those constituent business entities shall be preserved unimpaired; and

(iv) all debts, liabilities and duties of those constituent business entities shall attach to the Surviving Business Entity and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

## **Article XV**

### **RIGHT TO ACQUIRE LIMITED PARTNER INTERESTS**

Section 15.1 *Right to Acquire Limited Partner Interests.*

(a) Notwithstanding any other provision of this Agreement, if at any time the General Partner and its Affiliates hold more than 80% of the total Limited Partner Interests of any class then Outstanding, the General Partner shall then have the right, which right it may assign and transfer in whole or in part to the Partnership or any Affiliate of the General Partner, exercisable in its sole discretion, to purchase all, but not less than all, of such Limited Partner Interests of such class then Outstanding held by Persons other than the General Partner and its Affiliates, at

the greater of (x) the Current Market Price as of the date three days prior to the date that the notice described in Section 15.1(b) is mailed and (y) the highest price paid by the General Partner or any of its Affiliates for any such Limited Partner Interest of such class purchased during the 90-day period preceding the date that the notice described in Section 15.1(b) is mailed.

(b) If the General Partner, any Affiliate of the General Partner or the Partnership elects to exercise the right to purchase Limited Partner Interests granted pursuant to Section 15.1(a), the General Partner shall deliver to the Transfer Agent notice of such election to purchase (the “**Notice of Election to Purchase**”) and shall cause the Transfer Agent to mail a copy of such Notice of Election to Purchase to the Record Holders of Limited Partner Interests of such class (as of a Record Date selected by the General Partner) at least 10, but not more than 60, days prior to the Purchase Date. Such Notice of Election to Purchase shall also be published for a period of at least three consecutive days in at least two daily newspapers of general circulation printed in the English language and published in the Borough of Manhattan, New York. The Notice of Election to Purchase shall specify the Purchase Date and the price (determined in accordance with Section 15.1(a)) at which Limited Partner Interests will be purchased and state that the General Partner, its Affiliate or the Partnership, as the case may be, elects to purchase such Limited Partner Interests, upon surrender of Certificates representing such Limited Partner Interests in the case of Limited Partner Interests evidenced by Certificates, in exchange for payment, at such office or offices of the Transfer Agent as the Transfer Agent may specify, or as may be required by any National Securities Exchange on which such Limited Partner Interests are listed or admitted to trading. Any such Notice of Election to Purchase mailed to a Record Holder of Limited Partner Interests at his address as reflected in the records of the Transfer Agent shall be conclusively presumed to have been given regardless of whether the owner receives such notice. On or prior to the Purchase Date, the General Partner, its Affiliate or the Partnership, as the case may be, shall deposit with the Transfer Agent cash in an amount sufficient to pay the aggregate purchase price of all of such Limited Partner Interests to be purchased in accordance with this Section 15.1. If the Notice of Election to Purchase shall have been duly given as aforesaid at least 10 days prior to the Purchase Date, and if on or prior to the Purchase Date the deposit described in the preceding sentence has been made for the benefit of the holders of Limited Partner Interests subject to purchase as provided herein, then from and after the Purchase Date, notwithstanding that any Certificate shall not have been surrendered for purchase, all rights of the holders of such Limited Partner Interests shall thereupon cease, except the right to receive the purchase price (determined in accordance with Section 15.1(a)) for Limited Partner Interests therefor, without interest, upon surrender to the Transfer Agent of the Certificates representing such Limited Partner Interests in the case of Limited Partner Interests evidenced by Certificates, and such Limited Partner Interests shall thereupon be deemed to be transferred to the General Partner, its Affiliate or the Partnership, as the case may be, on the record books of the Transfer Agent and the Partnership, and the General Partner or any Affiliate of the General Partner, or the Partnership, as the case may be, shall be deemed to be the owner of all such Limited Partner Interests from and after the Purchase Date and shall have all rights as the owner of such Limited Partner Interests.

(c) In the case of Limited Partner Interests evidenced by Certificates, at any time from and after the Purchase Date, a holder of an Outstanding Limited Partner Interest subject to purchase as provided in this Section 15.1 may surrender his Certificate evidencing such Limited

Partner Interest to the Transfer Agent in exchange for payment of the amount described in Section 15.1(a), therefor, without interest thereon.

## Article XVI

### GENERAL PROVISIONS

#### Section 16.1 *Addresses and Notices; Written Communications.*

(a) Any notice, demand, request, report or proxy materials required or permitted to be given or made to a Partner under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written communication to the Partner at the address described below. Any notice, payment or report to be given or made to a Partner hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, upon sending of such notice, payment or report to the Record Holder of such Partnership Interests at his address as shown on the records of the Transfer Agent or as otherwise shown on the records of the Partnership, regardless of any claim of any Person who may have an interest in such Partnership Interests by reason of any assignment or otherwise. Notwithstanding the foregoing, if (i) a Partner shall consent to receiving notices, demands, requests, reports or proxy materials via electronic mail or by the Internet or (ii) the rules of the Commission shall permit any report or proxy materials to be delivered electronically or made available via the Internet, any such notice, demand, request, report or proxy materials shall be deemed given or made when delivered or made available via such mode of delivery. An affidavit or certificate of making of any notice, payment or report in accordance with the provisions of this Section 16.1 executed by the General Partner, the Transfer Agent or the mailing organization shall be prima facie evidence of the giving or making of such notice, payment or report. If any notice, payment or report given or made in accordance with the provisions of this Section 16.1 is returned marked to indicate that such notice, payment or report was unable to be delivered, such notice, payment or report and, in the case of notices, payments or reports returned by the United States Postal Service (or other physical mail delivery mail service outside the United States of America), any subsequent notices, payments and reports shall be deemed to have been duly given or made without further mailing (until such time as such Record Holder or another Person notifies the Transfer Agent or the Partnership of a change in his address) or other delivery if they are available for the Partner at the principal office of the Partnership for a period of one year from the date of the giving or making of such notice, payment or report to the other Partners. Any notice to the Partnership shall be deemed given if received by the General Partner at the principal office of the Partnership designated pursuant to Section 2.3. The General Partner may rely and shall be protected in relying on any notice or other document from a Partner or other Person if believed by it to be genuine.

(b) The terms “in writing”, “written communications,” “written notice” and words of similar import shall be deemed satisfied under this Agreement by use of e-mail and other forms of electronic communication.

Section 16.2 *Further Action.* The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 16.3 *Binding Effect.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 16.4 *Integration.* This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

Section 16.5 *Creditors.* None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

Section 16.6 *Waiver.* No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

Section 16.7 *Third-Party Beneficiaries.* Each Partner agrees that (a) any Indemnitee shall be entitled to assert rights and remedies hereunder as a third-party beneficiary hereto with respect to those provisions of this Agreement affording a right, benefit or privilege to such Indemnitee and (b) any Unrestricted Person shall be entitled to assert rights and remedies hereunder as a third-party beneficiary hereto with respect to those provisions of this Agreement affording a right, benefit or privilege to such Unrestricted Person.

Section 16.8 *Counterparts.* This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto or, in the case of a Person acquiring a Limited Partner Interest, pursuant to Section 10.1(a) without execution hereof.

Section 16.9 *Applicable Law; Forum, Venue and Jurisdiction; Waiver of Trial by Jury.*

(a) This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

(b) Each of the Partners and each Person holding any beneficial interest in the Partnership (whether through a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing or otherwise):

(i) irrevocably agrees that any claims, suits, actions or proceedings (A) arising out of or relating in any way to this Agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of this Agreement or the duties, obligations or liabilities among Partners or of Partners to the Partnership, or the rights or powers of, or restrictions on, the Partners or the Partnership), (B) brought in a derivative manner on behalf of

the Partnership, (C) asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Partnership or the General Partner, or owed by the General Partner, to the Partnership or the Partners, (D) asserting a claim arising pursuant to any provision of the Delaware Act or (E) asserting a claim governed by the internal affairs doctrine shall be exclusively brought in the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, any other court located in the State of Delaware with subject matter jurisdiction), in each case regardless of whether such claims, suits, actions or proceedings sound in contract, tort, fraud or otherwise, are based on common law, statutory, equitable, legal or other grounds, or are derivative or direct claims;

(ii) irrevocably submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, any other court located in the State of Delaware with subject matter jurisdiction) in connection with any such claim, suit, action or proceeding;

(iii) agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of the Court of Chancery of the State of Delaware or of any other court to which proceedings in the Court of Chancery of the State of Delaware may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper;

(iv) expressly waives any requirement for the posting of a bond by a party bringing such claim, suit, action or proceeding; and

(v) consents to process being served in any such claim, suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such services shall constitute good and sufficient service of process and notice thereof; provided, nothing in clause (v) hereof shall affect or limit any right to serve process in any other manner permitted by law.

Section 16.10 *Invalidity of Provisions*. If any provision or part of a provision of this Agreement is or becomes for any reason, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions and/or parts thereof contained herein shall not be affected thereby and this Agreement shall, to the fullest extent permitted by law, be reformed and construed as if such invalid, illegal or unenforceable provision, or part of a provision, had never been contained herein, and such provision or part reformed so that it would be valid, legal and enforceable to the maximum extent possible.

Section 16.11 *Consent of Partners*. Each Partner hereby expressly consents and agrees that, whenever in this Agreement it is specified that an action may be taken upon the affirmative vote or consent of less than all of the Partners, such action may be so taken upon the concurrence of less than all of the Partners and each Partner shall be bound by the results of such action.

Section 16.12 *Facsimile Signatures*. The use of facsimile signatures affixed in the name and on behalf of the transfer agent and registrar of the Partnership on Certificates representing Units is expressly permitted by this Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**GENERAL PARTNER:**

SUNOCO GP LLC

By: \_\_\_\_\_

Name: Dylan A. Bramhall

Title: Chief Financial Officer



**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**DESCRIPTION OF COMMON UNITS**

The following description of our common units is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our Second Amended and Restated Certificate of Limited Partnership (the “certificate of limited partnership”), and our Second Amended and Restated Agreement of Limited Partnership, as amended (the “partnership agreement”), which are incorporated by reference or filed as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.28 is a part. We encourage you to read our Certificate of Limited Partnership, our partnership agreement and the applicable provisions of the Delaware Revised Uniform Limited Partnership Act for additional information.

**The Common Units**

The common units represent limited partner interests in Sunoco LP. The holders of common units are entitled to participate in partnership distributions and exercise the rights and privileges available to limited partners under our partnership agreement.

Our common units are listed on the New York Stock Exchange under the symbol “SUN.”

**Voting Rights**

The holders of the outstanding common units are entitled to one vote per unit on all matters voted on by unitholders.

**Liquidation Rights**

Subject to the preferential rights holder of Class C units, in the event of a liquidation, dissolution or winding up of the Partnership, the holders of Common Units are entitled to receive distributions of the assets remaining after satisfaction of all discharge liabilities in accordance with, and to the extent of, the positive balances in their respective capital accounts.

**Transfer Agent and Registrar**

***Duties***

Computershare Trust Company, N.A. serves as registrar and transfer agent for our common units. We 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;
- special charges for services requested by a common unitholder; and
- other similar fees or charges.

There is no charge to our unitholders for disbursements of our cash distributions. We 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 their activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

***Resignation or Removal***

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**

Common units are securities and are transferable according to the laws governing transfers 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.

Upon a transfer of common units in accordance with our partnership agreement, each transferee of common units will be admitted as a limited partner with respect to the common units transferred when such transfer and admission is reflected in our books and records. 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. Our general partner will cause any transfers to be recorded on our books and records no less frequently than quarterly. Each transferee:

- represents that the transferee has the capacity, power and authority to become bound by our partnership agreement;
- automatically agrees to be bound by the terms and conditions of, and is deemed to have executed, our partnership agreement; and
- gives the consents, waivers and approvals contained in our partnership agreement.

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.

### **OUR CASH DISTRIBUTION POLICY**

Our partnership agreement requires that, within 60 days after the end of each quarter, we will distribute all of our available cash to unitholders of record on the applicable record date.

#### **Definition of Available Cash**

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

- less, the amount of cash reserves that our general partner establishes to:
- provide for the proper conduct of our business;
- comply with applicable law, any of our debt instruments or other agreements or any other obligation; or
- provide funds for distributions to our unitholders for any one or more of the next four quarters;
- plus, if our general partner so determines on the date of determination, all or any portion of the cash on hand immediately prior to the date of distribution of available cash for the quarter, including cash on hand resulting from working capital borrowings made after the end of the quarter.

The purpose and effect of the last bullet point above is to allow our general partner, if it so decides, to use cash received by us after the end of the quarter but on or before the date of distribution of available cash for that quarter, including cash on hand resulting from working capital borrowings made after the end of the quarter, to pay distributions to unitholders. Under our partnership agreement, working capital borrowings are borrowings that are made under a credit

agreement, commercial paper facility or similar financing arrangement with the intent to repay such borrowings within twelve months from sources other than additional working capital borrowings, and that are used solely for working capital purposes or to pay distributions to partners.

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

All cash distributed to our unitholders is characterized as being paid from either “operating surplus” or “capital surplus.” We distribute available cash from operating surplus differently than available cash from capital surplus. Operating surplus distributions will be made to our unitholders and, if we make quarterly distributions above the first target distribution level described below, to the holder of our incentive distribution rights (“IDRs”). We do not anticipate that we will make any distributions from capital surplus. In such an event, however, any capital surplus distribution would generally be made first to the holders of Class C units, pro rata, of the amount of accrued and unpaid distributions, and then pro rata to all unitholders.

### **Definition of Operating Surplus**

Operating surplus for any period generally means:

- \$25.0 million (as described below); plus
- all of our cash receipts, excluding cash from interim capital transactions (as defined below), provided that cash receipts from the termination of any hedge contract prior to its stipulated settlement or termination date will be included in equal quarterly installments over the remaining scheduled life of such hedge contract had it not been terminated; plus
- working capital borrowings made after the end of a period but on or before the date of distribution of operating surplus for that period; plus
- cash distributions paid on equity issued (including incremental distributions on IDRs), 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, acquisition or improvement of a capital asset until the earlier to occur of the date the capital asset commences commercial service and the date that it is abandoned or disposed of; plus
- cash distributions paid on equity issued (including incremental distributions on IDRs), to pay the construction period interest on debt incurred, or to pay construction period distributions on equity issued, to finance the expansion capital expenditures referred to above, in each case, in respect of the period from the date that we enter into a binding obligation to commence the construction, acquisition or improvement of a capital asset until the earlier to occur of the date the capital asset is placed in service and the date that it is abandoned or disposed of; less
- all of our operating expenditures (as defined below); 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 twelve-month period with the proceeds of additional working capital borrowings; less
- any cash loss realized on the disposition of an investment capital expenditure

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 our operations. For example, it includes a basket of \$25.0 million

that enables us, if we choose, to distribute as operating surplus up to that amount of cash we receive 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 certain cash distributions on equity interests in operating surplus, as described above, 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 that amount of 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 made. However, if a working capital borrowing is not repaid during the twelve-month period following the borrowing, it will be deemed repaid at the end of such period, thus decreasing operating surplus at such time. When such working capital borrowing is in fact repaid, it will be excluded from operating expenditures because operating surplus will have been previously reduced by the deemed repayment.

We define operating expenditures as all of its cash expenditures, including, but not limited to, taxes, reimbursement of expenses to our general partner or its affiliates, payments made in the ordinary course of business under interest rate hedge agreements or commodity hedge agreements (provided that (1) payments made in connection with the initial purchase of an interest rate hedge contract or a commodity hedge contract will be amortized over the life of the applicable interest rate hedge contract or commodity hedge contract and (2) payments made in connection with the termination of any interest rate hedge contract or commodity hedge contract prior to its stipulated settlement or termination date will be included in operating expenditures in equal quarterly installments over the remaining scheduled life of such contract), compensation of officers, directors and employees of our general partner, repayment of working capital borrowings, debt service payments and maintenance capital expenditures (as discussed in further detail below), provided that operating expenditures do not include:

- repayment of working capital borrowings deducted from operating surplus pursuant to the penultimate bullet point of the definition of operating surplus above when such repayment actually occurs;
- payments (including prepayments and prepayment penalties) of principal of and premium on indebtedness other than working capital borrowings;
- expansion capital expenditures;
- investment capital expenditures;
- payment of transaction expenses relating to interim capital transactions;
- distributions to our partners (including distributions in respect of our IDRs); or
- repurchases of equity interests (other than repurchases to satisfy obligations under employee benefit plans) or reimbursements of our general partner for such purchases.

### **Interim Capital Transactions**

We define cash from interim capital transactions to include proceeds from:

- borrowings other than working capital borrowings;
- sales of equity and debt securities; and
- sales or other dispositions of assets, other than inventory, accounts receivable and other assets sold in the ordinary course of business or assets sold or disposed of as part of normal retirement or replacement of assets.

### **Capital Surplus**

Capital surplus is defined as any distribution of available cash in excess of operating surplus. Although the cash proceeds from interim capital transactions do not increase operating surplus, all distributions of available cash from whatever source are deemed to be from operating surplus until cumulative distributions of available cash exceed cumulative operating surplus. Thereafter, all distributions of available cash are deemed to be from capital surplus to the extent they continue to exceed cumulative operating surplus.

### **Characterization of Cash Distributions**

We will treat all available cash distributed as coming from operating surplus until the sum of all available cash distributed since the closing of our initial public offering equals the operating surplus as of the most recent date of determination of available cash. We will treat any amount distributed in excess of operating surplus, regardless of its source, as capital surplus. As reflected above, operating surplus includes \$25.0 million in addition to our cash balance on the closing date of our initial public offering, cash receipts from our operations and cash from working capital borrowings. This amount does not reflect actual cash on hand that is available for distribution to our unitholders. Rather, it is a provision that will enable us, if we choose, to distribute as operating surplus up to \$25.0 million of cash we receive in the future from interim capital transactions that would otherwise be distributed as capital surplus. We do not anticipate that we will make any distributions from capital surplus.

### **Capital Expenditures**

Maintenance capital expenditures reduce operating surplus, but expansion capital expenditures and investment capital expenditures do not. Under our partnership agreement, maintenance capital expenditures are capital expenditures made to maintain our long-term operating income or operating capacity, while expansion capital expenditures are capital expenditures that we expect will increase its operating income or operating capacity over the long term. Examples of maintenance capital expenditures include those expenditures we make to maintain existing contract volumes or renew existing distribution contracts, maintain its real estate leased to third-party dealers in leasable condition or maintain its company operated convenience stores. Maintenance capital expenditures also include interest (and related fees) on debt incurred and distributions in respect of equity issued (including incremental distributions on IDRs), other than equity issued in any offering, to finance all or any portion of the construction or development of a replacement asset that are paid in respect of the period that begins when we enter into a binding obligation to commence construction or development of a replacement asset and ending on the earlier to occur of the date that such replacement asset commences commercial service and the date that it is disposed of or abandoned. Capital expenditures made solely for investment purposes are not considered maintenance capital expenditures.

Expansion capital expenditures are capital expenditures made to increase our operating capacity over the long term. Examples of expansion capital expenditures include the acquisition of new properties or equipment, to the extent such capital expenditures are expected to expand our long-term operating capacity. Expansion capital expenditures also include interest (and related fees) on debt incurred and distributions in respect of equity issued (including incremental distributions on IDRs) to finance all or any portion of the construction of a capital improvement paid in respect of the period that commences when we enter into a binding obligation to commence construction of a capital improvement and ending on the earlier to occur of the date such capital improvement commences commercial service and the date that it is disposed of or abandoned. Capital expenditures made solely for investment purposes are not be considered expansion capital expenditures.

Investment capital expenditures are those capital expenditures that are neither maintenance capital expenditures nor expansion capital expenditures. Investment capital expenditures largely consist of capital expenditures made for investment purposes. Examples of investment capital expenditures include traditional capital expenditures for investment purposes, such as purchases of securities, as well as other capital expenditures that might be made in lieu of such traditional investment capital expenditures, such as the acquisition of a capital asset for investment purposes

or the development of assets that are in excess of those needed for the maintenance of our existing operating capacity, but which are not expected to expand, for more than the short term, its operating capacity.

As described above, neither investment capital expenditures nor expansion capital expenditures are included in operating expenditures, and thus do not reduce operating surplus. Because expansion capital expenditures include interest payments (and related fees) on debt incurred to finance all or a portion of the construction, acquisition or development of a capital improvement during the period that begins when we enter into a binding obligation to commence construction, acquisition or development of a capital improvement and ending on the earlier to occur of the date such capital improvement commences commercial service and the date that it is disposed of or abandoned, such interest payments also do not reduce operating surplus. Losses on the disposition of an investment capital expenditure will reduce operating surplus when realized and cash receipts from an investment capital expenditure will be treated as a cash receipt for purposes of calculating operating surplus only to the extent the cash receipt is a return on principal.

Capital expenditures that are made in part for maintenance capital purposes, investment capital purposes and/or expansion capital purposes are allocated as maintenance capital expenditures, investment capital expenditures or expansion capital expenditure by our general partner.

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

We will make distributions of available cash from operating surplus for any quarter in the following manner:

- first, to the holders of our Class C units to the extent of the distribution preference on the Class C units;
- second, to all of our unitholders holding common units, pro rata, until we distribute for each outstanding common unit an amount equal to the minimum quarterly distribution for that quarter; and
- thereafter, in the manner as described in the section entitled “Incentive Distribution Rights” below.

The preceding discussion is based on the assumption that we do not issue additional classes of equity interests.

### **Incentive Distribution Rights**

IDRs represent the right to receive an increasing percentage (15.0%, 25.0% and 50.0%) of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Energy Transfer LP (“ET”) currently holds all of our IDRs, but may transfer these rights, subject to restrictions in our partnership agreement.

The following discussion assumes that ET continues to own our IDRs.

If for any quarter we have distributed available cash from operating surplus to the holders of our Class C units to the extent of their distribution preference and to our common unitholders in an amount equal to the minimum quarterly distribution then we will make distributions of available cash from operating surplus for that quarter in the following manner:

- first, to all unitholders holding common units, pro rata, until each unitholder receives a total of \$0.503125 per common unit for that quarter (the “first target distribution”);
- second, 85.0% to all unitholders holding common units, pro rata, and 15.0% to ET (in its capacity as the holder of our IDRs), until each unitholder receives a total of \$0.546875 per common unit for that quarter (the “second target distribution”);

- third, 75.0% to all unitholders holding common units, pro rata, and 25.0% to ET (in its capacity as the holder of our IDRs), until each unitholder receives a total of \$0.65625 per common unit for that quarter (the “third target distribution”); and
- thereafter, 50.0% to all unitholders holding common units, pro rata, and 50.0% to ET (in its capacity as the holder of our IDRs).

### **Distributions from Capital Surplus**

We will make distributions of available cash from capital surplus, if any, in the following manner once the required distributions of available cash are made to the Class C unitholders:

- first, to all unitholders holding common units, pro rata, until the minimum quarterly distribution level has been reduced to zero as described below; and
- thereafter, we will make all distributions of available cash from capital surplus as if they were from operating surplus.

The preceding paragraph assumes that we do not issue additional classes of equity interests.

Our partnership agreement treats a distribution of capital surplus 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 that the distribution had to the fair market value of our common units immediately prior to the announcement of the distribution (or the average of the closing prices for the 20 consecutive trading days immediately prior to the ex-dividend date). Because distributions of capital surplus will reduce our minimum quarterly distribution and target distribution levels after any of these distributions are made, it may be easier for ET (in its capacity as the holder of our IDRs) to receive incentive distributions.

Once we distribute capital surplus on a unit 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, first, to the holders of Class C units to the extent required, and then, 50% being paid to the holders of our common units and 50% to ET (in its capacity as the holder of our IDRs), assuming that ET has not transferred the IDRs.

### **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 units into a greater number of units, we will proportionately adjust:

- the minimum quarterly distribution;
- the target distribution levels; and
- the unrecovered initial unit price.

For example, if a two-for-one split of common units should occur, the minimum quarterly distribution, the target distribution levels and the unrecovered initial unit price would each be reduced to 50% 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 existing law is modified or interpreted by a governmental taxing 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, it will reduce the minimum quarterly distribution and the target distribution levels for each quarter may, in the sole discretion of our general partner, 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) and the denominator of which is the sum of available cash for that quarter before any adjustment for estimated taxes. To the extent that the actual tax liability differs from the estimated tax liability for any quarter, the difference will be accounted for in subsequent quarters.

### **Distributions of Cash Upon Liquidation**

**General.** If we dissolve in accordance with our 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 its creditors. We will distribute any remaining proceeds to the unitholders and the holder of our IDRs, in accordance with their capital account balances, as adjusted to reflect any gain or loss upon the sale or other disposition of its assets in liquidation.

The allocations of gain and loss upon liquidation are intended, to the extent possible, to permit holders of our common units to receive their unrecovered initial unit price plus the minimum quarterly distribution for the quarter during which liquidation occurs. However, there may not be sufficient gain upon our liquidation to enable our common unitholders to fully recover all of these amounts. Any further net gain recognized upon liquidation will be allocated in a manner that takes into account the IDRs.

**Manner of Adjustments for Gain.** The manner of the adjustment for gain is set forth in our partnership agreement. We will generally allocate any gain to its partners in the following manner:

- first, to the holders of our Class C units, pro rata, until the capital account for each Class C unit is equal to the sum of: (1) the unrecovered initial unit price for that Class C unit; and (2) the unpaid amount of all accrued but unpaid distributions on that Class C unit;
- second, to all our common unitholders, pro rata, until the capital account for each common unit is equal to the sum of:
  - the unrecovered initial unit price; and
  - the unpaid amount of the minimum quarterly distribution for the quarter during which the liquidation occurs;
- third, to all our common unitholders, pro rata, until we allocate under this paragraph an amount per unit equal to:
  - the excess of the first target distribution per unit over the minimum quarterly distribution per unit for each quarter of our existence; less
  - the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the minimum quarterly distribution per unit for each quarter of our existence that we distributed to the unitholders, pro rata;
- fourth, 85.0% to all our common unitholders, pro rata, and 15.0% to ET (in its capacity as the holder of our IDRs), until we allocate under this paragraph an amount per unit equal to:
  - the excess of the second target distribution per unit over the first target distribution per unit for each quarter of our existence; less
  - the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the first target distribution per unit for each quarter of our existence that we distributed 85.0% to the unitholders, pro rata, and 15.0% to ET (in its capacity as the holder of our IDRs);



- fifth, 75.0% to all our common unitholders, pro rata, and 25.0% to ET (in its capacity as the holder of our IDRs), until we allocate under this paragraph an amount per unit equal to:
- the excess of the third target distribution per unit over the second target distribution per unit for each quarter of our existence; less
- the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the second target distribution per unit for each quarter of our existence that we distributed 75.0% to the unitholders, pro rata, and 25.0% to ET (in its capacity as the holder of our IDRs); and
- thereafter, 50.0% to all our common unitholders, pro rata, and 50.0% to ET (in its capacity as the holder of our IDRs).

Notwithstanding the foregoing, if immediately prior to making allocations pursuant to the fourth, fifth and sixth clauses above, the capital account of each common unit equals or exceeds the issue price of our Class C units (\$38.5856), then we will allocate 1.0% of the remaining items of gain to the holders of Class C units, pro rata.

### **Manner of Adjustments for Losses**

We will generally allocate any loss to our unitholders in the following manner:

- first, to our common unitholders, pro rata, until the capital accounts of our common unitholders have been reduced to zero; and
- thereafter, to the holders of our Class C units, pro rata, until the capital accounts of the Class C units have been reduced to zero.

### **Adjustments to Capital Accounts**

We will make adjustments to capital accounts upon the issuance of additional units. In doing so, we generally will allocate any unrealized and, for tax purposes, unrecognized gain resulting from the adjustments to the unitholders and the holders of our IDRs in the same manner as we allocate gain upon liquidation. By 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 our common unitholders based on their percentage ownership in the Partnership. In the event 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 common unitholders' capital account balances equaling the amounts they would have been if no earlier adjustments for loss had been made.

## **OUR PARTNERSHIP AGREEMENT**

The following is a summary of the material provisions of our partnership agreement.

### **Organization and Duration**

Our partnership was organized in June 2012 and will have a perpetual existence unless terminated pursuant to the terms of our partnership agreement.

### **Purpose**

Our purpose, as set forth in our 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.

Although our general partner has the ability to cause us and our subsidiaries to engage in activities other than the business of the wholesale distribution of motor fuels and other petroleum products and the retail sale of motor fuel and the operation of convenience stores, our general partner has no plans to do so and may decline to do so free of any fiduciary duty or obligation whatsoever to us or our limited partners, including any duty to act in good faith or in the best interests of us or our limited partners. Our general partner is generally authorized 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.”

### **Voting Rights**

The following is a summary of the unitholder vote required for approval of the matters specified below. Matters that require the approval of a “unit majority” require the approval of a majority of the common units, voting as a single class.

In voting their common units, ET and their affiliates have no fiduciary duty or obligation whatsoever to us or our limited partners, including any duty to act in good faith or in the best interests of us or our limited partners.

|                                                                                 |                                                                                                                                                                    |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuance of additional units                                                    | No approval right.                                                                                                                                                 |
| Amendment of our partnership agreement                                          | Certain amendments may be made by our general partner without the approval of our unitholders. Other amendments generally require the approval of a unit majority. |
| Merger of our partnership or the sale of all or substantially all of our assets | Unit majority in certain circumstances.                                                                                                                            |
| Dissolution of our partnership                                                  | Unit majority in certain circumstances.                                                                                                                            |
| Continuation of our business upon dissolution                                   | Unit majority.                                                                                                                                                     |
| Withdrawal of our general partner                                               | No approval right.                                                                                                                                                 |
| Removal of our general partner                                                  | Not less than 66 2/3% of the outstanding units, voting as a single class, including units held by our general partner and its affiliates.                          |
| Transfer of our general partner interest                                        | No approval right.                                                                                                                                                 |
| Transfer of ownership interests in our general partner                          | No approval right.                                                                                                                                                 |
| Transfer of incentive distribution rights                                       | No approval right.                                                                                                                                                 |

If any person or group other than our general partner and its affiliates acquires beneficial ownership of 20% or more of any class of units then outstanding, that person or group loses voting rights on all of its units. This loss of voting rights does 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 approved by our general partner or to any person or group who acquires the units with the specific approval of our general partner.

### **Applicable Law; Forum, Venue and Jurisdiction**

Our partnership agreement is governed by Delaware law. Our partnership agreement requires that any claims, suits, actions or proceedings:

- arising out of or relating in any way to our partnership agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of our partnership agreement or the duties, obligations or liabilities among our limited partners or of our limited partners to us, or the rights or powers of, or restrictions on, our limited partners or us);
- brought in a derivative manner on our behalf;
- asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of us or our general partner, or owed by our general partner, to us or the limited partners;
- asserting a claim arising pursuant to any provision of the Delaware Act; or
- asserting a claim governed by the internal affairs doctrine,

will be exclusively brought in the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, any other court located in the State of Delaware with subject matter jurisdiction). By purchasing a common unit, a limited partner is irrevocably consenting to these limitations and provisions regarding claims, suits, actions or proceedings and submitting to the exclusive jurisdiction of the Court of Chancery of the State of Delaware in connection with any such claims, suits, actions or proceedings.

Although we believe these provisions will benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against our directors, officers, employees and agents. The enforceability of similar forum selection 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 one or more actions or proceedings described above, a court could find that the forum selection provision contained in our partnership agreement is inapplicable or unenforceable in such action or actions, including with respect to claims arising under the federal securities laws. Limited partners will not be deemed, by operation of the forum selection provision alone, to have waived claims arising under the federal securities laws and the rules and regulations thereunder.

The forum selection provision is intended to apply "to the fullest extent permitted by applicable law" to the above-specified types of actions and proceedings, including, to the extent permitted by the federal securities laws, to lawsuits asserting both the above-specified claims and federal securities claims. However, application of the forum selection provision may in some instances be limited by applicable law. Section 27 of the Exchange Act provides: "The district courts of the United States ... shall have exclusive jurisdiction of violations of [the Exchange Act] or the rules and regulations thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by [the Exchange Act] or the rules and regulations thereunder." As a result, the forum selection provision will not apply to actions arising under the Exchange Act or the rules and regulations thereunder. However, Section 22 of the Securities Act provides for concurrent federal and state court jurisdiction over actions under the Securities Act and the rules and regulations thereunder, subject to a limited exception for certain "covered class actions" as defined in Section 16 of the Securities Act and interpreted by the courts. Accordingly, we believe that the forum selection provision would apply to actions arising under the Securities Act or the rules and regulations thereunder, except to the extent a particular action fell within the exception for covered class actions.

### **Limited Liability**

Assuming that a limited partner does not participate in the control of our business within the meaning of the Delaware Act and that the limited partner otherwise acts in conformity with the provisions of the partnership agreement, the limited partner's liability under the Delaware Act will be limited, subject to possible exceptions, to the amount of

capital the limited partner is obligated to contribute to us for its common units plus the limited partner's 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 our partnership agreement; or
- to take other action under our 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 the general partner. This liability would extend to persons who transact business with us who reasonably believe that the limited partner is a general partner. Neither our 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. While this does not mean that a limited partner could not seek legal recourse, we know of no precedent for this type of a claim in Delaware case law.

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

Our subsidiaries currently 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 owner of our operating subsidiaries may require compliance with legal requirements in the jurisdictions in which the operating subsidiaries conduct 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 interest in our subsidiaries or otherwise, it were to be determined that we were conducting business in any jurisdiction 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 our partnership agreement, or to take other action under our partnership agreement constituted "participation in the control" of our business for purposes of the statutes of any relevant jurisdiction, then our 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 our limited partners.

## **Issuance of Additional Partnership Interests**

Our 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 our unitholders.

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

In accordance with Delaware law and the provisions of our 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 or be senior in right of distribution to the common units. In addition, our partnership agreement does not prohibit our subsidiaries from issuing equity interests which effectively rank senior to the common units.

Our general partner has 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 partnership interests to persons other than our general partner and its affiliates, to the extent necessary to maintain the percentage interest of itself and its affiliates, including such interest represented by common units, that existed immediately prior to each issuance. The common unitholders will not have preemptive rights under our partnership agreement to acquire additional common units or other partnership interests.

On January 1, 2016, we issued an aggregate of 16,410,780 Class C units consisting of (i) 5,242,113 Class C units that were issued to Aloha Petroleum, Ltd. (“Aloha”) as consideration for the contribution by Aloha to an indirect wholly owned subsidiary of the Partnership of all of Aloha’s assets relating to the wholesale supply of fuel and lubricants; and (ii) 11,168,667 Class C units that were issued to indirect wholly owned subsidiaries of the Partnership in exchange for all of the outstanding Class A units held by such subsidiaries. For a complete description of our Class C units, please read our Current Report on Form 8-K filed with the SEC on January 5, 2016. As of December 31, 2024, there were 16,410,780 Class C units outstanding.

## **Amendment of the Partnership Agreement**

### ***General***

Amendments to our partnership agreement may be proposed only by or with the consent of our general partner. Our general partner, however, will have no duty or obligation to propose any amendment and may decline to do so free of any fiduciary duty or obligation whatsoever to us or our limited partners, including any duty to act in good faith or in the best interests of us or our limited partners. In order to adopt a proposed amendment, other than the amendments discussed under “-No Unitholder Approval” below, our general partner is required to seek written approval of the holders of the number of units required to approve the amendment or to 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 approved by at least a majority of the type or class of limited partner interests so affected; or

- enlarge the obligations of, restrict, change or modify 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 the consent of our general partner, which consent may be given or withheld at its option.

The provisions of our partnership agreement preventing the amendments having the effects described in any of the clauses above can only be amended upon the approval of the holders of at least 90% of the outstanding units voting together as a single class (including units owned by our general partner and its affiliates).

### ***No Unitholder Approval***

Our general partner may generally make amendments to our partnership agreement without the approval of any limited partner or assignee to reflect:

- a change in our name, the location of the principal place of our business, our registered agent or our registered office;
- the admission, substitution, withdrawal or removal of partners in accordance with our 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 (to the extent not already treated as such);
- a change in our fiscal year or taxable year and related changes;
- 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 Investment Company Act of 1940, the Investment Advisers Act of 1940, or “plan asset” regulations adopted under the Employee Retirement Income Security Act of 1974, or ERISA, whether or not substantially similar to plan asset regulations currently applied or proposed;
- an amendment that our general partner determines to be necessary or appropriate in connection with the creation, authorization or issuance of any class or series of partnership interests or rights to acquire partnership interests;
- any amendment expressly permitted in our 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 our 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, joint venture, limited liability company or other entity, as otherwise permitted by our partnership agreement;
- an amendment that is necessary to require the limited partners to provide a statement, certification or other proof to us regarding whether such limited partner is subject to U.S. federal income taxation on the income generated by us;
- conversions into, mergers with or conveyances to another limited liability entity that is newly formed and has no assets, liabilities or operations at the time of the conversion, merger or conveyance other than those it receives by way of the conversion, merger or conveyance; 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 our partnership agreement without the approval of any limited partner or transferee in connection with a merger or consolidation approved in connection with our partnership agreement, or if our general partner determines that those amendments:

- do not adversely affect the limited partners (or any particular class of limited partners) in any material respect;
- 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 for trading;
- are necessary or appropriate for any action taken by our general partner relating to splits or combinations of units under the provisions of our partnership agreement; or
- are required to effect the intent expressed in the prospectus used in our initial public offering or the intent of the provisions of our partnership agreement or are otherwise contemplated by our partnership agreement.

#### ***Opinion of Counsel and Unitholder Approval***

Any amendment that would have a material adverse effect on the rights or preferences of any type or class of outstanding units in relation to other classes of units will require the approval of at least a majority of the type or class of units so affected. Any amendment that would reduce or increase the voting percentage required to take any action other than to remove our general partner or call a meeting of unitholders is required to be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute not less than the voting requirement sought to be reduced or increased.

For amendments of the type not requiring unitholder approval, our general partner will not be required to obtain an opinion of counsel that an amendment will neither result in a loss of limited liability to the limited partners nor result in our being treated as a taxable entity for U.S. federal income tax purposes in connection with any of the amendments. No other amendments to our partnership agreement will become effective without the approval of holders of at least 90% of the outstanding units, voting as a single class, unless we first obtain an opinion of counsel to the effect that the amendment will not affect the limited liability under applicable law of any of our limited partners.

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

A merger or consolidation of us requires the prior consent of our general partner. However, our general partner has no duty or obligation to consent to any merger or consolidation and may decline to do so free of any fiduciary duty or obligation whatsoever to us or our limited partners, including any duty to act in good faith or in the best interest of us or our limited partners. Our general partner may, however, consummate any merger 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 our partnership agreement (other than an amendment that our general partner could adopt without the consent of other partners), each of our partnership interests will be an identical partnership interest following the transaction and the partnership interests to be issued do not exceed 20% of our outstanding partnership interests (other than IDRs) immediately prior to the transaction.

In addition, our partnership agreement generally prohibits our general partner, without the prior approval of the holders of a unit majority, from causing us to sell, exchange or otherwise dispose of all or substantially all of our assets in a

single transaction or a series of related transactions, including by way of merger, consolidation or other combination. Our general partner may, however, mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without such approval. Our general partner may also sell all or substantially all of our assets under a foreclosure or other realization upon those encumbrances without such approval. If the conditions specified in our partnership agreement are satisfied, our general partner may also 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 limited liability entity that has no assets, liabilities or operations, 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 the governing instruments of the new entity provide the limited partners and our general partner with substantially the same rights and obligations as those contained in our partnership agreement. Our unitholders are not entitled to dissenters' rights of appraisal under our 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.

### ***Dissolution***

We will continue as a limited partnership until dissolved under our partnership agreement. We will dissolve upon:

- the election of our general partner to dissolve us, if approved by the holders of a unit majority;
- there being no limited partners, unless we are continued without dissolution in accordance with applicable Delaware law;
- the entry of a decree of judicial dissolution of our partnership pursuant to the provisions of the Delaware Act; or
- 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 non-economic general partner interest in accordance with our partnership agreement or withdrawal or removal following approval and admission of a successor.

Upon a dissolution under the last clause above, the holders of a unit majority, may also elect, within specific time limitations, to reconstitute us and continue our business on the same terms and conditions described in our partnership agreement by appointing as 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 under the Delaware Act of any limited partner; and
- neither our partnership, the reconstituted limited partnership, our operating company nor any of our other 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 (to the extent not already so treated or taxed) upon the exercise of that right to continue.

### ***Liquidation and Distribution of Proceeds***

Upon our dissolution, unless our business is continued, 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 "Our Cash Distribution Policy-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***



Our general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days' advance notice, and that withdrawal will not constitute a violation of our partnership agreement. In addition, our partnership agreement permits our general partner in some instances to sell or otherwise transfer all of its non-economic general partner interest in us without the approval of the unitholders. Please read “-Transfer of General Partner Interest.”

Upon withdrawal of our general partner under any circumstances, other than as a result of a transfer by our general partner of all or a part of its non-economic general partner interest in us, 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 in writing to continue our business and to appoint a successor general partner. Please read “-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 the outstanding units, voting together as a single class, including units held by our general partner and its affiliates, and we receive an opinion of counsel regarding 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 the holders of a majority of the outstanding common units, voting as separate classes. The ownership of more than 33 1/3% of the outstanding units by our general partner and its affiliates would give them the practical ability to prevent our general partner's removal.

In the event of the removal of our general partner under circumstances where cause exists or withdrawal of our general partner where that withdrawal violates our partnership agreement, a successor general partner will have the option to purchase the general partner interest of the departing general partner and the IDRs of its affiliates 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 the IDRs of its affiliates 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 within 30 days after the effective date of the departing general partner's withdrawal or removal, 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. If the departing general partner and the successor general partner cannot agree upon an expert within 45 days after the withdrawal or removal, 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's general partner interest and its IDRs will automatically convert into common units with a value equal to the fair market value 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***

Our general partner may at its option transfer all or any part of its general partner interest without approval from the unitholders, so long as:

- the transferee agrees to assume the rights and duties of our general partner under our partnership agreement and agrees to be bound by the provisions of our partnership agreement;

- we receive an opinion of counsel that such transfer would not result in the loss of limited liability under the Delaware Act of any unitholders or cause us to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (to the extent not already so treated or taxed); and
- such transferee also agrees to purchase all (or the appropriate portion thereof, if applicable) of the partnership or membership interest held by our general partner as the general partner or managing member, if any, of any of our subsidiaries.

In the case of a transfer of the general partner interest, the transferee or successor will be subject to compliance with the terms of our partnership agreement and will be admitted as our general partner effective immediately prior to the transfer of the general partner interest.

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

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

At any time, the owner of our general partner, may sell or transfer all or part of its ownership interest in our general partner to an affiliate or third party without the approval of our unitholders.

#### ***Change of Management Provisions***

Our partnership agreement contains specific provisions that are intended to discourage a person or group from attempting to remove Sunoco GP LLC as our general partner or from otherwise changing our management. Please read “-Withdrawal or Removal of Our General Partner” for a discussion of certain consequences of the removal of our general partner. If any person or group, other than our general partner and its affiliates, acquires beneficial ownership of 20% or more of any class of partnership interests, that person or group loses voting rights on all of such person’s or group’s partnership interests. This loss of voting rights does not apply in certain circumstances. Please read “-Meetings; Voting.”

#### ***Limited Call Right***

If at any time our general partner and its affiliates own more than 80% 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 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’ notice. The purchase price in the event of such a purchase is the greater of:

- the highest cash price paid by either of our general partner or any of its affiliates for any limited partner interests of such 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 average of the daily closing prices per limited partner interest of such class for the 20 consecutive trading days immediately preceding the date three 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 an undesirable time or price. 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.

#### ***Non-Taxpaying Holders; Redemption***

To avoid any adverse effect on the maximum applicable rates chargeable to customers by us or any of our future subsidiaries, or in order to reverse an adverse determination that has occurred regarding such maximum rate, our

partnership agreement provides our general partner the power to amend the agreement. If our general partner, with the advice of counsel, determines that our not being treated as an association taxable as a corporation or otherwise taxable as an entity for U.S. federal income tax purposes, coupled with the tax status (or lack of proof thereof) of one or more of our limited partners, has, or is reasonably likely to have, a material adverse effect on the maximum applicable rates chargeable to customers by our subsidiaries, then our general partner may adopt such amendments to our partnership agreement as it determines necessary or advisable to:

- obtain proof of the U.S. federal income tax status of our limited partners (and their owners, to the extent relevant); and
- permit us to redeem the units held by any person whose tax status has or is reasonably likely to have a material adverse effect on the maximum applicable rates or who fails to comply with the procedures instituted by our general partner to obtain proof of the U.S. federal income tax status. The redemption price in the case of such a redemption will be the average of the daily closing prices per unit for the 20 consecutive trading days immediately prior to the date set for redemption.

#### ***Non-Citizen Assignees; Redemption***

If our general partner, with the advice of counsel, determines we are subject to U.S. federal, state or local laws or regulations that, in the reasonable determination of our general partner, create a substantial risk of cancellation or forfeiture of any property that we have an interest in because of the nationality, citizenship or other related status of any limited partner, then our general partner may adopt such amendments to our partnership agreement as it determines necessary or advisable to:

- obtain proof of the nationality, citizenship or other related status of our limited partners (and their owners, to the extent relevant); and
- permit us to redeem the units held by any person whose nationality, citizenship or other related status creates substantial risk of cancellation or forfeiture of any property or who fails to comply with the procedures instituted by our general partner to obtain proof of the nationality, citizenship or other related status. The redemption price in the case of such a redemption will be the average of the daily closing prices per unit for the 20 consecutive trading days immediately prior to the date set for redemption.

#### ***Meetings; Voting***

Except as described below regarding certain persons or groups owning 20% or more of any class of partnership interests then outstanding and, except for Class C units, record holders of limited partner interests on the record date are entitled to notice of, and to vote at, meetings of our limited partners and to act upon matters for which approvals may be solicited.

Our general partner does not anticipate that any meeting of our unitholders will be called in the foreseeable future. Any action that is required or permitted to be taken by the unitholders may be taken either at a meeting of the unitholders or without a meeting if consents in writing describing the action so taken are signed by holders of the number of units necessary to authorize or take that action at a meeting. Meetings of the unitholders may be called by our general partner or by unitholders owning at least 20% 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.

Each record holder of a unit has a vote according to his percentage interest in us (excluding Class C unitholders), although additional limited partner interests having special voting rights could be issued. Please read “-Issuance of

Additional Partnership Interests.” However, if at any time any person or group, other than our general partner and its affiliates, a direct transferee of our general partner or its affiliates or a purchaser specifically approved by our general partner, acquires, in the aggregate, beneficial ownership of 20% or more of any class of partnership interests then outstanding, that person or group will lose voting rights on all of its partnership interests and the partnership interests 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 his nominee provides otherwise.

Any notice, demand, request, report or proxy material required or permitted to be given or made to record common unitholders under our partnership agreement will be delivered to the record holder by us or by the transfer agent.

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

By the transfer of common units in accordance with our 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 is reflected in our books and records. Except as described under “- Limited Liability,” the common units will be fully paid, and unitholders will not be required to make additional contributions.

### ***Indemnification***

Under our 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 liabilities:

- 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 manager, managing member, general partner, director, officer, employee, agent, fiduciary or trustee of our partnership, our subsidiaries, our general partner, any departing general partner or any of their affiliates;
- any person who is or was serving at the request of our general partner, any departing general partner or any of their affiliates as an officer, director, manager, managing member, general partner, employee, agent, fiduciary or trustee of another person owing a fiduciary duty to us or our subsidiaries;
- any person who controls our general partner or any departing general partner; and
- any person designated by our general partner.

Any indemnification under these provisions will only be out of our assets. Unless our general partner otherwise agrees, it 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 may 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 our partnership agreement.

### ***Reimbursement of Expenses***

Our 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 will 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 the expenses that are allocable to us. Our partnership agreement does not limit the amount of expenses for which our general partner and its affiliates may be reimbursed.

### ***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 both tax and financial reporting purposes on an accrual basis. For tax and financial reporting purposes, our fiscal year is the calendar year.

We furnish or make available to record holders of our units or other partnership interests, 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 registered public accounting firm. Except for our fourth quarter, we also furnish or make available unaudited financial information within 50 days after the close of each quarter. We are deemed to have made any such report available if we file such report with the SEC on EDGAR or make the report available on a publicly available website which we maintain.

We furnish each record holder of a unit with information reasonably required for U.S. federal, state and local 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 our unitholders depends on their cooperation in supplying us with specific information. Every unitholder will receive information to assist him in determining his U.S. federal and state tax liability and in filing his U.S. federal and state income tax returns, regardless of whether he supplies us with the necessary information.

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

Our partnership agreement provides that a limited partner can, for a purpose reasonably related to his interest as a limited partner, upon reasonable written demand stating the purpose of such demand and at his own expense, have furnished to him:

- true and full information regarding the status of our business and financial condition (provided that obligation shall be satisfied to the extent the limited partner is furnished our most recent annual report and any subsequent quarterly or periodic reports required to be filed (or which would be required to be filed) with the SEC pursuant to Section 13 of the Exchange Act);
- a current list of the name and last known address of each record holder; and
- a copy of our partnership agreement, our certificate of limited partnership and all amendments thereto, together with copies of the executed copies of all powers of attorney under which they have been executed.

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 believes is not in our best interests, could damage us or our business or that we are required by law or by agreements with third parties to keep confidential.

### ***Registration Rights***

Under our partnership agreement, we have agreed to register for resale under the Securities Act and applicable state securities laws any common units or other limited partner interests proposed to be sold by our general partner or any of its affiliates, including ET 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 our general partner. We are obligated to pay all expenses incidental to the registration, excluding underwriting discounts.

**SUNOCO LP**  
**LONG-TERM CASH RESTRICTED UNIT PLAN**  
(Effective as of December 5, 2024)

## **ARTICLE I**

### **Purpose of the Plan**

The Sunoco LP Long-term Cash Restricted Unit Plan (the “Plan”) has been adopted by Board of Directors (the “Board”) of Sunoco GP LLC (the “Company” or “General Partner”), the general partner of Sunoco LP (the “Partnership”) as of December 5, 2024. The Plan is intended to promote the interests of the Partnership by providing to Employees and Directors incentive compensation awards based on the value of Partnership Common Units to encourage superior performance. The Plan is also contemplated to enhance the ability of the Partnership and its Affiliates to attract and retain the services of individuals who are essential for the growth and profitability of the Partnership and to encourage them to devote their best efforts to advancing the business of the Partnership.

## **ARTICLE II**

### **Definitions**

As used in this Plan, the following terms shall have the meanings herein specified:

2.1 Affiliate means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

2.2 Award or Awards means a Cash Unit Award(s) granted under the Plan.

2.3 Award Agreement means the written or electronic agreement delivered to a Participant by which an Award is evidenced.

2.4 Cash Unit means a notional unit granted under the Plan that upon vesting entitles the Participant to receive an amount of cash equal to the Fair Market Value of a Common Unit as of the vesting date.

2.5 Cash Unit Account means, with respect to any Participant, the total amount of the liability for payment of incentive compensation to the Participant under this Plan.

2.6 Change in Control means, and shall be deemed to have occurred upon one or more of the following events:

(a) any “person” or “group” within the meaning of those terms as used in Sections 13(d) and 14(d)(2) of the Exchange Act, other than an Affiliate of the Company, shall become the beneficial owner, by way of merger, consolidation, recapitalization, reorganization or otherwise, of 50% or more of the combined voting power of the equity interests in the Company;

(b) the members of the Company approve, in one or a series of transactions, a plan of complete liquidation of the Company;

(c) the sale or other disposition by the Company of all or substantially all of its assets in one or more transactions to any Person other than the Company or an Affiliate of the Company; or

(d) a Person other than the Company or an Affiliate of the Company becomes the general partner of the Partnership.

2.7 Committee means the Compensation Committee of the Board or such other committee as may be appointed by the Board to administer the Plan.

2.8 Common Unit means a Common Unit representing a limited partner interest in the Partnership.

2.9 Company or General Partner means Sunoco GP LLC, a Delaware limited liability company and the general partner of the Partnership. The term “General Partner” shall include any successor to Sunoco GP LLC, any subsidiary or affiliate thereof that has adopted the Plan, or any entity succeeding to the business of Sunoco GP LLC, or any subsidiary or affiliate, by merger, consolidation, liquidation, or purchase of assets or equity, or similar transaction.

2.10 Director means a member of the Board of the General Partner.

2.11 Disability means, unless provided otherwise in the Award grant agreement, an illness or injury that lasts at least six continuous months, is expected to be permanent and renders the Participant unable to carry out his or her duties to the Company, the Partnership or an Affiliate of the Company or the Partnership.

2.12 Employee means an employee of the Partnership, the Company, a Subsidiary or an Affiliate of the Partnership, the Company or a Subsidiary.

2.13 Exchange Act means the Securities Exchange Act of 1934, as amended.

2.14 Fair Market Value means the average closing price of a Common Unit on the principal national securities exchange (or other market in which trading in Common Units occurs) for the ten (10) trading days immediately preceding the applicable date, as reported in The Wall Street Journal (or other reporting service approved by the Committee). If Common Units are not traded on a national securities exchange or other market at the time a determination of fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Committee.

2.15 Participant means an Employee or Director granted an Award under the Plan.



2.16 Person means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, governmental agency or political subdivision thereof or other entity.

2.17 Section 409A means Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or guidance that may be amended or issued following the adoption of this Plan.

2.18 Subsidiary means any entity (i) in which, at the relevant time, the Partnership or the Company owns or controls, directly or indirectly, not less than 50% of the total combined voting power represented by all classes of equity interests issued by such entity, (ii) as to which, at the relevant time, the Partnership or the Company has the right, directly or indirectly, to appoint or designate, either independently or jointly with another Person, 50% or more of the members of the board of directors or (iii) as to which at the relevant time, the Partnership or the Company, directly or indirectly, (A) owns or controls, directly or indirectly, not less than 50% of the total combined voting power represented by classes of equity interests issued by the general partner or managing member of such entity or (B) has the right, directly or indirectly, to appoint or designate, either independently or jointly with another Person, 50% or more of the members of the board of directors of the general partner or managing member thereof.

### **ARTICLE III**

#### **Purpose and Effectiveness of Plan; Administration and Eligibility**

3.1 Effectiveness. This Plan shall become effective upon approval by the Board. All awards made by the Committee under this Plan shall remain in effect until such awards have been satisfied or terminated in accordance with the Plan and the terms of such awards.

3.2 Eligibility for Participation. The Committee will have the authority, in its sole discretion, and from time to time, to designate the Participants in the Plan. Any Employee or Director shall be eligible to be designated a Participant by the Committee and receive an Award under the Plan.

3.3 Administration of the Plan. The Plan shall be administered by the Committee. A majority of the Committee shall constitute a quorum, and the acts of the members of the Committee who are present at any meeting thereof at which a quorum is present, or acts unanimously approved by the members of the Committee in writing, shall be the acts of the Committee. Subject to the following and applicable law, the Committee, in its sole discretion, may delegate any or all of its powers and duties under the Plan, including the power to grant Awards under the Plan, to the Chief Executive Officer and/or the Chief Human Resources Officer of the General Partner, subject to such limitations on such delegated powers and duties as the Committee may impose, if any. Upon any such delegation, all references in the Plan to the "Committee", other than in Section 3.4, shall be deemed to include the Chief Executive Officer and/or the Chief Human Resources Officer. Notwithstanding the foregoing, the Chief Executive Officer nor the Chief Human Resources Officer may not grant Awards to, or take any action with respect to any Award previously granted to, a person who is an officer or director subject to Rule 16b-3. Subject to the terms of the Plan

and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the number of Cash Units to be covered by Awards; (iii) determine the terms and conditions of any Award; (iv) determine whether, to what extent, and under what circumstances Awards may be settled, exercised, canceled, or forfeited; (v) interpret and administer the Plan and any instrument or agreement relating to an Award made under the Plan; (vi) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (vii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or an Award Agreement in such manner and to such extent as the Committee deems necessary or appropriate. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including any member of the Partnership, any Participant, and any beneficiary of any Award.

3.4 Termination and Amendment. Except to the extent prohibited by applicable law:

(a) Amendments to the Plan. Except as required by the rules of the principal securities exchange on which the Common Units are traded and subject to Section 3.4(b) below, the Board or the Committee may amend, alter, suspend, discontinue, or terminate the Plan in any manner or at any time without the consent of any Participant, other holder or beneficiary of an Award, or any other Person.

(b) Amendments to Awards. Subject to Section 3.4(a), the Committee may waive any conditions or rights under, amend any terms of, or alter any Award theretofore granted, provided no change, other than pursuant to Section 3.4(c), in any Award shall materially reduce the rights or benefits of a Participant with respect to an Award without the consent of such Participant.

(c) Actions Upon the Occurrence of Certain Events. Upon the occurrence of a Change of Control, any change in applicable law or regulation affecting the Plan or Awards thereunder, or any change in accounting principles affecting the financial statements of the Company or the Partnership, the Committee, in its sole discretion, without the consent of any Participant or holder of the Award, and on such terms and conditions as it deems appropriate, may take any one or more of the following actions in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or an outstanding Award:

(1) provide for the acceleration of vesting of the Participant's Award and its termination in exchange for an amount of cash, if any, equal to the amount that would have been attained upon the vesting of such Award or realization of the Participant's rights (and, for the avoidance of doubt, if as of the date of the occurrence of such transaction or event that the Committee determines in good faith that no amount would have been attained upon the vesting of

such Award or realization of the Participant's rights, then such Award may be terminated by the Committee without payment);

(2) provide that such Award be assumed by a successor or survivor entity, or a parent or subsidiary thereof, or be exchanged for similar rights or awards covering the equity of a successor or survivor, or a parent or subsidiary thereof, with appropriate adjustments as to the underlying equity interests and prices used to determine the value of the Award;

(3) make adjustments in the number of Cash Units subject to outstanding Awards, and in the number and kind of outstanding Awards or in the terms and conditions of, and the vesting and criteria included in, outstanding Awards, or both;

(4) provide that such Award shall be payable immediately, notwithstanding anything to the contrary in the Plan or the applicable Award Agreement; and

(5) provide that the Award will not become payable after such event, i.e., shall terminate upon such event, with or without consideration being paid to the Participant.

#### **ARTICLE IV**

##### **Cash Units**

4.1 Types of Awards Under the Plan. Awards under the Plan will be in the form of Cash Units, as described in this Article IV. There are no limits to the number of Cash Units that may be granted pursuant to this Plan.

4.2 Award of Cash Units. From time to time, and subject to the provisions of the Plan, the Committee may cause to be credited to a Participant's Cash Unit Account certain amounts, subject to a risk of forfeiture by the Participant, in the form of Cash Units. The date Cash Units are granted shall mean the date selected by the Committee as of which the Committee allots a specific number of Cash Units to a Participant pursuant to the Plan. The Cash Units granted under the Plan shall be evidenced by written certificate (substantially in the form attached hereto as "Exhibit A") stating the number of Cash Units evidenced thereby, or in such form and as the Committee may from time to time determine.

4.3 No Distribution Rights or Equivalents. No Participant under this Plan will be entitled to receive any payment of distributions or distribution equivalents, or interest or interest equivalents, on any Cash Units held in such Participant's Cash Unit Account.

4.4 Vesting. Unless otherwise set forth in an individual Award Agreement, each grant of Cash Units to a Participant shall vest one-third on the first December 5<sup>th</sup> after the effective date of the Award, one-third on the second December 5<sup>th</sup> after the effective date of the Award, and one-third on the third December 5<sup>th</sup> after the effective date of the Award.

4.5 Payment of Award.

(a) Timing. Payment in respect of Cash Units earned will be made to the holder thereof within seventy-five (75) calendar after the applicable vesting date for such Cash Units, but only to the extent that the Committee determines that the Participant remains an Employee or Director as of such applicable vesting date.

(b) Form and Amount of Payment. Payment for Cash Units earned will be made only in cash, and in an amount equal to the Fair Market Value on the vesting date of the number of vesting Cash Units held on the vesting date in such Participant's Cash Unit Account, less applicable federal, state and local withholding taxes due.

#### 4.6 Death or Disability

(a) In the event of the death or Disability of a Participant occurs while the Participant is still an Employee or Director and has Awards outstanding at the time of the Participant's death or Disability, the Participant or the Participant's beneficiary will be paid an amount in cash in full settlement of the Participant's Cash Units outstanding (vested or unvested), less any applicable federal, state and local withholding taxes, as a result of death or the Participant's Disability, no later than seventy-five (75) calendar days following the date of the Participant's death or the date of the determination of the Participant's Disability. The amount payable under this Section 4.6 shall be equal to the Fair Market Value of the number of Cash Units held on the date the Participant became Disabled or died, as applicable.

(b) In the event of the death of a Participant, distribution shall be made to the surviving spouse of a deceased Participant, or, if there is no surviving spouse, the children of the Participant in equal shares (the share of any child who predeceases the Participant to go in equal shares to the issue of such deceased child), or if there is no surviving spouse, child, or issue of such children, the estate of the Participant.

4.7 Termination of Employment. Except as provided in Sections 4.6 and 4.8, as set forth in an Award Agreement, or as otherwise determined by the Committee, all unvested Cash Units of a Participant under the Plan will be immediately and fully forfeited upon termination of the Participant's employment or service with the Partnership, and in such event the Participant shall not be entitled to receive any payment with respect to unvested Cash Units held in the Participant's Cash Unit Account. Vested Cash Units that have not yet been settled shall be paid in accordance with Section 4.5 above.

4.8 Change of Control. If the Committee elects to accelerate the vesting of a Participant's Cash Units upon the occurrence of a Change in Control as provided in Section 3.4(c), the Participant will be paid an amount in cash in full settlement of the Participant's Cash Units outstanding immediately before the Change in Control equal to the number of such Cash Units credited to such Participant's Cash Unit Account immediately before the Change in Control. The cash payment will be made to the Participant no later than the thirty-second (32nd) calendar day immediately following the date of occurrence of such Change in Control, less any applicable federal, state and local withholding taxes, provided that the Participant served as an Employee or Director immediately before the Change in Control. Contemporaneously with the granting of any

Cash Units hereunder, the Committee may establish other conditions which must be met for payout to occur. These conditions will be set forth in the Award Agreement evidencing the grant of such Cash Units.

## **ARTICLE V**

### **General Provisions**

5.1 No Rights to Award. No Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants. The terms and conditions of Awards need not be the same with respect to each recipient.

5.2 Tax Withholding. Unless other arrangements have been made that are acceptable to the Committee, the Partnership is authorized to withhold from any Award, from any payment due or transfer made under any Award or from any compensation or other amount owing to a Participant the amount of any applicable taxes payable in respect of the grant of an Award or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Committee to satisfy the withholding obligations for the payment of such taxes.

5.3 No Right to Employment or Services. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ or service of the Partnership, continue consulting services or to remain on the Board, as applicable. Furthermore, the Partnership may at any time dismiss a Participant from employment or service free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan, any Award agreement or other agreement.

5.4 Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware without regard to its conflicts of laws principles provided for thereunder.

5.5 Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable law or, if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

5.6 Other Laws. The Committee may refuse to issue or pay out any Cash Units or other consideration under an Award if, in its sole discretion, it determines that the issuance or transfer of such Cash Units or such other consideration might violate any applicable law or regulation, the rules of the principal securities exchange on which the Common Units are then traded, or entitle the Partnership or an Affiliate to recover the same under Section 16(b) of the Exchange Act.

5.7 No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between any member of the Partnership and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from any member of the Partnership pursuant to an Award, such right shall be no greater than the right of any general unsecured creditor of that entity.

5.8 No Fractional Cash Units. No fractional Cash Units shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Cash Units or whether such fractional Cash Units or any rights thereto shall be canceled, terminated, or otherwise eliminated.

5.9 Successors and Assigns. This Plan shall be binding upon, and inure to the benefit of the General Partner, the Partnership and either of its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the General Partner or the Partnership's assets and business. Unless otherwise provided by the Committee: (a) no part of an Award shall be assignable or transferable by the Participant, except by will or the laws of descent and distribution; and (b) during the Participant's life, an Award shall be payable only to Participant, or Participant's guardian or legal representative.

5.10 Section 409A. To the maximum extent permitted under applicable law, payments under the Plan are intended to be exempt from the application of Section 409A on the basis that they qualify as "short term deferrals" under Section 409A and the Committee intends to interpret and apply the Plan in a manner that is consistent with this intention. To the extent that Section 409A does apply to payments under the Plan, (i) it is intended that such payments under the Plan will comply with Section 409A to the maximum extent possible and the Committee intends to interpret and apply the Plan in a manner that is consistent with this intention and (ii) the applicable provisions of Section 409A are hereby incorporated by reference and shall control over any Plan or Award Agreement provision in conflict within and (iii) to the extent that a Participant is a "specified employee" within the meaning of the Section 409A and that Participant receives a benefit under the Plan due to the Participant's termination of employment, no amount that constitutes a deferral of compensation which is payable on account of the Participant's separation from service shall be paid to the Participant before the date (the "Delayed Payment Date") which is first day of the seventh month after the Participant's date of termination or, if earlier, the date of the Participant's death following such date of termination. All such amounts that would, but for this Section 5.10, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date. No interest will be paid with respect to any such delayed payments. For purposes of Section 409A, each payment or amount due under the Plan shall be considered a separate payment. Participants bear exclusive responsibility for any additional taxes they may owe under Section 409A in connection with grants of Awards and payments under the Plan. For purposes of this Plan, references to a termination of employment or service shall have the same meaning as a "separation from service" pursuant to Section 409A.

5.11 Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

5.12 Facility Payment. Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable to manage properly his financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner that the Committee may select, and the General Partner and the Partnership shall be relieved of any further liability for payment of such amounts.

5.13 Gender and Number. Words in the masculine gender shall include the feminine gender, the plural shall include the singular and the singular shall include the plural.

5.14 Term of the Plan. The Plan shall be effective on the date the Plan is adopted by the Board and shall continue until the earliest of (i) the date it is terminated by the Board, or (ii) the tenth (10th) anniversary of the date the Plan is approved as provided above. However, any Award granted prior to such termination, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under such Award, shall extend beyond such termination date.



**Cash Unit Award Granted Under Long-Term Cash Restricted Unit Plan**

Dear #ParticipantName#:

We are extremely pleased to inform you that the Compensation Committee of the Board of Directors of Sunoco GP LLC (the "*General Partner*"), the general partner of Sunoco LP ("*Sunoco*") has granted you an award of cash restricted units (the "*Award*") under the Sunoco LP Long-Term Cash Restricted Unit Plan ("*Cash Plan*"). The Award represents a notional unit that upon vesting entitles you to receive an amount of cash equal to the Fair Market Value (as that term is defined in the Cash Plan) of a Common Unit of Sunoco as of the vesting date. This Award will vest in three installments – one-third on the first December 5<sup>th</sup> after the effective date of this Award, one-third on the second December 5<sup>th</sup> after the effective date of this Award, and the final one-third on the third December 5<sup>th</sup> after the effective date of this Award contingent upon your continued employment or service with Sunoco or its subsidiary or affiliate on each of the vesting dates. This Award is subject to the terms and conditions of the Plan and the attached following Time-Vested Cash Restricted Unit Agreement (the "*Award Agreement*"). By accepting this Award online, you agree to the terms of the Cash Plan and the Award Agreement.

Please note that like any compensation arrangement, Awards under the Cash Plan are to be kept confidential unless required to be disclosed by SEC disclosure regulations.

Thanks for your continuing contribution to our efforts. It is a pleasure for us to be associated with you in building an even greater company.

---

Joseph Kim  
President and Chief Executive Officer of Sunoco  
GP LLC, the general partner of Sunoco LP



**SUNOCO LP  
LONG-TERM CASH RESTRICTED UNIT PLAN**

**Time-Vested Cash Restricted Unit Agreement**

This Cash Restricted Unit Agreement (the “Agreement”) is entered into on the date of acceptance by the Participant and is made by and between Sunoco LP (the “Partnership”) and the accepting Participant. The Partnership, the Company (as defined below) and its and their subsidiaries may collectively referred to as the “**SUN Entities**” and each a “**SUN Entity**.” Except as otherwise expressly provided herein, all capitalized terms used in this Agreement, but not defined, shall have the meanings provided in the Cash Plan.

**Recitals:**

WHEREAS, Sunoco GP LLC (the “General Partner” or “Company”) maintains the Sunoco LP Long-Term Cash Restricted Unit Plan (the “Cash Plan”) which is administered by the Compensation Committee of the Board of Directors of the General Partner (the “Committee”); and

WHEREAS, the Committee has determined to make an Award (as that term is defined below) to the Participant of Cash Units (as defined in the Cash Plan), representing rights to receive an amount of cash equal to the Fair Market Value of a Common Unit of the Partnership as of the vesting date, subject to a risk of forfeiture pursuant to the terms and conditions of the Cash Plan; and

WHEREAS, the Participant has determined to accept such Award;

NOW, THEREFORE, the General Partner and the Participant, each intending to be legally bound hereby, agree as follows:

**ARTICLE I:  
Award of Cash Restricted Units**

**1.1 Award.** Subject to the terms and conditions of the Cash Plan and this Agreement, the Partnership hereby grants the Participant an Award of Cash Units (the “Award”) as specified within the Participant’s Cash Unit account within Fidelity Stock Plan Services, LLC (the Company’s online equity award tracking system at the time of the Award). The details of the Award are as follows:

|                             |                   |
|-----------------------------|-------------------|
| Participant:                | #ParticipantName# |
| Date of Grant:              | #GrantDate#       |
| Total Number of Cash Units: | #QuantityGranted# |

Vesting Schedule:

- 33% on the first December 5<sup>th</sup> following the date of the Award
- 33% on the second December 5<sup>th</sup> following the date of the Award
- 34% on the third December 5<sup>th</sup> following the date of the Award

The Participant will not be entitled to receive any payment of distributions or distribution equivalents, or interest or interest equivalents, on this Award prior to vesting.

**1.2 Effect of Plan; Construction.** The entire text of the Cash Plan is expressly incorporated herein by this reference and so forms a part of this Agreement. In the event of any inconsistency or discrepancy between the provisions of this Agreement and the Cash Plan, the provisions in the Cash Plan shall govern and prevail. This Agreement is subject in all respects to the terms and conditions of the Cash Plan, as the same may have been amended from time to time in accordance with its terms; *provided, however*, that no such amendment shall deprive the Participant, without such Participant's consent, of any rights earned or otherwise due to Participant hereunder. Initially capitalized terms and phrases used in this Agreement but not otherwise defined herein, shall have the respective meanings ascribed to them in the Cash Plan.

**1.3 Vesting/Payments.** This Award is subject to vesting as described in Section 1.1, subject to the Participant's continued employment or service with the Partnership, the General Partner, a Subsidiary or an Affiliate of the Partnership, the General Partner or a Subsidiary (collectively, the "SUN Group"), on each vesting date.

(a) **Settlement of Vested Cash Units.** As soon as practicable after the vesting of a Cash Unit, the Company or the Partnership shall deliver or cause to be delivered to the Participant cash equal to the Fair Market Value of the number of vesting Awards held on the vesting date, less applicable federal, state and local withholding taxes.

(b) **Timing.** Payment of vested Awards (the Cash Units) will be made within seventy-five (75) calendar days after the applicable vesting date of the Award.

**1.4 Change of Control.** Notwithstanding Section 1.3 of this Agreement, in the event of a Change of Control, as that term is defined in the Cash Plan, occurring prior to the date all outstanding

Cash Units granted hereunder have vested in accordance with Section 1.3 above, all then-outstanding unvested Cash Units granted pursuant to this Agreement shall become immediately vested and nonforfeitable and the Company or the Partnership shall deliver the amount of cash equal to the Fair Market Value of the number of the vesting Awards as of the date of such event to the Participant as soon as practicable thereafter, but in no event later than the thirty-second (32nd) calendar day immediately following the date of occurrence of such Change in Control, less any applicable federal, state and local withholding taxes, provided that the Participant remained employed immediately before the Change in Control.

### **1.5 Termination of Employment.**

(a) Death or Permanent Disability. In the event of the death or Disability of a Participant occurs while the Participant is still employed and has Awards outstanding at the time of the Participant's death or Disability, the Participant or the Participant's beneficiary will be paid an amount in cash in full settlement of the Participant's Cash Units outstanding (vested or unvested), less any applicable federal, state and local withholding taxes, as a result of death or the Participant's Disability, no later than seventy-five (75) calendar days following the date of the Participant's death or the date of the determination of the Participant's Disability. The amount payable under this Section 1.5 shall be equal to the Fair Market Value of the number of Cash Units held on the date the Participant became Disabled or died, as applicable.

(b) Qualified Retirement. Participant who have at least five (5) years of service and leaves the Partnership, or one of its affiliates or subsidiaries, voluntarily due to retirement, the Award will be eligible for the accelerated vesting per the following schedule:

- Participants ages 65-68 are eligible for the accelerated vesting of 40% of the remaining unvested Cash Units under the Award at the time of the Participant's retirement.
- Participants over the age of 68 are eligible for the accelerated vesting of 50% of the remaining unvested Cash Units under the Award at the time of the Participant's retirement.

Notwithstanding the foregoing, in order for this Award to be accelerated under the qualified retirement provision hereof, it must be outstanding for at least one year from the date of grant, referenced in section 1.1(b) above.

Any qualified retirement occurring prior to the one-year anniversary of the date of grant will result in the Award hereunder being forfeited with no acceleration.

(c) Termination due other than to Death, Disability or Qualified Retirement. The Award granted hereunder is for the express purpose of retaining the services and engagement of the Participant for the full time of the vesting period. Except as otherwise provided in the Cash Plan or in Section 1.5(a) and (b) of this Agreement, the unvested portion of this Award shall be automatically forfeited for no consideration as a result of the termination of the Participant's employment with the Partnership or one of its affiliates by reason of retirement prior to the end of the vesting period, and Participant shall not have any further rights with respect to any such forfeited Cash Units.

(d) Leaves of Absence. The Committee shall determine whether any leave of absence constitutes a termination of employment within the meaning of the Plan and the impact of such leave of absence on Award(s) made to Participant under the Cash Plan.

## ARTICLE II

### Restrictive Covenants

#### **2.1 Confidentiality and Access to Confidential Information**

(a) Participant's Receipt of and Access to Confidential Information and Protected Relationships. In connection with Participant's Service to the SUN Entities, the Partnership and/or its affiliates have provided and will continue to provide Participant access to, and/or allow Participant the opportunity to develop, confidential information of the SUN Entities, including certain information pertaining to the SUN Entities' past, current, and future: business plans, corporate opportunities, operations, acquisition, merger or sale strategies; production, product development, product names and marks; marketing, costs, pricing, financial performance, business plans, and strategic plans; financial statements and all information relating to financial activities, assets, and liabilities; operation or production procedures or results; trade secrets; partners, partnership or other business arrangements or agreements with third parties; customers including their identities, contact persons, sales volumes, preferences, requirements, history, and contracts; and technical information, including equipment, drawings, blueprints, services and processes, along with any other information relating to the SUN Entities' business that is treated by the Partnership as confidential (all of the foregoing collectively, "**Confidential Information**"). The SUN Entities will also provide Participant access to, and the opportunity to develop, business relationships with the SUN Entities' customers, clients, and partners with whom the SUN Entities have developed goodwill and to which Participant

would not otherwise have access (collectively, “**Protected Relationships**”). Participant acknowledges and agrees that even if Participant creates or adds to any Confidential Information or Protected Relationships, Participant is being compensated to do so under Participant’s Service with the SUN Entities and any such information is and will remain the property of the Partnership.

(b) Participant’s Obligations of Non-Use and Non-Disclosure. Participant acknowledges that the business of the Partnership and its affiliates is highly competitive and that the Confidential Information and opportunity to develop Protected Relationships are valuable, special, and unique assets of the Partnership and its affiliates which they use in their business to obtain a competitive advantage over their competitors which do not know or use this information. Participant further acknowledges that protection of the Confidential Information and Protected Relationships against unauthorized disclosure and use is of critical importance to the Partnership and its affiliates in maintaining their competitive position. Accordingly, Participant hereby agrees that Participant will not, at any time during or after Participant’s Service to any of the SUN Entities, make any unauthorized disclosure of any Confidential Information or make any use thereof or of the Protected Relationships, except for the benefit of, and on behalf of, the SUN Entities.

(c) Third-Party Information. Participant acknowledges that, as a result of Participant’s service with the Partnership, Participant has had and will continue to have access to, or knowledge of, confidential business information or trade secrets of third parties, such as customers, clients, vendors, suppliers, partners, joint venturers, and the like, of the SUN Entities. Participant agrees to preserve and protect the confidentiality of such third-party confidential information and trade secrets to the same extent, and on the same basis, as the Confidential Information.

(d) Return of Documents and Electronic Data. All written or electronic or other data or materials, records and other documents made by, or coming into the possession of, Participant during the period of Participant’s Service which contain or disclose the Confidential Information and/or Protected Relationships shall be and remain the property of the SUN Entities. Upon request, and in any event without request upon termination of Participant’s service for any reason, Participant shall promptly deliver the same, and all copies, derivatives and extracts thereof, to the SUN Entities.

(e) Restriction Limitations. Notwithstanding the foregoing or anything herein to the contrary, Participant acknowledges and agrees that (i) nothing contained in this Agreement will prohibit Participant from filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation; (ii) nothing in this Agreement is intended to or will prevent Participant from communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to, any federal, state or local government regulator (including, but not limited to, the U.S.

Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice) for the purpose of reporting or investigating a suspected violation of law, or from providing such information to Participant's attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding; and (iii) pursuant to 18 USC Section 1833(b), Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

## **2.2 Non-Solicit/Non-Hire**

(a) Consideration for Restrictive Covenants. The restrictive covenants contained in this Article II are supported by consideration to Participant from the Partnership as specified in this Agreement, including, but not limited to, the consideration provided in Article I and Section 2.1. Participant agrees that the restrictive covenants contained in this Section 2.2 are in exchange for the consideration specified herein, as a material incentive for the Partnership to enter into this Agreement, to help enforce Participant's agreement not to use or disclose Confidential Information and Protected Relationships as set forth in Section 2.1, and to protect the SUN Entities' goodwill which Participant will help develop during Participant's period of service.

(b) Non-Solicitation/Non-Hire of Employees. During the Restrictive Covenant Period (as defined below), Participant shall not, on Participant's own behalf or on behalf of any other person, partnership, entity, association, or corporation, hire, retain or seek to hire or retain any employee of the SUN Entities or in any other manner attempt directly or indirectly to solicit, influence, induce, or encourage any employee of the SUN Entities to leave the employment of the SUN Entities, nor shall Participant use or disclose to any person, partnership, entity, association, or corporation any information concerning the names, addresses, or personal telephone numbers of any employees of the SUN Entities for the purpose of soliciting or hiring such employee for potential employment or services on behalf of any person or entity other than the SUN Entities.

(c) Non-Solicitation of Customers and Business Partners. During the Restrictive Covenant Period, Participant shall not, on Participant's own behalf or on behalf of any other person, partnership, entity, association, or corporation, directly or indirectly:

- (i) influence, induce, solicit or encourage any potential or actual customer, actual vendor, or actual business partner of the SUN Entities to abandon, reduce, or materially change its business relationship with the SUN Entities, or

- (ii) provide products or services related to the Restricted Business (as defined below) to any potential or actual customer or actual business partner of the SUN Entities.

During the post-employment period of the Restrictive Covenant Period, this Section 2.2(c) shall only restrict Participant's activities with respect to (i) actual or potential customers and actual business partners of the SUN Entities with whom Participant had direct contact or business dealings or indirect contact or business dealings (through the supervision of other employees) in the twenty-four (24) months preceding the termination of Participant's employment for any reason, or (ii) actual or potential customers and actual business partners of the SUN Entities about whom Participant learned Confidential Information in the twenty-four (24) months preceding the termination of Participant's Service for any reason.

(d) Definitions.

- (i) **Restricted Business.** The Restricted Business is defined as the products and services provided or proposed to be provided by the SUN Entities during Participant's employment and which Participant (i) was directly involved or indirectly involved through the supervision of other employees; or (ii) about which Participant received Confidential Information.
- (ii) **Restrictive Covenant Period.** The Restrictive Covenant Period is defined as the period of time during Participant's employment with any SUN Entity and continuing for one (1) year after the date Participant is no longer employed by any of the SUN Entities, regardless of the reason for the termination of Participant's employment and regardless of whether Participant's employment was terminated by Participant or the SUN Entities.

(e) Reasonableness of Restrictions; Breach and Reformation. Participant understands and agrees that the restrictions and obligations upon Participant contained in this Agreement are material to the SUN Entities and that this Agreement would not be entered into without these promises from Participant. Participant acknowledges that these restrictions and obligations do not terminate when Participant's employment terminates. Participant understands that the restrictions in Sections 2.1 and 2.2 of this Agreement may limit Participant's ability to engage in a business similar to or competitive with the SUN Entities, but acknowledges that Participant will receive sufficient consideration from the SUN Entities under this Agreement to justify such restrictions. Participant further acknowledges that the foregoing restrictions and obligations do not prevent Participant from earning a living with the skills and experience Participant currently possesses. Participant acknowledges that money damages would not be a sufficient remedy for any breach of this Agreement

by Participant, and, as such, the SUN Entities shall be entitled to enforce their rights under this Agreement by injunctive relief in addition to all remedies available at law or in equity. It is expressly understood and agreed that Partnership and Participant consider the restrictions and obligations upon Participant contained in this Section 2.2 to constitute reasonable restraints as to time, geography, and activities involved, and to be necessary for the purposes of preserving and protecting the goodwill, Confidential Information, Protected Relationships, and other legitimate business interests of the SUN Entities. Nevertheless, if any covenant contained in this Section 2.2 is found by a court of competent jurisdiction to contain limitations as to time, geographic area, or scope of activity that are not reasonable and impose a greater restraint than is necessary to protect the legitimate business interests of the SUN Entities, then the court shall reform the covenant to the extent necessary to cause the limitations contained in the covenant as to time, geographic area, and scope of activity to be restrained to be reasonable and to impose a restraint that is not greater than necessary to protect the legitimate business interests of the SUN Entities. Participant hereby expressly waives, and agrees not to assert, any challenge to any restrictive covenant in this Agreement premised upon insufficiency of consideration, over breadth or unreasonableness, or that any provisions of this Agreement are otherwise void, voidable, or unenforceable or should be voided or held unenforceable.

### **ARTICLE III**

#### **General Provisions**

**3.1 Successors and Assignability.** This Agreement shall be binding upon, and inure to the benefit of, the General Partner, the Partnership and either of its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the General Partner or the Partnership's assets and business. Unless otherwise provided by the Committee: (a) no part of this Award shall be assignable or transferable by the Participant, except by will or the laws of descent and distribution; and (b) during the Participant's life, this Award shall be payable only to Participant, or Participant's guardian or legal representative. In the event of the Participant's death, payment, to the extent permitted by this Agreement and the Cash Plan, may be made in accordance with Section 1.4.

**3.2 No Rights as a Limited Partner.** As any Award under the cash Plan shall settle in cash, neither the Participant nor any other person shall be entitled to any privileges of common unit ownership, (including, without limitation, any voting rights or any right to distributions paid with respect to the common units underlying the Cash Units), or otherwise have any rights as a limited partner, by reason of the Award.

**3.3 Amendment.** This Agreement shall not be amended or modified except by an instrument in writing executed by both parties hereto.



**3.4 Captions.** The captions at the beginning of each of the numbered Sections and Articles herein are for reference purposes only and will have no legal force or effect. Such captions will not be considered a part of this Agreement for purposes of interpreting, construing or applying this Agreement and will not define, limit, extend, explain or describe the scope or extent of this Agreement or any of its terms and conditions.

**3.5 Governing Law.** THE VALIDITY, CONSTRUCTION, INTERPRETATION AND EFFECT OF THIS INSTRUMENT SHALL BE GOVERNED EXCLUSIVELY BY, AND DETERMINED IN ACCORDANCE WITH, THE LAW OF THE STATE OF DELAWARE (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF), EXCEPT TO THE EXTENT PRE-EMPTED BY FEDERAL LAW, WHICH SHALL GOVERN.

**3.6 Notices.** Communications shall be addressed and directed to the parties, as follows, or to such other address or recipient for a party as may be hereafter notified by such party hereunder:

(a) if to the Partnership:

Sunoco LP  
8111 Westchester Drive, Suite 600  
Dallas, TX 75225  
Attn: Senior Vice President – Human Resources

Notices to the Partnership shall be deemed to have been duly given or made upon actual receipt by the Partnership.

(b) if to the Participant: to the address for Participant as it appears on the General Partner's records.

**3.7 Severability.** If any provision of this Agreement or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable law or, if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Cash Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Cash Plan and any such Award shall remain in full force and effect.

### **3.8 Code Section 409A**

(a) General. This Agreement is intended to comply with the provisions of Section 409A of the Code (“**Section 409A**”) and this Agreement and the Cash Plan shall, to the extent practicable, be construed in accordance therewith. Terms defined in this Agreement and the Cash Plan (including, but not limited to, the definition of Disability and Change in Control) shall have the meanings given such terms under Section 409A if and to the extent required to comply with Section 409A.

(b) Delayed Payment Rule. If and to the extent any portion of any payment provided to the Participant under this Agreement in connection with the Participant’s “separation from service” (as defined in Section 409A) is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A and the Participant is a “specified employee” (as defined in Section 409A(a)(2)(B)(i)), as determined by the Company and the Partnership in accordance with the procedures separately adopted by the Company and the Partnership for this purpose, by which determination the Participant, as a condition to accepting benefits under this Agreement and the Plan, agrees to be bound, such portion of the Cash Units to be delivered on a vesting date shall not be delivered before the earlier of (i) the day that is six months plus one day after the date of separation from service (as determined under Section 409A) or (ii) the tenth (10th) day after the date of the Participant’s death (as applicable, the “**New Payment Date**”). Any amount that is otherwise payable within the six (6) month period described in the preceding sentence, will be aggregated and paid in a lump sum without interest.

(c) Separate Payments, No Acceleration. For purposes of Section 409A, each payment or settlement of any portion of the Cash Units under this Agreement shall be treated as a separate payment of compensation. None of the Company, the Partnership nor the Participant shall have the right to accelerate or defer the delivery of any such Cash Units except to the extent specifically permitted or required by Section 409A.

(d) No Representation. The Company and the Partnership make no representations or warranty and shall have no liability to the Participant or any other person if any provisions of or payments under this Agreement are determined to constitute deferred compensation subject to Section 409A but not to satisfy the conditions of that section.

**3.9 Entire Agreement.** This Agreement constitutes the entire understanding and supersedes any and all other agreements, oral or written, between the parties hereto, in respect of the subject matter of this Agreement and embodies the entire understanding of the parties with respect to the subject matter hereof.

**BY ACCEPTING THIS AGREEMENT ONLINE YOU AGREE TO THE TERMS OF  
THE AWARD AS SPECIFIED HEREIN.**

## SUNOCO LP INSIDER TRADING POLICY

### *Introduction*

Under the securities laws, “Insiders” are prohibited from purchasing or selling common units representing limited partner interests in Sunoco LP (the “**Partnership**”) and debt securities issued by the Partnership (the “**Securities**”) while in the possession of material nonpublic or “Insider” information. Insiders are also prohibited from discussing any such information with persons not authorized to receive it. THESE RULES APPLY TO EVERYONE – YOU ARE NOT PROTECTED FROM LIABILITY BECAUSE YOU ARE NOT A MEMBER OF MANAGEMENT. ANY EMPLOYEE<sup>1</sup>, OFFICER OR DIRECTOR WILL BE CONSIDERED TO BE AN “INSIDER” UNDER THE SECURITIES LAWS FOR AS LONG AS HE OR SHE HAS KNOWLEDGE OF MATERIAL NONPUBLIC INFORMATION.

“**Material**” information includes any information that would influence a reasonable investor to buy, sell or hold the Partnership’s Securities. Although what is “material” will depend on the facts of each event, common examples of information frequently regarded as material are: quarterly and annual earnings or losses; volumes; proposed acquisitions, mergers or divestitures; the execution or loss of contracts with customers or suppliers that could be considered to be significant to the Partnership’s operations; news of major new products or services; information about a major joint venture, acquisition or business opportunity; and news of significant changes in management. Both positive and adverse information can be material. The broadest interpretation should be given to what is “material.” Hindsight makes a relatively insignificant happening appear significant if it becomes the first step toward a substantial financial event. It is also very difficult for an officer, director or other manager to prove that he or she did not know about a development known to other officers or directors or to subordinates.

The Insider Trading and Securities Fraud Enforcement Act of 1988 contains strict civil and criminal penalties for violating the insider trading rules. Among other things, civil penalties assessed against the Partnership could include the payment of a fine equal to the *greater of \$1 million* or three times any profit earned or loss avoided. In addition, civil penalties of up to three times the profit gained or loss avoided can be assessed against the person who committed the violation. Criminal penalties can include both higher fines and even imprisonment. Penalties can be applied to persons who have traded on material nonpublic information, persons who have shared such information with others, the recipients of such information, and the Partnership.

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<sup>1</sup> For purposes of this Policy, an “employee” means: (i) any person who is employed by Sunoco GP LLC or any of its wholly-owned subsidiaries and (ii) any person who is employed by LE GP, LLC, Energy Transfer LP or any of their wholly-owned subsidiaries and who provides shared-services to Sunoco LP.

“**Nonpublic**” material information is material information that has not received adequate public disclosure. Adequate public disclosure requires that the information must be widely disclosed or widely available to nearly anyone, such as distribution to the wire services, through a press release, or available on the Partnership’s website, and that a sufficient period of time have elapsed from the time of such disclosure for the information to be effectively disseminated to the public or to the Partnership’s unitholders. Again, there are no firm rules regarding what is adequate public disclosure, and it will be dependent upon the facts of the event.

Until material information has been publicly disseminated, any employee with knowledge of it must stay out of the markets for Securities and for the securities of any other company for which the information may be material. Examples include co-venturers, subcontractors, suppliers and customers.

Equally important to the restrictions on employees, officers and directors, is that the restrictions also apply to persons who may have a relationship with the employee, officer or director. An employee, officer or director who has insider information must not permit any member of his or her immediate family, anyone acting on their behalf, or anyone to whom such insider has disclosed the information, to take any action in the market for securities that may be affected by the information. This restriction from acting on such information is equally applicable to purchases and to sales.

It is also vital that employees, officers and directors not pass insider information on to others. The Partnership and the employee, officer or director could be subject to serious civil and criminal penalties when information is leaked out to a few investors who act upon it before the news has been publicly disseminated.

In summary, the rules against “insider trading” are applicable to all employees, officers and directors of the Partnership who receive or possess material nonpublic information. *Legal constraints and the Partnership’s policy require that employees not disclose, to any outside source, any confidential information they may receive in the course of their duties. Moreover, such individuals are expressly prohibited from taking advantage of such information, either directly or indirectly.* Officers, directors and other supervisory personnel should take steps to limit the disclosure of confidential and material information to only those employees with a “need to know,” and when disclosure is necessary, all recipients should be counseled to comply with the laws and the Partnership’s policies described in this statement. ***In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with the individual and any action by any employee or officer of the Partnership pursuant to this policy does not in any way constitute legal advice or insulate you from liability under applicable securities laws.***

If you have any questions regarding either the law or any of the following rules, please contact the Partnership’s General Counsel.

## Rules

- (1) All nonpublic information concerning Sunoco LP and its affiliated companies (collectively, the “**Partnership**”) and its affairs, is and remains the property of the Partnership.
- (2) An employee coming into possession of such information acquires no interest or rights in the information, and merely holds it as an incident to his or her employment.
- (3) Officers and employees in possession of material nonpublic information hold the information as trustees for the benefit of the Partnership and its unitholders and are under fiduciary responsibilities to the Partnership and its unitholders.
- (4) It is unlawful, both civilly and criminally, and against Partnership policy, for any officer or employee to buy or sell the Partnership’s Securities, or options, puts and calls and any other security that relates to, or derives its value by reference to, the Partnership’s Securities, while in the possession of material nonpublic information; provided, however, that purchases and sales pursuant to any approved Rule 10b5-1 Plan may be permissible (see below).
- (5) Any officer or employee in possession of material nonpublic information thus must refrain absolutely from any trading in the Partnership’s Securities, until such time as the information has been publicly disseminated and the public has had sufficient time to absorb such information (typically two (2) business days).
- (6) Persons who are designated as “Insiders” are subject to the additional restriction that they may only trade in the Partnership’s Securities (i) during specified “trading windows” as described below or (ii) as otherwise approved by the Partnership’s General Counsel. The Partnership’s Chief Financial Officer, the General Counsel or the Associate General Counsel will advise “Insiders” via email notification of the opening and closing of quarterly trading windows when trading in the Partnership’s Securities is permitted (assuming that the party wishing to trade Securities does not possess material nonpublic information). These windows of trading opportunity will typically begin, or “open”, on the third (3rd) business day after the release to the public of the Partnership’s quarterly earnings data, and close fourteen (14) calendar days prior to the end of the next fiscal quarter. By way of example, if the Partnership releases earnings for the second quarter of a fiscal year on August 11th, the ensuing trading window for Insiders will open on August 14th (or the next business day thereafter if August 14th falls on a weekend or bank holiday) and close again on September 17th. Utilization of the trading window will not exempt any Insider from liability for misuse of material inside information or the disgorgement of any profits in violation of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (matching of purchases and sales within six (6) months of each other). For purposes of this paragraph 6 only, the term “Insider” means the officers and directors of the Partnership who are required to make filings under Section 16 of the Exchange Act, and

other employees who may be designated by the Partnership's Legal Department or Board of Directors from time to time and who are notified in writing of such designation. Section 16 officers and directors should promptly report any such trade to the Partnership's Section 16 filing coordinator.

- (7) Designated “**Insiders**” may come in contact with material nonpublic information on a continuing and frequent basis and, as such, all purchases and sales of Partnership Securities by “**Insiders**” – even if the proposed transaction is within an “open” trading window as described above – must be pre-cleared by the Partnership's General Counsel or his designee, prior to executing the proposed transaction, except for purchases and sales pursuant to any approved Rule 10b5-1 Plan (see below).
- (8) It is a violation of Partnership policy, and potentially civilly or criminally unlawful, for an employee, officer or director to disclose, even inadvertently, to persons outside of the Partnership any material nonpublic information, other than in the course of the performance of their duties.
- (9) Material nonpublic information is defined as any information concerning the Partnership, not yet public knowledge, but which, if publicly known, could reasonably be expected to affect the price of the Partnership's Securities, or is likely to be considered important by a reasonable investor.
- (10) Anyone who violates this policy, by either trading on insider information or passing on such information to others, will be subject to disciplinary action, up to and including immediate discharge.

### ***Rule 10b5-1 Plans***

Rule 10b5-1 under the Exchange Act provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this policy must enter into a rule 10b5-1 plan for transactions in the Partnership's Securities that meets certain conditions specified in the rule (“*Rule 10b5-1 Plan*”). If the plan meets the requirements of Rule 10b5-1, Partnership Securities may be purchased or sold without regard to the insider trading restrictions contained in this policy. To comply with the policy, a Rule 10b5-1 Plan must be approved by Partnership's General Counsel and meet the requirements of Rule 10b5-1. In general, the rule provides that a Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of material nonpublic information. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of the transactions in advance or delegate discretion on these matters to an independent third party.

Any Rule 10b5-1 Plan must be submitted for approval five (5) days prior to the entry into the Rule 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule

10b5-1 Plan will be required. Transactions pursuant to Rule 10b5-1 Plans are reportable transactions for persons designated as Section 16 officers and directors. Rule 10b5-1 Plans require a cooling off period for directors and officers and will not become effective until the later of (i) 90 days after the adoption or modification of the trading plan or (ii) two business days following the filing of the Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted or modified. In any event, the required cooling-off period is not to exceed 120 days following the adoption or modification of the plan. With respect to persons other than issuers, directors or officers, the applicable cooling-off period is 30 days after the adoption or modification of the trading plan.

Persons entering into a plan will generally be prohibited from having more than one Rule 10b5-1 trading plan for open market purchases or sales of the Partnership's securities. This prohibition does not apply to any Partnership distribution reinvestment plan (DRIP) or to any plans authorizing an agent to sell securities to cover tax withholding obligations arising from the vesting of any compensatory awards, such as on the vesting of Partnership restricted units, provided that the award holder is not permitted to exercise control over the timing of such sales.

Effective: February 27, 2023



### **List of Subsidiaries**

1. Aloha Petroleum LLC, a Delaware limited liability company
2. Aloha Petroleum, Ltd., a Hawaii corporation
3. Cal's Convenience, Inc., a Texas corporation
4. Eco-Products Manufacturing of Puerto Rico Inc., a Puerto Rico corporation
5. ET-S Permian Holdings Company LP, a Texas limited partnership \*
6. ET-S Permian Marketing Company LLC, a Texas limited liability company
7. ET-S Permian Pipeline Company LLC, a Texas limited liability company
8. ET-S Permian Terminals Company LLC, a Texas limited liability company
9. Fathom Global Energy FT LLC, a Delaware limited liability company
10. J.C. Nolan Pipeline Co., LLC, a Delaware limited liability company \*\*
11. J.C. Nolan Terminal Co., LLC, a Delaware limited liability company \*\*\*
12. LegacyStar Services, LLC, a Delaware limited liability company
13. NuStar Energy L.P., a Delaware limited partnership
14. NuStar Finance LLC, a Delaware limited liability company
15. NuStar GP Holdings, LLC, a Delaware limited liability company
16. NuStar GP, Inc., a Delaware corporation
17. NuStar GP, LLC, a Delaware limited liability company
18. NuStar Services Company LLC, a Delaware limited liability company
19. NuStar Internacional, S. de R.L. de C.V., a Mexico S. De R.L. de C.V.
20. NuStar Logistics, L.P., a Delaware limited partnership
21. NuStar Permian Holdings, LLC, a Delaware limited liability company
22. NuStar Pipeline Company, LLC, a Delaware limited liability company
23. NuStar Pipeline Operating Partnership L.P., a Delaware limited partnership
24. NuStar Pipeline Partners L.P., a Delaware limited partnership
25. NuStar Supply & Trading LLC, a Delaware limited liability company
26. NuStar Terminals Operations Partnership L.P., a Delaware limited partnership
27. NuStar Terminals Services, Inc., a Delaware corporation
28. Cööperatie NuStar Holdings U.A., a Netherlands co-operative association
29. Peerless Oil & Chemicals, Inc., a Delaware corporation
30. Peerless Oil Company (Puerto Rico), Inc., a Puerto Rican corporation
31. Petro Taino Transport Corp., a Puerto Rican corporation
32. POC USVI LLC, a United States Virgin Islands limited liability company
33. Portland Terminals, LLC, a Delaware limited liability company
34. Riverwalk Logistics, L.P., a Delaware limited partnership
35. Shore Terminals LLC, a Delaware limited liability company
36. Star Creek Ranch, LLC, a Delaware limited liability company
37. Sun LP Pipeline LLC, a Delaware limited liability company
38. Sun LP Terminals LLC, a Delaware limited liability company
39. Sun Lubricants and Specialty Products Inc., a Quebec corporation
40. Sun Pipeline Holdings LLC, a Texas limited liability company
41. Sunmarks, LLC, a Delaware limited liability company
42. Sunoco Amsterdam Terminal B.V., a Netherlands private limited company
43. Sunoco Bantry Bay Terminal Limited, an Ireland limited company
44. Sunoco European Holdings Limited, an Ireland limited company
45. Sunoco Finance Corp., a Delaware corporation
46. Sunoco Global LLC, a Delaware limited liability company
47. Sunoco Ireland Limited, an Ireland limited company
48. Sunoco Marine Ltd., a Delaware corporation

- 49. Sunoco Midstream LLC, a Delaware limited liability company
- 50. Sunoco Netherlands Amsterdam B.V., a Netherlands private limited company
- 51. Sunoco Netherlands Ireland Holdings B.V., a Netherlands private limited company
- 52. Sunoco NLR LLC, a Delaware limited liability company
- 53. Sunoco Overseas, Inc., a Delaware corporation
- 54. Sunoco Refined Products LLC, a Delaware limited liability company
- 55. Sunoco Retail LLC, a Pennsylvania limited liability company
- 56. Sunoco, LLC, a Delaware limited liability company
- 57. Town & Country Food Stores, Inc., a Texas corporation

- \* Sunoco LP holds a 32.5% limited partnership interest in ET-S Permian Holdings Company LP
- \*\* J.C. Nolan Pipeline Co., LLC is held 50% by Sun LP Pipeline LLC and ET CC Holdings LLC
- \*\*\* J.C. Nolan Terminal Co., LLC is held 50% by Sun LP Terminals LLC and Energy Transfer Marketing & Terminals L.P.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We have issued our reports dated February 14, 2025, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Sunoco LP on Form 10-K for the year ended December 31, 2024. We consent to the incorporation by reference of said reports in the Registration Statements of Sunoco LP on Form S-3 (File No. 333-282818) and on Forms S-8 (File No. 333-228708 and File No. 333-184035).

/s/ GRANT THORNTON LLP

Dallas, Texas

February 14, 2025

CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph Kim, certify that:

1. I have reviewed this annual report on Form 10-K of Sunoco LP (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2025

/s/ Joseph Kim

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Joseph Kim

President and Chief Executive Officer of Sunoco  
GP LLC, the general partner of Sunoco LP

CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dylan Bramhall, certify that:

1. I have reviewed this annual report on Form 10-K of Sunoco LP (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2025

/s/ Dylan Bramhall

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Dylan Bramhall

Chief Financial Officer of Sunoco GP LLC, the  
general partner of Sunoco LP

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Sunoco LP (the “Partnership”) on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Joseph Kim, as President and Chief Executive Officer of Sunoco GP LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: February 14, 2025

/s/ Joseph Kim

Joseph Kim

President and Chief Executive Officer of Sunoco  
GP LLC, the general partner of Sunoco LP

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Partnership for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.



CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Sunoco LP (the “Partnership”) on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Dylan Bramhall, as Chief Financial Officer of Sunoco GP LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: February 14, 2025

/s/ Dylan Bramhall

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Dylan Bramhall

Chief Financial Officer of Sunoco GP LLC, the  
general partner of Sunoco LP

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Partnership for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

## **Sunoco 2025 Q1 Report**

[See attached]

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SUNOCO LP**

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Quarterly Period Ended: March 31, 2025

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
Commission File Number: 001-35653

**SUNOCO LP**

(Exact name of registrant as specified in its charter)

**Delaware**

**30-0740483**

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

**8111 Westchester Drive, Suite 400, Dallas, Texas 75225**

(Address of principal executive offices, including zip code)

**(214) 981-0700**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>                          | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|-----------------------------------------------------|--------------------------|--------------------------------------------------|
| Common Units Representing Limited Partner Interests | SUN                      | New York Stock Exchange                          |

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

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

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

Large accelerated filer ☒

Non-accelerated filer ☐

Accelerated filer ☐

Smaller reporting company ☐

Emerging Growth company ☐

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

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

The registrant had 136,332,192 common units and 16,410,780 Class C units, both representing limited partner interests outstanding as of May 2, 2025.

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**Definitions**

References to the “Partnership,” “we,” “us” and “our” refer to Sunoco LP and its consolidated subsidiaries. In addition, the following is a list of certain acronyms and terms used throughout this document:

|                  |                                                                                                                                                                                                                                                     |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AOCI             | accumulated other comprehensive income (loss)                                                                                                                                                                                                       |
| Credit Facility  | Sunoco LP's \$1.50 billion revolving credit facility, which matures in May 2029                                                                                                                                                                     |
| Energy Transfer  | Energy Transfer LP                                                                                                                                                                                                                                  |
| ET-S Permian     | ET-S Permian Holdings Company LP, a joint venture between Sunoco LP and Energy Transfer, which owns crude oil and water gathering pipelines and storage assets in the Permian Basin                                                                 |
| Exchange Act     | Securities Exchange Act of 1934, as amended                                                                                                                                                                                                         |
| GAAP             | accounting principles generally accepted in the United States of America                                                                                                                                                                            |
| General Partner  | Sunoco GP LLC, the general partner of Sunoco LP                                                                                                                                                                                                     |
| IDRs             | incentive distribution rights                                                                                                                                                                                                                       |
| J.C. Nolan       | collectively, J.C. Nolan Terminal Co., LLC and J.C. Nolan Pipeline Co., LLC, both of which are joint ventures between Sunoco LP and Energy Transfer, which own a diesel fuel storage terminal in Midland, Texas and a 500-mile diesel fuel pipeline |
| LIFO             | last-in, first-out                                                                                                                                                                                                                                  |
| NuStar           | NuStar Energy L.P.                                                                                                                                                                                                                                  |
| NuStar Logistics | NuStar Logistics L.P., a wholly owned subsidiary acquired in the acquisition of NuStar                                                                                                                                                              |
| SEC              | Securities and Exchange Commission                                                                                                                                                                                                                  |

**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements**

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

**SUNOCO LP**  
**CONSOLIDATED BALANCE SHEETS**

(Dollars in millions)  
(unaudited)

|                                                                                                                                                         | March 31,<br>2025 | December 31,<br>2024 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|
| <b>ASSETS</b>                                                                                                                                           |                   |                      |
| Current assets:                                                                                                                                         |                   |                      |
| Cash and cash equivalents                                                                                                                               | \$ 172            | \$ 94                |
| Accounts receivable, net                                                                                                                                | 1,031             | 1,162                |
| Inventories, net                                                                                                                                        | 1,111             | 1,068                |
| Other current assets                                                                                                                                    | 199               | 141                  |
| Total current assets                                                                                                                                    | 2,513             | 2,465                |
| Property and equipment                                                                                                                                  | 8,995             | 8,914                |
| Accumulated depreciation                                                                                                                                | (1,389)           | (1,240)              |
| Property and equipment, net                                                                                                                             | 7,606             | 7,674                |
| Other assets:                                                                                                                                           |                   |                      |
| Operating lease right-of-use assets, net                                                                                                                | 495               | 477                  |
| Goodwill                                                                                                                                                | 1,477             | 1,477                |
| Intangible assets, net                                                                                                                                  | 540               | 547                  |
| Other non-current assets                                                                                                                                | 435               | 400                  |
| Investments in unconsolidated affiliates                                                                                                                | 1,276             | 1,335                |
| Total assets                                                                                                                                            | <u>\$ 14,342</u>  | <u>\$ 14,375</u>     |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                           |                   |                      |
| Current liabilities:                                                                                                                                    |                   |                      |
| Accounts payable                                                                                                                                        | \$ 1,004          | \$ 1,255             |
| Accounts payable to affiliates                                                                                                                          | 128               | 199                  |
| Accrued expenses and other current liabilities                                                                                                          | 460               | 457                  |
| Operating lease current liabilities                                                                                                                     | 31                | 34                   |
| Current maturities of long-term debt                                                                                                                    | 2                 | 2                    |
| Total current liabilities                                                                                                                               | 1,625             | 1,947                |
| Operating lease non-current liabilities                                                                                                                 | 500               | 479                  |
| Long-term debt, net                                                                                                                                     | 7,671             | 7,484                |
| Advances from affiliates                                                                                                                                | 77                | 82                   |
| Deferred tax liabilities                                                                                                                                | 161               | 157                  |
| Other non-current liabilities                                                                                                                           | 152               | 158                  |
| Total liabilities                                                                                                                                       | 10,186            | 10,307               |
| Commitments and contingencies (Note 12)                                                                                                                 |                   |                      |
| Equity:                                                                                                                                                 |                   |                      |
| Limited partners:                                                                                                                                       |                   |                      |
| Common unitholders (136,327,654 units issued and outstanding as of March 31, 2025 and 136,228,535 units issued and outstanding as of December 31, 2024) | 4,159             | 4,066                |
| Class C unitholders - held by subsidiaries (16,410,780 units issued and outstanding as of March 31, 2025 and December 31, 2024)                         | —                 | —                    |
| Accumulated other comprehensive income (loss)                                                                                                           | (3)               | 2                    |
| Total equity                                                                                                                                            | 4,156             | 4,068                |
| Total liabilities and equity                                                                                                                            | <u>\$ 14,342</u>  | <u>\$ 14,375</u>     |

**SUNOCO LP**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in millions, except per unit data)  
(unaudited)

|                                                   | Three Months Ended March 31, |                  |
|---------------------------------------------------|------------------------------|------------------|
|                                                   | 2025                         | 2024             |
| <b>REVENUES:</b>                                  |                              |                  |
| Sales revenue                                     | \$ 4,851                     | \$ 5,398         |
| Service revenue                                   | 299                          | 63               |
| Lease revenue                                     | 29                           | 38               |
| Total revenues                                    | 5,179                        | 5,499            |
| <b>COSTS AND EXPENSES:</b>                        |                              |                  |
| Cost of sales                                     | 4,526                        | 5,015            |
| Operating expenses                                | 143                          | 88               |
| General and administrative                        | 39                           | 36               |
| Lease expense                                     | 16                           | 18               |
| Loss on disposal of assets                        | 3                            | 2                |
| Depreciation, amortization and accretion          | 156                          | 43               |
| Total cost of sales and operating expenses        | 4,883                        | 5,202            |
| <b>OPERATING INCOME</b>                           | <b>296</b>                   | <b>297</b>       |
| <b>OTHER INCOME (EXPENSE):</b>                    |                              |                  |
| Interest expense, net                             | (121)                        | (63)             |
| Equity in earnings of unconsolidated affiliates   | 32                           | 2                |
| Loss on extinguishment of debt                    | (2)                          | —                |
| Other, net                                        | —                            | 1                |
| <b>INCOME BEFORE INCOME TAXES</b>                 | <b>205</b>                   | <b>237</b>       |
| Income tax expense (benefit)                      | (2)                          | 7                |
| <b>NET INCOME</b>                                 | <b>\$ 207</b>                | <b>\$ 230</b>    |
| <b>NET INCOME PER COMMON UNIT:</b>                |                              |                  |
| Basic                                             | \$ 1.22                      | \$ 2.29          |
| Diluted                                           | \$ 1.21                      | \$ 2.26          |
| <b>WEIGHTED AVERAGE COMMON UNITS OUTSTANDING:</b> |                              |                  |
| Basic                                             | 136,267,512                  | 84,424,748       |
| Diluted                                           | 136,936,311                  | 85,259,238       |
| <b>CASH DISTRIBUTION PER COMMON UNIT</b>          | <b>\$ 0.8976</b>             | <b>\$ 0.8756</b> |

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



**SUNOCO LP**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Dollars in millions)  
(unaudited)

|                                         | Three Months Ended March 31, |               |
|-----------------------------------------|------------------------------|---------------|
|                                         | 2025                         | 2024          |
| Net income                              | \$ 207                       | \$ 230        |
| Other comprehensive income, net of tax  |                              |               |
| Foreign currency translation adjustment | 1                            | —             |
| Total other comprehensive income        | 1                            | —             |
| Comprehensive income                    | <u>\$ 208</u>                | <u>\$ 230</u> |

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

**SUNOCO LP**  
**CONSOLIDATED STATEMENTS OF EQUITY**

(Dollars in millions)  
(unaudited)

|                                                                      | Common<br>Unitholders | AOCI          | Total           |
|----------------------------------------------------------------------|-----------------------|---------------|-----------------|
| Balance, December 31, 2024                                           | \$ 4,066              | \$ 2          | \$ 4,068        |
| Cash distributions to unitholders, including incentive distributions | (159)                 | —             | (159)           |
| Non-cash unit-based compensation                                     | 4                     | —             | 4               |
| Other comprehensive income, net of tax                               | —                     | 1             | 1               |
| Units issued in acquisition                                          | 5                     | —             | 5               |
| Other                                                                | 36                    | (6)           | 30              |
| Net income                                                           | 207                   | —             | 207             |
| Balance, March 31, 2025                                              | <u>\$ 4,159</u>       | <u>\$ (3)</u> | <u>\$ 4,156</u> |

|                                                                      | Common<br>Unitholders | AOCI        | Total           |
|----------------------------------------------------------------------|-----------------------|-------------|-----------------|
| Balance, December 31, 2023                                           | \$ 978                | \$ —        | \$ 978          |
| Cash distributions to unitholders, including incentive distributions | (91)                  | —           | (91)            |
| Non-cash unit-based compensation                                     | 4                     | —           | 4               |
| Net income                                                           | 230                   | —           | 230             |
| Balance, March 31, 2024                                              | <u>\$ 1,121</u>       | <u>\$ —</u> | <u>\$ 1,121</u> |

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

**SUNOCO LP**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Dollars in millions)  
(unaudited)

|                                                                               | Three Months Ended March 31, |        |
|-------------------------------------------------------------------------------|------------------------------|--------|
|                                                                               | 2025                         | 2024   |
| <b>OPERATING ACTIVITIES:</b>                                                  |                              |        |
| Net income                                                                    | \$ 207                       | \$ 230 |
| Reconciliation of net income to net cash provided by operating activities:    |                              |        |
| Depreciation, amortization and accretion                                      | 156                          | 43     |
| Amortization of deferred financing fees                                       | 3                            | 9      |
| Loss on disposal of assets                                                    | 3                            | 2      |
| Loss on extinguishment of debt                                                | 2                            | —      |
| Other non-cash, net                                                           | 28                           | —      |
| Non-cash unit-based compensation expense                                      | 4                            | 4      |
| Deferred income tax expense (benefit)                                         | (7)                          | 4      |
| Inventory valuation adjustments                                               | (61)                         | (130)  |
| Equity in earnings of unconsolidated affiliates                               | (32)                         | (2)    |
| Distributions from unconsolidated affiliates                                  | 85                           | —      |
| Changes in operating assets and liabilities, net of acquisitions:             |                              |        |
| Accounts receivable, net                                                      | 131                          | (55)   |
| Accounts receivable from affiliates                                           | —                            | (6)    |
| Inventories, net                                                              | 18                           | 53     |
| Other assets                                                                  | (80)                         | (6)    |
| Accounts payable                                                              | (251)                        | 201    |
| Accounts payable to affiliates                                                | (74)                         | —      |
| Accrued expenses and other current liabilities                                | 3                            | (57)   |
| Other non-current liabilities                                                 | 21                           | (4)    |
| Net cash provided by operating activities                                     | 156                          | 286    |
| <b>INVESTING ACTIVITIES:</b>                                                  |                              |        |
| Capital expenditures                                                          | (101)                        | (41)   |
| Cash paid for acquisitions                                                    | (12)                         | (185)  |
| Contributions to unconsolidated affiliates                                    | (24)                         | —      |
| Distributions from unconsolidated affiliates in excess of cumulative earnings | 33                           | 1      |
| Proceeds from disposal of property and equipment                              | 3                            | 2      |
| Net cash used in investing activities                                         | (101)                        | (223)  |
| <b>FINANCING ACTIVITIES:</b>                                                  |                              |        |
| Senior notes borrowings                                                       | 1,000                        | —      |
| Senior notes repayments                                                       | (603)                        | —      |
| Credit Facility borrowings                                                    | 1,093                        | 889    |
| Credit Facility repayments                                                    | (1,296)                      | (675)  |
| Loan origination costs                                                        | (12)                         | —      |
| Cash distributions to unitholders, including incentive distributions          | (159)                        | (91)   |
| Net cash provided by financing activities                                     | 23                           | 123    |
| Net increase in cash and cash equivalents                                     | 78                           | 186    |
| Cash and cash equivalents, beginning of period                                | 94                           | 29     |
| Cash and cash equivalents, end of period                                      | \$ 172                       | \$ 215 |
| <b>Non-cash investing and financing activities:</b>                           |                              |        |
| Units issued in connection with acquisitions                                  | \$ 5                         | \$ —   |
| Lease assets obtained in exchange for new lease liabilities                   | 29                           | 1      |
| Change in note payable to affiliate                                           | 1                            | —      |

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

**SUNOCO LP**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular dollar amounts, except per unit data, are in millions)  
(unaudited)

**1. Organization and Principles of Consolidation**

As used in this document, the terms “Partnership,” “we,” “us” or “our” should be understood to refer to Sunoco LP and its consolidated subsidiaries, unless the context clearly indicates otherwise.

We are a Delaware master limited partnership. We are managed by our General Partner, which is owned by Energy Transfer. As of March 31, 2025, Energy Transfer owned 100% of the limited liability company interests in our General Partner, 28,463,967 of our common units and all of our IDRs.

The consolidated financial statements include Sunoco LP, a publicly traded Delaware limited partnership, and its wholly owned subsidiaries. In the opinion of the Partnership’s management, such financial information reflects all adjustments necessary for a fair presentation of the financial position and the results of operations for such interim periods in accordance with GAAP. All significant intercompany accounts and transactions have been eliminated in consolidation.

The operations of certain pipelines and terminals in which we own an undivided interest are proportionately consolidated in the accompanying consolidated financial statements.

**2. Summary of Significant Accounting Policies**

**Interim Financial Statements**

The accompanying interim consolidated financial statements have been prepared in accordance with GAAP. Pursuant to Regulation S-X, certain information and disclosures normally included in the annual consolidated financial statements have been condensed or omitted. The interim consolidated financial statements and notes included herein should be read in conjunction with the consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on February 14, 2025.

**Significant Accounting Policies**

As of March 31, 2025, there have been no changes in the Partnership's significant accounting policies from those described in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on February 14, 2025.

***Motor Fuel and Sales Taxes***

Certain motor fuel and sales taxes are collected from customers and remitted to governmental agencies either directly by the Partnership or through suppliers. The Partnership’s accounting policy for wholesale direct sales to dealers, distributors and commercial customers is to exclude the collected motor fuel tax from sales and cost of sales.

For retail locations where the Partnership holds inventory, including commission agent locations, motor fuel sales and motor fuel cost of sales include motor fuel taxes. Such amounts were \$29 million and \$59 million for the three months ended March 31, 2025 and 2024, respectively. Merchandise sales and cost of merchandise sales are reported net of sales tax in our consolidated statements of operations.

**3. Acquisitions**

***Parkland Acquisition***

On May 5, 2025, Sunoco and Parkland Corporation (“Parkland”) announced that the parties have entered into a definitive agreement whereby Sunoco plans to acquire all outstanding shares of Parkland in a cash and equity transaction valued at approximately \$9.1 billion, including assumed debt.

As part of the transaction, Sunoco intends to form a new publicly-traded Delaware limited liability company named SUNCorp, LLC (“SUNCorp”). SUNCorp is expected to hold limited partnership units of Sunoco that are economically equivalent to Sunoco’s publicly-traded common units on the basis of one Sunoco common unit for each outstanding SUNCorp unit. For a period of two

years following closing of the transaction, Sunoco would ensure that SUNCorp unitholders receive the same dividend equivalent as the distribution to Sunoco unitholders.

Under the terms of the agreement, Parkland shareholders would receive 0.295 SUNCorp units and C\$19.80 for each Parkland share, implying a 25% premium based on the 7-day volume weighted average prices of both Parkland and Sunoco as of May 2, 2025. Parkland shareholders could elect, in the alternative, to receive C\$44.00 per Parkland share in cash or 0.536 SUNCorp units for each Parkland share, subject to proration to ensure that the aggregate consideration payable in connection with the transaction does not exceed C\$19.80 in cash per Parkland share outstanding as of immediately before close and 0.295 SUNCorp units per Parkland share outstanding as of immediately before close.

Sunoco has secured a \$2.65 billion 364-day bridge term loan for the proposed cash consideration.

The transaction is currently expected to close in the second half of 2025 upon the satisfaction of closing conditions, including approval by Parkland's shareholders and customary regulatory and stock exchange listing approvals.

### ***TanQuid Acquisition***

In March 2025, the Partnership entered into an agreement to acquire TanQuid GmbH & Co. KG ("TanQuid") for approximately €500 million (approximately \$540 million as of March 31, 2025), including approximately €300 million of assumed debt. TanQuid owns and operates 15 fuel terminals in Germany and one fuel terminal in Poland. The transaction is expected to close in the second half of 2025, subject to customary closing conditions, and will be funded using cash on hand and amounts available under the Partnership's Credit Facility.

### ***Other Acquisitions***

In the first quarter of 2025, we acquired fuel equipment, motor fuel inventory and supply agreements in two separate transactions for total consideration of approximately \$17 million. Aggregate consideration included \$12 million in cash and 91,776 newly issued Sunoco LP common units, which had an aggregate acquisition-date fair value of approximately \$5 million. These transactions were accounted for as asset acquisitions, and the purchase price was primarily allocated to property and equipment and other non-current assets.

## **4. Accounts Receivable, net**

Accounts receivable, net, consisted of the following:

|                                      | March 31,<br>2025 | December 31,<br>2024 |
|--------------------------------------|-------------------|----------------------|
| Accounts receivable, trade           | \$ 909            | \$ 1,058             |
| Credit card receivables              | 59                | 28                   |
| Other receivables                    | 66                | 78                   |
| Allowance for expected credit losses | (3)               | (2)                  |
| Accounts receivable, net             | <u>\$ 1,031</u>   | <u>\$ 1,162</u>      |

## **5. Inventories, net**

Fuel inventories are stated at the lower of cost or market using the LIFO method. As of March 31, 2025 and December 31, 2024, the Partnership's fuel inventory balance included lower of cost or market reserves of \$255 million and \$316 million, respectively. For the three months ended March 31, 2025 and 2024, the Partnership's consolidated statements of operations did not include any material amounts of income from the liquidation of LIFO fuel inventory. For the three months ended March 31, 2025 and 2024, the Partnership's cost of sales included favorable inventory valuation adjustments of \$61 million and \$130 million, respectively, which increased net income.

Inventories, net, consisted of the following:

|                  | March 31,<br>2025 | December 31,<br>2024 |
|------------------|-------------------|----------------------|
| Fuel             | \$ 1,097          | \$ 1,054             |
| Other            | 14                | 14                   |
| Inventories, net | <u>\$ 1,111</u>   | <u>\$ 1,068</u>      |

## 6. Investments in Unconsolidated Affiliates

Our investment in J.C. Nolan was \$123 million as of March 31, 2025 and December 31, 2024. We recorded equity in earnings from J.C. Nolan of \$2 million for the three months ended March 31, 2025 and 2024.

Our investment in ET-S Permian was \$1.15 billion and \$1.21 billion as of March 31, 2025 and December 31, 2024, respectively. We recorded equity in earnings from ET-S Permian of \$30 million for the three months ended March 31, 2025. ET-S Permian was formed in July 2024; therefore, our consolidated financial statements for the three months ended March 31, 2024 did not reflect any equity in earnings from this joint venture.

As of March 31, 2025, ET-S Permian had current assets of \$130 million, non-current assets of \$3.65 billion, current liabilities of \$200 million and non-current liabilities of \$28 million. As of December 31, 2024, ET-S Permian had current assets of \$273 million, non-current assets of \$3.61 billion, current liabilities of \$106 million and non-current liabilities of \$50 million. For the three months ended March 31, 2025, ET-S Permian recognized revenues of \$3.46 billion, of which approximately \$3.35 billion related to transactions with affiliates, operating income of \$92 million and net income of \$92 million.

## 7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

|                                                  | March 31,<br>2025 | December 31,<br>2024 |
|--------------------------------------------------|-------------------|----------------------|
| Wage and other employee-related accrued expenses | \$ 32             | \$ 64                |
| Accrued tax expense                              | 147               | 152                  |
| Accrued insurance expense                        | 32                | 39                   |
| Accrued interest expense                         | 143               | 82                   |
| Dealer deposits                                  | 24                | 24                   |
| Accrued environmental expense                    | 9                 | 7                    |
| Contract liabilities                             | 16                | 17                   |
| Other                                            | 57                | 72                   |
| Total                                            | <u>\$ 460</u>     | <u>\$ 457</u>        |

## 8. Debt Obligations

Total long-term debt, net consisted of the following:

|                                                                | March 31,<br>2025 | December 31,<br>2024 |
|----------------------------------------------------------------|-------------------|----------------------|
| Credit Facility                                                | \$ —              | \$ 203               |
| 5.750% senior notes due 2025                                   | —                 | 600                  |
| 6.000% senior notes due 2026                                   | 500               | 500                  |
| 6.000% senior notes due 2027                                   | 600               | 600                  |
| 5.625% senior notes due 2027                                   | 550               | 550                  |
| 5.875% senior notes due 2028                                   | 400               | 400                  |
| 7.000% senior notes due 2028                                   | 500               | 500                  |
| 4.500% senior notes due 2029                                   | 800               | 800                  |
| 7.000% senior notes due 2029                                   | 750               | 750                  |
| 4.500% senior notes due 2030                                   | 800               | 800                  |
| 6.375% senior notes due 2030                                   | 600               | 600                  |
| 7.250% senior notes due 2032                                   | 750               | 750                  |
| 6.250% senior notes due 2033                                   | 1,000             | —                    |
| GoZone Bonds <sup>(1)</sup>                                    | 322               | 322                  |
| Lease-related financing obligations                            | 131               | 132                  |
| Net unamortized premiums, discounts and fair value adjustments | 17                | 16                   |
| Deferred debt issuance costs                                   | (47)              | (37)                 |
| Total debt                                                     | 7,673             | 7,486                |
| Less: current maturities                                       | 2                 | 2                    |
| Total long-term debt, net                                      | \$ 7,671          | \$ 7,484             |

<sup>(1)</sup> As of March 31, 2025, \$75 million of GoZone Bonds (as defined below) due on or before March 31, 2026 were classified as long-term as management has the intent and ability to refinance the borrowings on a long-term basis.

### March 2025 Senior Notes Offering and Redemption

In March 2025, the Partnership issued \$1.00 billion of 6.250% senior notes due 2033 in a private offering. These notes will mature on July 1, 2033 and interest is payable semi-annually on January 1 and July 1 of each year. The Partnership used the net proceeds from the private offering to repay its \$600 million of 5.750% senior notes due 2025 and to repay a portion of the outstanding borrowings under its Credit Facility.

### GoZone Bonds

NuStar Logistics' obligations include revenue bonds issued by the Parish of St. James, Louisiana pursuant to the Gulf Opportunity Zone Act of 2005 (the “GoZone Bonds”).

As reflected in the table below, the holders of the Series 2008, Series 2010B and Series 2011 GoZone Bonds are required to tender their bonds at the applicable mandatory purchase date in exchange for 100% of the principal plus accrued and unpaid interest, after which these bonds are expected to be remarketed with a new interest rate established. Each of the Series 2010 and Series 2010A GoZone Bonds is subject to redemption on or after June 1, 2030 by the Parish of St. James, at our option, in whole or in part, at a redemption price of 100% of the principal amount to be redeemed plus accrued and unpaid interest. Interest on the GoZone Bonds is payable semi-annually on June 1 and December 1 of each year.

The following table summarizes the GoZone Bonds outstanding as of March 31, 2025:

| Series       | Date Issued       | Amount<br>Outstanding | Interest Rate | Mandatory<br>Purchase Date | Optional<br>Redemption Date | Maturity Date    |
|--------------|-------------------|-----------------------|---------------|----------------------------|-----------------------------|------------------|
| Series 2008  | June 26, 2008     | \$ 56                 | 6.10 %        | June 1, 2030               | n/a                         | June 1, 2038     |
| Series 2010  | July 15, 2010     | 100                   | 6.35 %        | n/a                        | June 1, 2030                | July 1, 2040     |
| Series 2010A | October 7, 2010   | 43                    | 6.35 %        | n/a                        | June 1, 2030                | October 1, 2040  |
| Series 2010B | December 29, 2010 | 48                    | 6.10 %        | June 1, 2030               | n/a                         | December 1, 2040 |
| Series 2011  | August 9, 2011    | 75                    | 5.85 %        | June 1, 2025               | n/a                         | August 1, 2041   |

NuStar Logistics' agreements with the Parish of St. James related to the GoZone Bonds contain: (i) customary restrictive covenants that limit the ability of NuStar Logistics and its subsidiaries to, among other things, create liens, enter into certain sale leaseback transactions, and engage in certain consolidations, mergers or asset sales; and (ii) a repurchase provision which provides that if we undergo a change of control that is followed by a ratings decline that occurs within 60 days of the change of control, then each holder may require the trustee, with funds provided by NuStar Logistics, to repurchase all or a portion of that holder's GoZone Bonds at a price equal to 101% of the aggregate principal amount repurchased, plus any accrued and unpaid interest. The Partnership and certain of its subsidiaries are guarantors to the agreements related to the GoZone Bonds.

### Credit Facilities

The Partnership's \$1.50 billion Credit Facility matures in May 2029, which date may be extended in accordance with the terms of the Credit Facility. The Credit Facility can be increased from time to time upon our written request, subject to certain conditions, up to an additional \$500 million. As of March 31, 2025, we had no outstanding borrowings on the Credit Facility and \$56 million in standby letters of credit were outstanding. The unused availability on the Credit Facility as of March 31, 2025 was \$1.44 billion. The weighted average interest rate on the total amount outstanding as of March 31, 2025 was 6.53%. The Partnership was in compliance with all financial covenants as of March 31, 2025.

Upon the closing of the acquisition of NuStar, the commitments under NuStar's receivables financing agreement were reduced to zero during a suspension period, for which the period end has not been determined. As of March 31, 2025, this facility had no outstanding borrowings.

### Fair Value of Debt

The aggregate estimated fair value and carrying amount of our consolidated debt obligations as of March 31, 2025 were \$7.66 billion and \$7.67 billion, respectively. As of December 31, 2024, the aggregate fair value and carrying amount of our consolidated debt obligations were \$7.45 billion and \$7.49 billion, respectively. The fair value of our consolidated debt obligations is a Level 2 valuation based on the respective debt obligations' observable inputs for similar liabilities.

## 9. Other Non-Current Liabilities

Other non-current liabilities consisted of the following:

|                                          | March 31,<br>2025 | December 31,<br>2024 |
|------------------------------------------|-------------------|----------------------|
| Asset retirement obligations             | \$ 85             | \$ 84                |
| Accrued environmental expense, long-term | 19                | 21                   |
| Other                                    | 48                | 53                   |
| Total                                    | <u>\$ 152</u>     | <u>\$ 158</u>        |

## 10. Related Party Transactions

We are party to fee-based commercial agreements with various affiliates of Energy Transfer for pipeline, terminalling and storage services. We also have agreements with subsidiaries of Energy Transfer for the purchase and sale of fuel. Additionally, under our partnership agreement, our General Partner does not receive a management fee or other compensation for its role as our general partner. However, our General Partner is reimbursed for all expenses incurred on our behalf. These expenses include shared service fees, as well as all other expenses necessary or appropriate to the conduct of our business that are allocable to us, as provided for in our partnership agreement. There is no cap on the amount that may be paid or reimbursed to our General Partner.

### Summary of Transactions

Related party transactions for the three months ended March 31, 2025 and 2024 were as follows:

|                                     | Three Months Ended March 31, |      |
|-------------------------------------|------------------------------|------|
|                                     | 2025                         | 2024 |
| Motor fuel sales to affiliates      | \$ 2                         | \$ 4 |
| Bulk fuel purchases from affiliates | 294                          | 397  |
| Expense reimbursement               | 11                           | 9    |



Significant affiliate balances included on the consolidated balance sheets were as follows:

- Accounts payable to affiliates were \$128 million and \$199 million as of March 31, 2025 and December 31, 2024, respectively, which were attributable to operational expenses and bulk fuel purchases.
- Advances from affiliates were \$77 million and \$82 million as of March 31, 2025 and December 31, 2024, respectively, which were related to treasury services agreements with Energy Transfer.

## 11. Revenue

### Disaggregation of Revenue

Revenues from our Fuel Distribution segment are derived from the sale of fuel, non-fuel and lease income. Fuel sales consist primarily of the sale of motor fuel under supply agreements with third-party customers and affiliates. Fuel supply contracts with our customers generally provide that we distribute motor fuel at a price based on a formula which includes published rates, volume-based profit margin and other terms specific to the agreement. The customer is invoiced the agreed-upon price with most payment terms ranging less than 30 days. If the consideration promised in a contract includes a variable amount, the Partnership estimates the variable consideration amount and factors in such estimate to determine the transaction price under the expected value method. Revenue is recognized under the motor fuel contracts at the point in time the customer takes control of the fuel. At the time control is transferred to the customer the sale is considered final, because the agreements do not grant customers the right to return motor fuel. To determine when control transfers to the customer, the shipping terms of the contract are assessed as a primary indicator of the transfer of control. For free on board shipping point terms, revenue is recognized at the time of shipment. The performance obligation with respect to the sale of goods is satisfied at the time of shipment since the customer gains control at this time under the terms. Shipping and/or handling costs that occur before the customer obtains control of the goods are deemed to be fulfillment activities and are accounted for as fulfillment costs. Once the goods are shipped, the Partnership is precluded from redirecting the shipment to another customer and revenue is recognized. Non-fuel revenue includes merchandise revenue that comprises the in-store merchandise and food service sales at company-operated retail stores and other revenue such as credit card processing, car washes, lottery and other services. Lease revenue is derived from the leasing or subleasing of real estate used in the retail distribution of motor fuels.

Revenues from our Pipeline Systems segment are derived from interstate and intrastate pipeline transportation of refined products, crude oil and anhydrous ammonia and the applicable pipeline tariff on a per barrel basis for crude oil or refined products and on a per ton basis for ammonia.

Revenues from our Terminals segment include fees for tank storage agreements, under which a customer agrees to pay for a certain amount of storage in a tank over a period of time (storage terminal revenues) and throughput agreements, under which a customer pays a fee per barrel for volumes moving through our terminals (throughput terminal revenues). Our terminals also provide blending, additive injections, handling and filtering services for which we charge additional fees. Additionally, we lease certain of our storage tanks in exchange for a fixed fee, subject to an annual consumer price index adjustment. We recognized lease revenues from these leases of \$12 million for the three months ended March 31, 2025, which are included in "Service revenue" in our consolidated statement of operations.

The following table depicts the disaggregation of revenue:

|                     | Three Months Ended March 31, |                 |
|---------------------|------------------------------|-----------------|
|                     | 2025                         | 2024            |
| Fuel                | \$ 4,807                     | \$ 5,354        |
| Non-fuel            | 67                           | 65              |
| Lease income        | 29                           | 38              |
| Pipeline throughput | 158                          | —               |
| Terminal throughput | 27                           | 16              |
| Other               | 91                           | 26              |
| Total revenues      | <u>\$ 5,179</u>              | <u>\$ 5,499</u> |

## Contract Balances with Customers

The balances of the Partnership's contract assets and contract liabilities as of March 31, 2025 and December 31, 2024 were as follows:

|                                                   | March 31,<br>2025 | December 31,<br>2024 |
|---------------------------------------------------|-------------------|----------------------|
| Contract assets                                   | \$ 300            | \$ 288               |
| Accounts receivable from contracts with customers | 965               | 1,084                |
| Contract liabilities                              | 37                | 39                   |

The following table summarizes the consolidated activity of our contract liabilities:

|                            | Contract<br>Liabilities |
|----------------------------|-------------------------|
| Balance, December 31, 2024 | \$ 39                   |
| Additions                  | 10                      |
| Revenue recognized         | (12)                    |
| Balance, March 31, 2025    | <u>\$ 37</u>            |

## Remaining Performance Obligations

The following table presents our estimated revenues from contracts with customers for remaining performance obligations that have not yet been recognized, representing our contractually committed revenue as of March 31, 2025.

|                  | Remaining<br>Performance<br>Obligations |
|------------------|-----------------------------------------|
| 2025 (remaining) | \$ 285                                  |
| 2026             | 274                                     |
| 2027             | 181                                     |
| 2028             | 136                                     |
| 2029             | 91                                      |
| Thereafter       | 240                                     |
| Total            | <u>\$ 1,207</u>                         |

Our contractually committed revenue, for purposes of the tabular presentation above, is generally limited to customer contracts that have fixed pricing and fixed volume terms and conditions, including contracts with payment obligations for minimum volume commitments.

## Costs to Obtain or Fulfill a Contract

The Partnership recognized amortization on capitalized costs incurred to obtain contracts of \$9 million and \$8 million for the three months ended March 31, 2025 and 2024, respectively.

## 12. Commitments and Contingencies

### Litigation

From time to time, the Partnership is involved in various legal proceedings and claims arising out of our operations in the normal course of business. Such proceedings are subject to the uncertainties inherent in any litigation, and we regularly assess the need for accounting recognition or disclosure of any related contingencies. We maintain liability insurance with insurers with coverage and deductibles management believes are reasonable and prudent. However, there can be no assurance that the levels of insurance protection currently in effect will continue to be available at reasonable prices or that such levels will be adequate to protect us from material expenses related to product liability, personal injury or property damage in the future. Based on currently available information, we believe it is unlikely that the outcome of known matters would have a material adverse impact on our financial condition, results of operations or cash flows.

## New York Motor Fuel Excise Tax Audits

Sunoco LLC and Sunoco Retail LLC are currently under motor fuel excise tax audits in the state of New York for the periods of March 2017 through May 2020. These audits are currently ongoing and no assessments have been made. We cannot predict the outcome of these audits; however, to the extent material assessments may be issued, we would expect to use all appropriate administrative and legal measures to defend our positions.

## 13. Equity

As of March 31, 2025, Energy Transfer and its subsidiaries owned 28,463,967 of our common units and the public owned 107,863,687 of our common units. As of March 31, 2025, our wholly owned subsidiaries owned all of the 16,410,780 Class C units representing limited partner interests in the Partnership.

### Common Units

The change in our outstanding common units for the three months ended March 31, 2025 was as follows:

|                                             | Number of Units |
|---------------------------------------------|-----------------|
| Number of common units at December 31, 2024 | 136,228,535     |
| Phantom unit vesting                        | 7,343           |
| Units issued in acquisition                 | 91,776          |
| Number of common units at March 31, 2025    | 136,327,654     |

### Cash Distributions

Our partnership agreement sets forth the calculation used to determine the amount and priority of cash distributions that the common unitholders receive.

Cash distributions paid or declared subsequent to December 31, 2024 were as follows:

| Payment Date      | Limited Partners      |                         | Distribution to IDR Holders |
|-------------------|-----------------------|-------------------------|-----------------------------|
|                   | Per Unit Distribution | Total Cash Distribution |                             |
| February 19, 2025 | \$ 0.8865             | \$ 121                  | \$ 37                       |
| May 20, 2025      | 0.8976                | 122                     | 39                          |

### Accumulated Other Comprehensive Income

The following table presents the components of AOCI, net of tax:

|                                                                       | March 31, 2025 | December 31, 2024 |
|-----------------------------------------------------------------------|----------------|-------------------|
| Foreign currency translation adjustment                               | \$ (6)         | \$ (1)            |
| Actuarial gains related to pensions and other postretirement benefits | 3              | 3                 |
| Total AOCI included in partners' capital, net of tax                  | \$ (3)         | \$ 2              |

## 14. Segment Reporting

### Description of Segments

Our consolidated financial statements reflect three reportable segments: Fuel Distribution, Pipeline Systems and Terminals.

*Fuel Distribution.* Our Fuel Distribution segment supplies motor fuel to independently-operated dealer stations, distributors, commission agents and other consumers. Also included in our Fuel Distribution segment is lease income from properties that we lease or sublease, as well as the Partnership's credit card services, franchise royalties and retail operations in Hawaii and New Jersey.

*Pipeline Systems.* Our Pipeline Systems segment includes an integrated pipeline and terminal network comprised of approximately 6,000 miles of refined product pipeline (including the pipeline of J.C. Nolan), approximately 6,000 miles of crude oil pipeline (including the pipeline of ET-S Permian), approximately 2,000 miles of ammonia pipeline and 67 terminals.

*Terminals.* Our Terminals segment is composed of four transmix processing facilities and 56 refined product terminals (two in Europe, six in Hawaii and 48 in the continental United States).

## Segment Operating Results

We report Adjusted EBITDA by segment as a measure of segment performance. We define Adjusted EBITDA as earnings before net interest expense, income taxes, depreciation, amortization and accretion expense, non-cash unit-based compensation expense, gains and losses on disposal of assets, non-cash impairment charges, losses on extinguishment of debt, unrealized gains and losses on commodity derivatives, inventory valuation adjustments, and certain other operating expenses reflected in net income that we do not believe are indicative of ongoing core operations. Inventory valuation adjustments that are excluded from the calculation of Adjusted EBITDA represent changes in lower of cost or market reserves on the Partnership's inventory. These amounts are unrealized valuation adjustments applied to fuel volumes remaining in inventory at the end of the period.

The following tables present financial information by segment for the three months ended March 31, 2025 and 2024:

|                                  | Three Months Ended March 31, |                 |
|----------------------------------|------------------------------|-----------------|
|                                  | 2025                         | 2024            |
| Revenues:                        |                              |                 |
| Fuel Distribution                |                              |                 |
| Revenues from external customers | \$ 4,903                     | \$ 5,457        |
| Intersegment revenues            | 13                           | 9               |
|                                  | <u>4,916</u>                 | <u>5,466</u>    |
| Pipeline Systems                 |                              |                 |
| Revenues from external customers | 173                          | —               |
| Intersegment revenues            | 1                            | —               |
|                                  | <u>174</u>                   | <u>—</u>        |
| Terminals                        |                              |                 |
| Revenues from external customers | 103                          | 42              |
| Intersegment revenues            | 236                          | 257             |
|                                  | <u>339</u>                   | <u>299</u>      |
| Eliminations                     | (250)                        | (266)           |
| Total                            | <u>\$ 5,179</u>              | <u>\$ 5,499</u> |

|                   | Three Months Ended March 31, |                 |
|-------------------|------------------------------|-----------------|
|                   | 2025                         | 2024            |
| Cost of sales:    |                              |                 |
| Fuel Distribution | \$ 4,555                     | \$ 5,049        |
| Pipeline Systems  | —                            | (1)             |
| Terminals         | 221                          | 233             |
| Eliminations      | (250)                        | (266)           |
| Total             | <u>\$ 4,526</u>              | <u>\$ 5,015</u> |

|                                                                 | Three Months Ended March 31, |               |
|-----------------------------------------------------------------|------------------------------|---------------|
|                                                                 | 2025                         | 2024          |
| Operating expenses, excluding non-cash unit-based compensation: |                              |               |
| Fuel Distribution                                               | \$ 72                        | \$ 83         |
| Pipeline Systems                                                | 44                           | 1             |
| Terminals                                                       | 42                           | 21            |
| Total                                                           | <u>\$ 158</u>                | <u>\$ 105</u> |

|                                                                                  | Three Months Ended March 31, |              |
|----------------------------------------------------------------------------------|------------------------------|--------------|
|                                                                                  | 2025                         | 2024         |
| General and administrative expenses, excluding non-cash unit-based compensation: |                              |              |
| Fuel Distribution                                                                | \$ 20                        | \$ 23        |
| Pipeline Systems                                                                 | 9                            | 3            |
| Terminals                                                                        | 7                            | 7            |
| Total                                                                            | <u>\$ 36</u>                 | <u>\$ 33</u> |

|                        | Three Months Ended March 31, |               |
|------------------------|------------------------------|---------------|
|                        | 2025                         | 2024          |
| Other <sup>(1)</sup> : |                              |               |
| Fuel Distribution      | \$ 49                        | \$ 93         |
| Pipeline Systems       | (51)                         | (3)           |
| Terminals              | 3                            | 14            |
| Total                  | <u>\$ 1</u>                  | <u>\$ 104</u> |

- <sup>(1)</sup> Other includes Adjusted EBITDA from unconsolidated affiliates, unrealized gains and losses on commodity derivatives, inventory valuation adjustments and other less significant items, as applicable.

|                          | Three Months Ended March 31, |               |
|--------------------------|------------------------------|---------------|
|                          | 2025                         | 2024          |
| Segment Adjusted EBITDA: |                              |               |
| Fuel Distribution        | \$ 220                       | \$ 218        |
| Pipeline Systems         | 172                          | —             |
| Terminals                | 66                           | 24            |
| Total                    | <u>\$ 458</u>                | <u>\$ 242</u> |

|                                                      | Three Months Ended March 31, |               |
|------------------------------------------------------|------------------------------|---------------|
|                                                      | 2025                         | 2024          |
| Reconciliation of net income to Adjusted EBITDA:     |                              |               |
| Net income                                           | \$ 207                       | \$ 230        |
| Depreciation, amortization and accretion             | 156                          | 43            |
| Interest expense, net                                | 121                          | 63            |
| Non-cash unit-based compensation expense             | 4                            | 4             |
| Loss on disposal of assets                           | 3                            | 2             |
| Loss on extinguishment of debt                       | 2                            | —             |
| Unrealized (gains) losses on commodity derivatives   | (1)                          | 13            |
| Inventory valuation adjustments                      | (61)                         | (130)         |
| Equity in earnings of unconsolidated affiliates      | (32)                         | (2)           |
| Adjusted EBITDA related to unconsolidated affiliates | 50                           | 3             |
| Other non-cash adjustments                           | 11                           | 9             |
| Income tax expense (benefit)                         | (2)                          | 7             |
| Adjusted EBITDA (consolidated)                       | <u>\$ 458</u>                | <u>\$ 242</u> |

|                          | March 31,<br>2025 | December 31,<br>2024 |
|--------------------------|-------------------|----------------------|
| Assets:                  |                   |                      |
| Fuel Distribution        | \$ 5,852          | \$ 6,047             |
| Pipeline Systems         | 6,181             | 6,213                |
| Terminals                | 2,060             | 1,944                |
| Total segment assets     | 14,093            | 14,204               |
| Other partnership assets | 249               | 171                  |
| Total assets             | \$ 14,342         | \$ 14,375            |

#### 15. **Net Income per Common Unit**

A reconciliation of the numerators and denominators of the basic and diluted net income per common unit computations is as follows:

|                                                   | Three Months Ended March 31, |            |
|---------------------------------------------------|------------------------------|------------|
|                                                   | 2025                         | 2024       |
| <b>Net income</b>                                 | \$ 207                       | \$ 230     |
| Less:                                             |                              |            |
| Incentive distribution rights                     | 39                           | 36         |
| Distributions on unvested phantom unit awards     | 2                            | 1          |
| <b>Common unitholders' interest in net income</b> | \$ 166                       | \$ 193     |
| <b>Weighted average common units outstanding:</b> |                              |            |
| Basic                                             | 136,267,512                  | 84,424,748 |
| Dilutive effect of unvested phantom unit awards   | 668,799                      | 834,490    |
| Diluted                                           | 136,936,311                  | 85,259,238 |
| <b>Net income per common unit:</b>                |                              |            |
| Basic                                             | \$ 1.22                      | \$ 2.29    |
| Diluted                                           | \$ 1.21                      | \$ 2.26    |

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(Tabular dollar amounts, except per gallon data, are in millions)

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and notes to consolidated financial statements included elsewhere in this report. Additional discussion and analysis related to the Partnership is contained in our Annual Report on Form 10-K, including the audited consolidated financial statements for the fiscal year ended December 31, 2024 included therein.*

*Adjusted EBITDA is a non-GAAP financial measure of performance that has limitations and should not be considered as a substitute for net income or other GAAP measures. Please see "Key Measures Used to Evaluate and Assess Our Business" below for a discussion of our use of Adjusted EBITDA in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and a reconciliation to net income for the periods presented.*

### Cautionary Statement Regarding Forward-Looking Statements

Some of the information in this Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of Section 21E of the Exchange Act. All statements, other than statements of historical fact included in this Quarterly Report on Form 10-Q, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. Statements using words such as "believe," "plan," "could," "expect," "anticipate," "intend," "forecast," "assume," "estimate," "continue," "position," "predict," "project," "goal," "strategy," "budget," "potential," "will" and other similar words or phrases are used to help identify forward-looking statements, although not all forward-looking statements contain such identifying words. Descriptions of our objectives, goals, targets, plans, strategies, costs, anticipated capital expenditures, expected cost savings and benefits are also forward-looking statements. These forward-looking statements are based on our current plans and expectations and involve a number of risks and uncertainties that could cause actual results and events to vary materially from the results and events anticipated or implied by such forward-looking statements, including:

- our ability to make, complete and integrate acquisitions from affiliates or third parties;
- business strategy and operations of Energy Transfer and its conflicts of interest with us;
- changes in the price of and demand for the motor fuel that we distribute and our ability to appropriately hedge any motor fuel we hold in inventory;
- our dependence on limited principal suppliers;
- competition in the wholesale motor fuel distribution and retail store industry;
- changing customer preferences for alternate fuel sources or improvement in fuel efficiency;
- volatility of fuel prices or a prolonged period of low fuel prices and the effects of actions by, or disputes among or between, oil producing countries with respect to matters related to the price or production of oil;
- any acceleration of the domestic and/or international transition to a low carbon economy as a result of the Inflation Reduction Act of 2022 or otherwise;
- the possibility of cyber and malware attacks;
- changes in our credit rating, as assigned by rating agencies;
- a deterioration in the credit and/or capital markets, including as a result of recent increases in cost of capital resulting from Federal Reserve policies and changes in financial institutions' policies or practices concerning businesses linked to fossil fuels;
- general economic conditions, including sustained periods of inflation, supply chain disruptions, new, increased and reciprocal tariffs and associated central bank monetary policies;
- environmental, tax and other federal, state and local laws and regulations;
- changes to, and the application of, regulation of tariff rates and operational requirements related to our joint ventures' and subsidiaries' interstate and intrastate pipelines, including the impact on the raw materials;
- the fact that we are not fully insured against all risks incident to our business;

- dangers inherent in the storage and transportation of motor fuel;
- our ability to manage growth and/or control costs;
- the ability to successfully identify and consummate strategic acquisitions at purchase prices that are accretive to our financial results and to successfully integrate acquired businesses;
- our reliance on senior management, supplier trade credit and information technology; and
- our partnership structure, which may create conflicts of interest between us and our General Partner and its affiliates, and limits the fiduciary duties of our General Partner and its affiliates.

All forward-looking statements, expressed or implied, are expressly qualified in their entirety by the foregoing cautionary statements.

Many of the foregoing risks and uncertainties are, and will be, heightened by any further worsening of the global business and economic environment. New factors that could impact forward-looking statements emerge from time to time, and it is not possible for us to predict all such factors. Should one or more of the risks or uncertainties described or referenced in this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 14, 2025 occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements.

You should not put undue reliance on any forward-looking statements. When considering forward-looking statements, please review the risks described or referenced under the heading “Item 1A. Risk Factors” herein, including the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 14, 2025. The list of factors that could affect future performance and the accuracy of forward-looking statements is illustrative but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty. The forward-looking statements included in this report are based on, and include, our estimates as of the filing of this report. We anticipate that subsequent events and market developments will cause our estimates to change. However, we specifically disclaim any obligation to update any forward-looking statements after the date of this Quarterly Report on Form 10-Q, except as required by law, even if new information becomes available in the future.

In addition to risks and uncertainties in the ordinary course of business that are common to all businesses, important factors that are specific to our structure as a limited partnership, our industry and our company could materially impact our future performance and results of operations.

## **Overview**

As used in this Management’s Discussion and Analysis of Financial Condition and Results of Operations, the terms “Partnership,” “we,” “us” or “our” should be understood to refer to Sunoco LP and its consolidated subsidiaries, unless the context clearly indicates otherwise.

We are a Delaware master limited partnership primarily engaged in energy infrastructure and distribution of motor fuels in over 40 U.S. states, Puerto Rico, Europe and Mexico. Our midstream operations include an extensive network of approximately 14,000 miles of pipeline and over 100 terminals. Our fuel distribution operations serve approximately 7,400 Sunoco and partner branded locations and additional independent dealers and commercial customers.

## **Recent Developments**

### **Acquisitions**

#### ***Parkland Acquisition***

On May 5, 2025, Sunoco and Parkland Corporation (“Parkland”) announced that the parties have entered into a definitive agreement whereby Sunoco plans to acquire all outstanding shares of Parkland in a cash and equity transaction valued at approximately \$9.1 billion, including assumed debt.

As part of the transaction, Sunoco intends to form a new publicly-traded Delaware limited liability company named SUNCorp, LLC (“SUNCorp”). SUNCorp is expected to hold limited partnership units of Sunoco that are economically equivalent to Sunoco’s



publicly-traded common units on the basis of one Sunoco common unit for each outstanding SUNCorp unit. For a period of two years following closing of the transaction, Sunoco would ensure that SUNCorp unitholders receive the same dividend equivalent as the distribution to Sunoco unitholders.

Under the terms of the agreement, Parkland shareholders would receive 0.295 SUNCorp units and C\$19.80 for each Parkland share, implying a 25% premium based on the 7-day volume weighted average prices of both Parkland and Sunoco as of May 2, 2025. Parkland shareholders could elect, in the alternative, to receive C\$44.00 per Parkland share in cash or 0.536 SUNCorp units for each Parkland share, subject to proration to ensure that the aggregate consideration payable in connection with the transaction does not exceed C\$19.80 in cash per Parkland share outstanding as of immediately before close and 0.295 SUNCorp units per Parkland share outstanding as of immediately before close.

The transaction is currently expected to close in the second half of 2025 upon the satisfaction of closing conditions, including approval by Parkland's shareholders and customary regulatory and stock exchange listing approvals.

### ***TanQuid Acquisition***

In March 2025, the Partnership entered into an agreement to acquire TanQuid GmbH & Co. KG ("TanQuid") for approximately €500 million (approximately \$540 million as of March 31, 2025), including approximately €300 million of assumed debt. TanQuid owns and operates 15 fuel terminals in Germany and one fuel terminal in Poland. The transaction is expected to close in the second half of 2025, subject to customary closing conditions, and will be funded using cash on hand and amounts available under the Partnership's Credit Facility.

### ***Other Acquisitions***

In the first quarter of 2025, we acquired fuel equipment, motor fuel inventory and supply agreements in two separate transactions for total consideration of approximately \$17 million. Aggregate consideration included \$12 million in cash and 91,776 newly issued Sunoco LP common units, which had an aggregate acquisition-date fair value of approximately \$5 million. These transactions were accounted for as asset acquisitions, and the purchase price was primarily allocated to property and equipment and other non-current assets.

### **Regulatory Update**

#### ***Interstate Common Carrier Regulation***

Liquids pipelines transporting in interstate commerce are regulated by the Federal Energy Regulatory Commission ("FERC") as common carriers under the Interstate Commerce Act ("ICA"). Under the ICA, the FERC utilizes an indexing rate methodology which, as currently in effect, allows common carriers to change their rates within prescribed ceiling levels that are tied to changes in the Producer Price Index for Finished Goods, or PPI-FG. Many existing pipelines utilize the FERC liquids index to change transportation rates annually. The indexing methodology is applicable to existing rates, with the exclusion of market-based rates. The FERC's indexing methodology is subject to review every five years.

On December 17, 2020, FERC issued an order establishing a new index of PPI-FG plus 0.78%. The FERC received requests for rehearing of its December 17, 2020 order and on January 20, 2022, granted rehearing and modified the oil index. Specifically, for the five-year period commencing July 1, 2021 and ending June 30, 2026, FERC-regulated liquids pipelines charging indexed rates are permitted to adjust their indexed ceilings annually by PPI-FG minus 0.21%. FERC directed liquids pipelines to recompute their ceiling levels for July 1, 2021 through June 30, 2022, as well as the ceiling levels for the period July 1, 2022 to June 30, 2023, based on the new index level. Where an oil pipeline's filed rates exceed its ceiling levels, FERC ordered such oil pipelines to reduce the rate to bring it into compliance with the recomputed ceiling level to be effective March 1, 2022. Some parties sought rehearing of the January 20 order with FERC, which was denied by FERC on May 6, 2022. Certain parties appealed the January 20 and May 6 orders. On July 26, 2024, the D.C. Circuit ruled in *LEPA v. FERC* that FERC violated the Administrative Procedure Act because the January 20 order modified the index without following notice and comment. As a result, the D.C. Circuit vacated the January 20 order and on September 17, 2024, the Commission reinstated the index level established by its original December 17 order, directed pipelines to file an informational filing to show their recomputed ceiling levels reflecting the reinstated index level and stated that pipelines may file to prospectively increase their indexed rates to their recomputed levels. On October 17, 2024, FERC issued a Supplemental Notice of Proposed Rulemaking ("Supplemental NOPR") that proposes a reduction to the currently effective index

by one percent. The Supplemental NOPR, which remains pending before FERC, could result in the reimplementing through a notice-and-comment rulemaking of the same rulings that were vacated by the D.C. Circuit in *LEPA v. FERC*.

On October 20, 2022, the FERC issued a policy statement on the Standard Applied to Complaints Against Oil Pipeline Index Rate Changes to establish guidelines regarding how the FERC will evaluate shipper complaints against oil pipeline index rate increases. Specifically, the policy statement adopted the proposal in the FERC's earlier Notice of Inquiry issued on March 25, 2020 to eliminate the "Substantially Exacerbate Test" as the preliminary screen applied to complaints against index rate increases and instead adopt the proposal to apply the "Percentage Comparison Test" as the preliminary screen for both protests and complaints against index rate increases. At this time, we cannot determine the effect of a change in the FERC's preliminary screen for complaints against index rate changes; however, a revised screen would result in a threshold aligned with the existing threshold for protests against index rate increases. Any complaint or protest raised by a shipper could materially and adversely affect our financial condition, results of operations or cash flows.

### **Key Measures Used to Evaluate and Assess Our Business**

Management uses a variety of financial measurements to analyze business performance, including the following key measures:

- *Adjusted EBITDA*. Adjusted EBITDA, as used throughout this document, is defined as earnings before net interest expense, income taxes, depreciation, amortization and accretion expense, non-cash unit-based compensation expense, gains and losses on disposal of assets, non-cash impairment charges, losses on extinguishment of debt, unrealized gains and losses on commodity derivatives, inventory valuation adjustments, and certain other operating expenses reflected in net income that we do not believe are indicative of ongoing core operations. Inventory valuation adjustments that are excluded from the calculation of Adjusted EBITDA represent changes in lower of cost or market reserves on the Partnership's inventory. These amounts are unrealized valuation adjustments applied to fuel volumes remaining in inventory at the end of the period.

Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to net income, which is the most directly comparable financial measure calculated and presented in accordance with GAAP, read "Key Operating Metrics and Results of Operations" below.

We believe Adjusted EBITDA is useful to investors in evaluating our operating performance because:

- Adjusted EBITDA is used as a performance measure under our Credit Facility;
- securities analysts and other interested parties use Adjusted EBITDA as a measure of financial performance; and
- our management uses Adjusted EBITDA for internal planning purposes, including aspects of our consolidated operating budget and capital expenditures.

Adjusted EBITDA is not a recognized term under GAAP and does not purport to be an alternative to net income as a measure of operating performance. Adjusted EBITDA has limitations as an analytical tool, and one should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations include:

- it does not reflect interest expense or the cash requirements necessary to service interest or principal payments on our Credit Facility or senior notes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements; and
- as not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

Adjusted EBITDA reflects amounts for the unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliates as those excluded from the calculation of Adjusted EBITDA, such as interest, taxes, depreciation, amortization, accretion and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates;

therefore, we do not control the earnings or cash flows of such affiliates. The use of Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

## **Results of Operations**

### **Consolidated Results**

|                                                      | Three Months Ended<br>March 31, |               |               |
|------------------------------------------------------|---------------------------------|---------------|---------------|
|                                                      | 2025                            | 2024          | Change        |
| Segment Adjusted EBITDA:                             |                                 |               |               |
| Fuel Distribution                                    | \$ 220                          | \$ 218        | \$ 2          |
| Pipeline Systems                                     | 172                             | —             | 172           |
| Terminals                                            | 66                              | 24            | 42            |
| Adjusted EBITDA (consolidated)                       | <u>\$ 458</u>                   | <u>\$ 242</u> | <u>\$ 216</u> |
|                                                      |                                 |               |               |
|                                                      | Three Months Ended<br>March 31, |               |               |
|                                                      | 2025                            | 2024          | Change        |
| Reconciliation of net income to Adjusted EBITDA:     |                                 |               |               |
| Net income                                           | \$ 207                          | \$ 230        | \$ (23)       |
| Depreciation, amortization and accretion             | 156                             | 43            | 113           |
| Interest expense, net                                | 121                             | 63            | 58            |
| Non-cash unit-based compensation expense             | 4                               | 4             | —             |
| Loss on disposal of assets                           | 3                               | 2             | 1             |
| Loss on extinguishment of debt                       | 2                               | —             | 2             |
| Unrealized (gains) losses on commodity derivatives   | (1)                             | 13            | (14)          |
| Inventory valuation adjustments                      | (61)                            | (130)         | 69            |
| Equity in earnings of unconsolidated affiliates      | (32)                            | (2)           | (30)          |
| Adjusted EBITDA related to unconsolidated affiliates | 50                              | 3             | 47            |
| Other non-cash adjustments                           | 11                              | 9             | 2             |
| Income tax expense (benefit)                         | (2)                             | 7             | (9)           |
| Adjusted EBITDA (consolidated)                       | <u>\$ 458</u>                   | <u>\$ 242</u> | <u>\$ 216</u> |

**Net Income.** For the three months ended March 31, 2025 compared to the same period last year, net income decreased primarily due to increases in operating expenses, depreciation, amortization and accretion and interest expense. These increases were partially offset by favorable results from our operations, as reflected in the increases in Segment Adjusted EBITDA, an increase in equity in earnings of unconsolidated affiliates primarily related to ET-S Permian and a decrease in income tax expense. These changes are discussed in more detail below.

**Adjusted EBITDA (consolidated).** For the three months ended March 31, 2025 compared to the same period last year, Adjusted EBITDA increased primarily due to an increase in total segment profit of \$238 million, excluding inventory valuation adjustments (see below for explanation of inventory adjustments), primarily related to the acquisitions of NuStar and Zenith European terminals, and an increase in increase in Adjusted EBITDA related to unconsolidated affiliates of \$47 million, partially offset by increases in operating costs (including operating expenses, general and administrative expenses and lease expense) of \$56 million, primarily related to the acquisitions of NuStar and Zenith European terminals.

Additional discussion on the changes impacting net income and comprehensive income and Adjusted EBITDA for the three months ended March 31, 2025 compared to the same period last year is available below and in “Segment Operating Results.”

**Depreciation, Amortization and Accretion.** For the three months ended March 31, 2025 compared to the same period last year, depreciation, amortization and accretion increased primarily due to additional depreciation and amortization from assets recently placed in service and from recent acquisitions.

**Interest Expense, net.** For the three months ended March 31, 2025 compared to the same period last year, interest expense increased primarily due to an increase in average total long-term debt, including debt assumed in the acquisition of NuStar.

**Loss on Extinguishment of Debt.** For the three months ended March 31, 2025, loss on extinguishment of debt was related to the redemption of the Partnership's \$600 million of 5.750% senior notes due 2025.

**Unrealized (Gains) Losses on Commodity Derivatives.** The unrealized gains and losses on our commodity derivatives represent the changes in fair value of our commodity derivatives. The change in unrealized gains and losses between periods is impacted by the notional amounts and commodity price changes on our commodity derivatives. Additional information on commodity derivatives is included in “Item 3. Quantitative and Qualitative Disclosures about Market Risk” below.

**Inventory Valuation Adjustments.** Inventory valuation adjustments represent changes in lower of cost or market reserves using the LIFO method on the Partnership's inventory. These amounts are unrealized valuation adjustments applied to fuel volumes remaining in inventory at the end of the period. For the three months ended March 31, 2025 and 2024, the Partnership's cost of sales included favorable inventory valuation adjustments of \$61 million and \$130 million, respectively, which increased net income.

**Adjusted EBITDA Related to Unconsolidated Affiliates and Equity in Earnings of Unconsolidated Affiliates.** For the three months ended March 31, 2025, the increase in the amounts reported related to unconsolidated affiliates was primarily due to the formation of ET-S Permian effective July 1, 2024.

**Income Tax Expense (Benefit).** For the three months ended March 31, 2025 compared to the same period last year, income tax expense decreased primarily due to the recognition of tax benefits associated with certain prior tax positions that previously did not meet the criteria for recognition in the Partnership's financial statements and the recognition of a tax benefit associated with the discount on purchased tax credits.

### Supplemental Information on Unconsolidated Affiliates

The following table presents financial information related to unconsolidated affiliates:

|                                                                       | Three Months Ended<br>March 31 |             |               |
|-----------------------------------------------------------------------|--------------------------------|-------------|---------------|
|                                                                       | 2025                           | 2024        | Change        |
| Equity in earnings of unconsolidated affiliates                       |                                |             |               |
| J.C. Nolan                                                            | \$ 2                           | \$ 2        | \$ —          |
| ET-S Permian                                                          | 30                             | —           | 30            |
| Total equity in earnings of unconsolidated affiliates                 | <u>\$ 32</u>                   | <u>\$ 2</u> | <u>\$ 30</u>  |
| Adjusted EBITDA related to unconsolidated affiliates <sup>(1)</sup> : |                                |             |               |
| J.C. Nolan                                                            | \$ 3                           | \$ 3        | \$ —          |
| ET-S Permian                                                          | 47                             | —           | 47            |
| Total Adjusted EBITDA related to unconsolidated affiliates            | <u>\$ 50</u>                   | <u>\$ 3</u> | <u>\$ 47</u>  |
| Distributions received from unconsolidated affiliates:                |                                |             |               |
| J.C. Nolan                                                            | \$ 2                           | \$ 1        | \$ 1          |
| ET-S Permian                                                          | 116                            | —           | 116           |
| Total distributions received from unconsolidated affiliates           | <u>\$ 118</u>                  | <u>\$ 1</u> | <u>\$ 117</u> |

<sup>(1)</sup> These amounts represent our proportionate share of the Adjusted EBITDA of our unconsolidated affiliates and are based on our equity in earnings or losses of our unconsolidated affiliates adjusted for our proportionate share of the unconsolidated affiliates' interest, depreciation, amortization, accretion, non-cash items and taxes.

### Segment Operating Results

We evaluate segment performance based on Segment Adjusted EBITDA, which we believe is an important performance measure of the core profitability of our operations. This measure represents the basis of our internal financial reporting and is one of the performance measures used by senior management in deciding how to allocate capital resources among business segments.

The following tables identify the components of Segment Adjusted EBITDA, which is calculated as follows:

- *Segment profit, operating expenses and selling, general and administrative expenses.* These amounts represent the amounts included in our consolidated financial statements that are attributable to each segment.
- *Adjusted EBITDA related to unconsolidated affiliates.* Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA, such as interest, taxes, depreciation, amortization, accretion and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates.

The following analysis of segment operating results includes a measure of segment profit. Segment profit is a non-GAAP financial measure and is presented herein to assist in the analysis of segment operating results and particularly to facilitate an understanding of the impacts that changes in sales revenues have on the segment performance measure of Segment Adjusted EBITDA. Segment profit is similar to the GAAP measure of gross profit, except that segment profit excludes charges for depreciation, amortization and accretion. The most directly comparable measure to segment profit is gross profit.

The following table presents a reconciliation of segment profit to gross profit:

|                                                                         | Three Months Ended<br>March 31 |               |
|-------------------------------------------------------------------------|--------------------------------|---------------|
|                                                                         | 2025                           | 2024          |
| Fuel Distribution segment profit                                        | \$ 361                         | \$ 417        |
| Pipeline Systems segment profit                                         | 174                            | 1             |
| Terminals segment profit                                                | 118                            | 66            |
| Total segment profit                                                    | 653                            | 484           |
| Depreciation, amortization and accretion, excluding corporate and other | 156                            | 43            |
| Gross profit                                                            | <u>\$ 497</u>                  | <u>\$ 441</u> |

In addition, for the Fuel Distribution segment, the following sections include information on the components of segment profit by sales type, which components are included in order to provide additional disaggregated information to facilitate the analysis of segment profit and Segment Adjusted EBITDA. These components of segment profit are calculated consistent with the calculation of segment profit; therefore, these components also exclude charges for depreciation, amortization and accretion.

### **Fuel Distribution**

|                                                   | Three Months Ended<br>March 31 |        | Change  |
|---------------------------------------------------|--------------------------------|--------|---------|
|                                                   | 2025                           | 2024   |         |
| Motor fuel gallons sold (millions)                | 2,087                          | 2,100  | (13)    |
| Motor fuel profit cents per gallon <sup>(1)</sup> | 11.5 ¢                         | 10.9 ¢ | 0.6 ¢   |
| Fuel profit                                       | \$ 297                         | \$ 344 | \$ (47) |
| Non-fuel profit                                   | 35                             | 35     | —       |
| Lease profit                                      | 29                             | 38     | (9)     |
| Fuel Distribution segment profit                  | \$ 361                         | \$ 417 | \$ (56) |
| Expenses                                          | \$ 94                          | \$ 111 | \$ (17) |
| Segment Adjusted EBITDA                           | \$ 220                         | \$ 218 | \$ 2    |

<sup>(1)</sup> Excludes the impact of inventory valuation adjustments consistent with the definition of Adjusted EBITDA.

**Volumes.** For the three months ended March 31, 2025 compared to the same period last year, volumes decreased primarily due to the sale of assets in West Texas (the “West Texas Sale”) in April 2024 offset by volume increases from investment and profit optimization.

*Segment Adjusted EBITDA.* For the three months ended March 31, 2025 compared to the same period last year, Segment Adjusted EBITDA related to our Fuel Distribution segment increased due to the net impact of the following:

- a decrease of \$17 million in expenses primarily due to the West Texas Sale and lower allocated overhead; partially offset by
- a decrease of \$9 million in lease profit due to the West Texas Sale; and
- a decrease of \$3 million related to a decrease in gallons sold due to the West Texas Sale, partially offset by an increase in profit per gallon.

### ***Pipeline Systems***

|                                                 | Three Months Ended<br>March 31, |      | Change |
|-------------------------------------------------|---------------------------------|------|--------|
|                                                 | 2025                            | 2024 |        |
| Pipelines throughput (thousand barrels per day) | 1,258                           | —    | 1,258  |
| Pipeline Systems segment profit                 | \$ 174                          | \$ 1 | \$ 173 |
| Expenses                                        | \$ 54                           | \$ 3 | \$ 51  |
| Segment Adjusted EBITDA                         | \$ 172                          | \$ — | \$ 172 |

*Volumes.* For the three months ended March 31, 2025 compared to the same period last year, volumes increased due to recently acquired assets.

*Segment Adjusted EBITDA.* For the three months ended March 31, 2025 compared to the same period last year, Segment Adjusted EBITDA related to our Pipeline Systems segment increased due to the acquisition of NuStar on May 3, 2024 and the formation of ET-S Permian on July 1, 2024.

### ***Terminals***

|                                       | Three Months Ended<br>March 31, |       | Change |
|---------------------------------------|---------------------------------|-------|--------|
|                                       | 2025                            | 2024  |        |
| Throughput (thousand barrels per day) | 620                             | 418   | 202    |
| Terminals segment profit              | \$ 118                          | \$ 66 | \$ 52  |
| Expenses                              | \$ 50                           | \$ 28 | \$ 22  |
| Segment Adjusted EBITDA               | \$ 66                           | \$ 24 | \$ 42  |

*Volumes.* For the three months ended March 31, 2025 compared to the same period last year, volumes increased due to recently acquired assets.

*Segment Adjusted EBITDA.* For the three months ended March 31, 2025 compared to the same period last year, Segment Adjusted EBITDA related to our Terminals segment increased primarily due to the acquisitions of NuStar and Zenith European terminals.

## **Liquidity and Capital Resources**

### ***Liquidity***

Our principal liquidity requirements are to finance current operations, to fund capital expenditures, including acquisitions from time to time, to service our debt and to make distributions. We expect our ongoing sources of liquidity to include cash generated from operations, borrowings under our Credit Facility and the issuance of additional long-term debt or partnership units as appropriate given market conditions. We expect that these sources of funds will be adequate to provide for our short-term and long-term liquidity needs.

Our ability to meet our debt service obligations and other capital requirements, including capital expenditures and acquisitions, will depend on our future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control. As a normal part of our business, depending on market conditions, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness. Changes in our operating plans, lower than anticipated sales, increased expenses, acquisitions or other events may cause us to seek additional debt or equity financing in future periods. There can be no guarantee that financing will be available on acceptable terms



or at all. Debt financing, if available, could impose additional cash payment obligations and additional covenants and operating restrictions. In addition, any of the risks described or referenced under the heading “Item 1A. Risk Factors” herein, including the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2024 may also significantly impact our liquidity.

As of March 31, 2025, we had \$172 million of cash and cash equivalents on hand and borrowing capacity of \$1.44 billion on our Credit Facility. The Partnership was in compliance with all financial covenants at March 31, 2025. Based on our current estimates, we expect to utilize capacity under the Credit Facility, along with cash from operations, to fund our announced growth capital expenditures and working capital needs for 2025; however, we may issue debt or equity securities as we deem prudent to provide liquidity for new capital projects or other partnership purposes.

### **Cash Flows**

Our cash flows may change in the future due to a number of factors, some of which we cannot control. These factors include regulatory changes, the price of products and services, the demand for such products and services, margin requirements resulting from significant changes in commodity prices, operational risks, the successful integration of our acquisitions and other factors.

### **Operating Activities**

Changes in cash flows from operating activities between periods primarily result from changes in earnings, excluding the impacts of non-cash items and changes in operating assets and liabilities (net of effects of acquisitions). Non-cash items include recurring non-cash expenses, such as depreciation, amortization and accretion expense and non-cash unit-based compensation expense. Cash flows from operating activities also differ from earnings as a result of non-cash charges that may not be recurring, such as impairment charges. Our daily working capital requirements fluctuate within each month, primarily in response to the timing of payments for motor fuels, motor fuels tax and rent.

***Three months ended March 31, 2025 compared to three months ended March 31, 2024.*** Net cash provided by operating activities during 2025 was \$156 million compared to \$286 million for 2024, and net income was \$207 million for 2025 and \$230 million for 2024. The difference between net income and net cash provided by operating activities for the three months ended March 31, 2025 primarily consisted of net changes in operating assets and liabilities (net of effects of acquisitions) of \$232 million and non-cash items totaling \$96 million.

The non-cash activity in 2025 and 2024 consisted primarily of depreciation, amortization and accretion of \$156 million and \$43 million, respectively, non-cash unit-based compensation expense of \$4 million for both periods, favorable inventory valuation adjustments of \$61 million and \$130 million, respectively, loss on disposal of assets of \$3 million and \$2 million, respectively, amortization of deferred financing fees of \$3 million and \$9 million, respectively, and deferred income tax benefit of \$7 million and deferred income tax expense of \$4 million, respectively.

Net income also included equity in earnings of unconsolidated affiliates of \$32 million and \$2 million in 2025 and 2024, respectively.

Cash provided by operating activities includes cash distributions received from unconsolidated affiliates that are deemed to be paid from cumulative earnings, which distributions were \$85 million in 2025.

### **Investing Activities**

Cash flows from investing activities primarily consist of capital expenditures, cash contributions to unconsolidated affiliates, cash amounts paid for acquisitions and cash proceeds from the sale or disposal of assets. Changes in capital expenditures between periods primarily result from increases or decreases in our growth capital expenditures to fund our construction and expansion projects.

***Three months ended March 31, 2025 compared to three months ended March 31, 2024.*** Net cash used in investing activities during 2025 was \$101 million compared to \$223 million in 2024. Capital expenditures for 2025 were \$101 million compared to \$41 million for 2024. In 2025, we paid \$12 million in cash for the acquisitions of fuel equipment, motor fuel inventory, and supply agreements. In 2024, we paid \$185 million in cash for the acquisition of Zenith European terminals.

In 2025, we paid \$24 million in cash contributions to unconsolidated affiliates.

Distributions from unconsolidated affiliates in excess of cumulative earnings were \$33 million and \$1 million for 2025 and 2024, respectively. Proceeds from disposal of property and equipment were \$3 million and \$2 million for 2025 and 2024, respectively.

### **Financing Activities**

Changes in cash flows from financing activities between periods primarily result from changes in the levels of borrowings and equity issuances, which are primarily used to fund our acquisitions and growth capital expenditures. Distributions increase between the periods based on increases in the number of common units outstanding or increases in the distribution rate.

***Three months ended March 31, 2025 compared to three months ended March 31, 2024.*** Net cash provided by financing activities during 2025 was \$23 million compared to \$123 million in 2024.

During the three months ended March 31, 2025, we:

- borrowed \$1.00 billion and repaid \$603 million in senior notes;
- borrowed \$1.09 billion and repaid \$1.30 billion under the Credit Facility;
- paid \$12 million in loan origination costs; and
- paid \$159 million in distributions to our unitholders, of which \$63 million was paid to Energy Transfer.

During the three months ended March 31, 2024, we:

- borrowed \$889 million and repaid \$675 million under the Credit Facility; and
- paid \$91 million in distributions to our unitholders, of which \$43 million was paid to Energy Transfer.

We intend to pay cash distributions to the holders of our common units and Class C units representing limited partner interests in the Partnership on a quarterly basis, to the extent we have sufficient cash from our operations after establishment of cash reserves and payment of fees and expenses, including payments to our General Partner and its affiliates. Class C unitholders receive distributions at a fixed rate equal to \$0.8682 per quarter for each Class C unit outstanding. There is no guarantee that we will pay a distribution on our units. In April 2025, we declared a quarterly distribution of \$0.8976 per common unit, which will result in the payment of approximately \$122 million to common unitholders and \$39 million to the IDR holders. The declared distribution will be paid on May 20, 2025 to unitholders of record on May 9, 2025.

### **Capital Expenditures**

For the three months ended March 31, 2025, total capital expenditures on an accrual basis were \$101 million, which included \$75 million for growth capital and \$26 million for maintenance capital. This includes the Partnership's proportionate share of capital expenditures related to its investments in ET-S Permian and J.C. Nolan of \$18 million for growth capital and \$2 million for maintenance capital.

We currently expect to spend approximately \$150 million in maintenance capital expenditures and at least \$400 million in growth capital for the full year 2025. These amounts include the Partnership's proportionate share for joint ventures.



## Description of Indebtedness

As of the dates set forth below, our outstanding consolidated indebtedness was as follows:

|                                                                | March 31,<br>2025 | December 31,<br>2024 |
|----------------------------------------------------------------|-------------------|----------------------|
| Credit Facility                                                | \$ —              | \$ 203               |
| 5.750% senior notes due 2025                                   | —                 | 600                  |
| 6.000% senior notes due 2026                                   | 500               | 500                  |
| 6.000% senior notes due 2027                                   | 600               | 600                  |
| 5.625% senior notes due 2027                                   | 550               | 550                  |
| 5.875% senior notes due 2028                                   | 400               | 400                  |
| 7.000% senior notes due 2028                                   | 500               | 500                  |
| 4.500% senior notes due 2029                                   | 800               | 800                  |
| 7.000% senior notes due 2029                                   | 750               | 750                  |
| 4.500% senior notes due 2030                                   | 800               | 800                  |
| 6.375% senior notes due 2030                                   | 600               | 600                  |
| 7.250% senior notes due 2032                                   | 750               | 750                  |
| 6.250% senior notes due 2033                                   | 1,000             | —                    |
| GoZone Bonds <sup>(1)</sup>                                    | 322               | 322                  |
| Lease-related financing obligations                            | 131               | 132                  |
| Net unamortized premiums, discounts and fair value adjustments | 17                | 16                   |
| Deferred debt issuance costs                                   | (47)              | (37)                 |
| Total debt                                                     | 7,673             | 7,486                |
| Less: current maturities                                       | 2                 | 2                    |
| Total long-term debt, net                                      | <u>\$ 7,671</u>   | <u>\$ 7,484</u>      |

<sup>(1)</sup> As of March 31, 2025, \$75 million of GoZone Bonds due on or before March 31, 2026 were classified as long-term as management has the intent and ability to refinance the borrowings on a long-term basis.

### March 2025 Senior Notes Offering and Redemption

In March 2025, the Partnership issued \$1.00 billion of 6.250% senior notes due 2033 in a private offering. These notes will mature on July 1, 2033 and interest is payable semi-annually on January 1 and July 1 of each year. The Partnership used the net proceeds from the private offering to repay its \$600 million of 5.750% senior notes due 2025 and to repay a portion of the outstanding borrowings under its Credit Facility.

### Credit Facility

As of March 31, 2025, we had no outstanding borrowings on the Credit Facility, which matures in May 2029, and \$56 million standby letters of credit were outstanding. The unused availability on the Credit Facility as of March 31, 2025 was \$1.44 billion. The weighted average interest rate on the total amount outstanding as of March 31, 2025 was 6.53%. The Partnership was in compliance with all financial covenants as of March 31, 2025.

### Guarantor Summarized Financial Information

The senior notes issued by NuStar Logistics are fully and unconditionally guaranteed by Sunoco LP, Sunoco Finance Corp. and certain of its subsidiaries; the senior notes issued by Sunoco LP and the senior notes co-issued by Sunoco LP and Sunoco Finance Corp. are fully and unconditionally guaranteed by NuStar, NuStar Logistics and certain other subsidiaries. Each guarantee of the senior notes (i) ranks equally in right of payment with all other existing and future unsecured senior indebtedness of that guarantor, (ii) is structurally subordinated to all existing and any future indebtedness and obligations of any subsidiaries of that guarantor that do not guarantee the notes and (iii) ranks senior to its guarantee of our subordinated indebtedness. See Note 8 of the Notes to Financial Statements in Item 1. “Financial Statements” for a discussion of certain of our debt obligations.

The following tables present summarized combined balance sheet and income statement information for Sunoco LP, Sunoco Finance Corp. and NuStar Logistics (the “Issuers”), as well as the subsidiaries that guarantee the senior notes issued by those three entities (collectively with the Issuers, the “Guarantor Issuer Group”). Intercompany items among the Guarantor Issuer Group have been

eliminated in the summarized combined financial information below, as well as intercompany balances and activity for the Guarantor Issuer Group with non-guarantor subsidiaries, including the Guarantor Issuer Group's investment balances in non-guarantor subsidiaries. Comparative period information for the summarized combined income statement is not included in the respective table below, as such information was not required for the prior period.

| Summarized Combined Balance Sheet Information for the Guarantor Issuer Group: | March 31,<br>2025 | December 31,<br>2024 |
|-------------------------------------------------------------------------------|-------------------|----------------------|
| Current assets                                                                | \$ 2,354          | \$ 2,225             |
| Non-current assets                                                            | 10,953            | 11,119               |
| Current liabilities <sup>(a)</sup>                                            | 1,583             | 1,903                |
| Non-current liabilities, including long-term debt                             | 8,445             | 8,244                |

(a) Excludes \$124 million and \$73 million of net intercompany payables owed to the non-guarantor subsidiaries from the Guarantor Issuer Group as of March 31, 2025 and December 31, 2024, respectively.

Long-term assets for the non-guarantor subsidiaries totaled \$876 million and \$792 million as of March 31, 2025 and December 31, 2024, respectively.

| Summarized Combined Income Statement Information for the Guarantor Issuer Group: | Three Months Ended<br>March 31, 2025 |
|----------------------------------------------------------------------------------|--------------------------------------|
| Revenues                                                                         | \$ 5,006                             |
| Operating income                                                                 | 238                                  |
| Net income                                                                       | 146                                  |

Revenues and net income for the non-guarantor subsidiaries totaled \$173 million and \$61 million, respectively, for the three months ended March 31, 2025.

### Critical Accounting Estimates

The Partnership's critical accounting estimates are described in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 14, 2025. No significant changes have occurred subsequent to the Form 10-K filing.

## Item 3. Quantitative and Qualitative Disclosures about Market Risk

### Interest Rate Risk

We are subject to market risk from exposure to changes in interest rates based on our financing, investing and cash management activities. We had no outstanding borrowings on the Credit Facility as of March 31, 2025. Our primary exposure relates to:

- interest rate risk on short-term borrowings; and
- the impact of interest rate movements on our ability to obtain adequate financing to fund future acquisitions.

While we cannot predict or manage our ability to refinance existing debt or the impact interest rate movements will have on our existing debt, management evaluates our financial position on an ongoing basis. From time to time, we may enter into interest rate swaps to reduce the impact of changes in interest rates on our floating rate debt. We had no interest rate swaps in effect during the first three months of 2025 or 2024.

### Commodity Price Risk

Our subsidiaries hold working inventories of refined petroleum products, renewable fuels, gasoline blendstocks and transmix in storage. As of March 31, 2025, we held approximately \$1.09 billion of such inventory. While in storage, volatility in the market price of stored motor fuel could adversely impact the price at which we can later sell the motor fuel. However, we may use futures, forwards and other derivative instruments (collectively, "positions") to hedge a variety of price risks relating to deviations in that inventory from a target base operating level established by management. Derivative instruments utilized consist primarily of exchange-traded futures contracts traded on the New York Mercantile Exchange, Chicago Mercantile Exchange and Intercontinental Exchange as well as over-the-counter transactions (including swap agreements) entered into with established financial institutions and other credit-approved energy companies. Our policy is generally to purchase only products for which there is a market and to structure sales contracts so that price fluctuations do not materially affect profit. While these derivative instruments represent economic hedges, they are not designated as hedges for accounting purposes. We may also engage in controlled trading in

accordance with specific parameters set forth in a written risk management policy. On a consolidated basis, the Partnership had a position of 1.5 million barrels with an aggregate unrealized loss of \$2.9 million at March 31, 2025.

## **Item 4. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

As required by paragraph (b) of Rule 13a-15 under the Exchange Act, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded, as of the end of the period covered by this report, that our disclosure controls and procedures were effective at the reasonable assurance level for which they were designed in that the information required to be disclosed by the Partnership in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting (as defined in Rule 13(a)-15(f) or Rule 15d-15(f) of the Exchange Act) during the three months ended March 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we do not believe that we are party to any litigation that will have a material adverse impact or other legal proceedings required to be reported herein.

### Item 1A. Risk Factors

The following risk factors, which were previously disclosed by the Partnership in its Annual Report on Form 10-K, have been included herein to reflect updates based on recent developments. These risk factors should be read in conjunction with our risk factors described in “Part I — Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2024.

***General economic, financial, and political conditions, including the impact of tariffs to the extent enacted, may materially adversely affect our results of operations and financial condition.***

General economic, financial, and political conditions may have a material adverse effect on our results of operations and financial condition. For example, on March 12, 2025, the U.S. government imposed a 25% tariff on steel imports, and on April 2, 2025, the U.S. government announced a 10% tariff on product imports from almost all foreign countries and individualized higher tariffs on certain other countries. Several tariff announcements have been followed by announcements of limited exemptions and temporary pauses. These actions have caused uncertainty and volatility in financial markets and may result in retaliatory measures on U.S. goods. It is possible that our operations may be affected by the resulting volatility in pricing and demand. Similarly, declines in consumer confidence and/or consumer spending, changes in unemployment, significant inflationary or deflationary changes or disruptive regulatory or geopolitical events could contribute to increased volatility and diminished expectations for the economy and our markets, including the market for our goods and services, and lead to demand or cost pressures that could negatively and adversely impact our business. These conditions could affect both of our business segments.

Examples of such conditions could include:

- a general or prolonged decline in, or shocks to, regional or broader macro-economies;
- regulatory changes that could impact the markets in which we operate, such as immigration, tariffs or trade reform laws, which could reduce demand for or supply of our goods and services or lead to pricing, currency, or other pressures; and
- deflationary economic pressures, which could hinder our ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to our cost structure.

In addition, volatility in the capital markets resulting from tariff announcements could also limit our ability to access capital on favorable terms, which could have an adverse impact on our ability to finance new projects and/or acquisitions.

The nature of these types of risks, which are often unpredictable, makes them difficult to plan for, or otherwise mitigate, and they are generally uninsurable—which compounds their potential impact on our business.

***Changes in U.S. administrative policy, including the imposition of or increases in tariffs on steel and/or other raw materials, changes to existing trade agreements and any resulting changes in international trade relations, may have an adverse effect on us.***

We own and operate pipelines and terminals and, like others in our industry, we use significant amounts of steel in our projects and rely on our ability to obtain that steel in an affordable way to maintain our operating margins. Any imposition of or increase in tariffs on steel and/or other raw materials could increase our growth project costs, which may impact the profitability of new projects, and our maintenance capital expenditures, potentially in excess of budgeted amounts.

On March 12, 2025, the U.S. government imposed a 25% tariff on steel imports, and on April 2, 2025, the U.S. government announced a 10% tariff on product imports from almost all countries and individualized higher tariffs on certain other countries. Several tariff announcements have been followed by announcements of limited exemptions and temporary pauses. These actions have caused uncertainty and volatility in financial markets and may result in retaliatory measures on U.S. goods. The ultimate impact of these or other potential tariffs is unknown at this time. Additionally, ongoing changes in U.S. and foreign government

trade policies, including potential modifications to existing trade agreements and further restrictions on free trade, could introduce additional uncertainty. Any escalation of trade tensions, additional tariffs, retaliatory measures by foreign governments or shifts in U.S. or international trade policies could adversely impact our supply chain and increase costs, particularly on our expansion projects. A trade war or other significant changes in trade regulations could have an adverse effect on our business and results of operations.

***Litigation relating to the acquisition of Parkland Corporation (“Parkland”) could result in an injunction preventing the completion of the acquisition and/or substantial costs to the Partnership and Parkland.***

Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into acquisition, merger or other business combination agreements. Even if such a lawsuit is without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on the Partnership’s and Parkland’s respective liquidity and financial condition.

Lawsuits that may be brought against the Partnership, Parkland or their respective directors could also seek, among other things, injunctive relief or other equitable relief, including a request to rescind parts of the arrangement agreement already implemented and to otherwise enjoin the parties from consummating the acquisition. One of the conditions to the closing of the acquisition is that no injunction by any court or other tribunal of competent jurisdiction has been entered and continues to be in effect and no law has been adopted or is effective, in either case that prohibits or makes illegal the closing of the acquisition. Consequently, if a plaintiff is successful in obtaining an injunction prohibiting completion of the acquisition, that injunction may delay or prevent the acquisition from being completed within the expected timeframe or at all, which may adversely affect the Partnership’s and Parkland’s respective business, financial position and results of operations.

There can be no assurance that any of the defendants will be successful in the outcome of any pending or any potential future lawsuits. The defense or settlement of any lawsuit or claim that remains unresolved at the time the acquisition is completed may adversely affect the Partnership’s or Parkland’s business, financial condition, results of operations and cash flows.

***Our unitholders will have a reduced ownership in us after our acquisition of Parkland.***

Pursuant to that certain arrangement agreement, dated May 4, 2025, Parkland shareholders have the right to receive 0.295 SUNCorp, LLC (“SUNCorp”) units and C\$19.80 in cash for each Parkland share or alternatively, C\$44.00 in cash per Parkland share or 0.536 SUNCorp units for each Parkland share, subject to proration. The actual number of SUNCorp units to be issued will be determined at the completion of the acquisition of Parkland based on the number of Parkland shares outstanding immediately prior to such time and the elections of Parkland shareholders. As SUNCorp will hold limited partnership units of the Partnership that are economically equivalent to our publicly-traded common units on the basis of one SUNCorp unit per each common unit of ours, the issuance of these new SUNCorp units could have the effect of depressing the market price of our common units, through dilution of earnings per unit or otherwise. Any dilution of, or delay of any accretion to, our earnings per unit could cause the price of our common units to decline or increase at a reduced rate.

***Failure to complete the acquisition of Parkland and successfully integrate the businesses of the Partnership and Parkland in the expected time frame could negatively impact the price of our common units and have a material adverse effect on our results of operations, cash flows and financial position.***

If our acquisition of Parkland is not completed for any reason, including as a result of failure to obtain all requisite regulatory approvals or Parkland’s shareholders fail to approve the applicable proposals, the anticipated benefits of the acquisition may not be realized or may take longer to realize than expected. The success of the merger will depend, in part, on the ability of the Partnership to realize the anticipated benefits from combining the businesses of ours and Parkland. If we and Parkland are unable to successfully combine their businesses, the anticipated benefits of the merger may take longer to realize than expected. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the merger.

Additionally, we would be subject to a number of risks, including the following:

- negative reactions from the financial markets, including negative impacts on the price of our common units;
- negative reactions from our respective customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners;

- we will still be obligated to pay certain significant costs relating to our acquisition of Parkland, such as legal, accounting, financing, financial advisor and printing fees;
- we may be obligated to pay a termination fee as required by the arrangement agreement governing the acquisition;
- the arrangement agreement governing the acquisition places certain restrictions on the conduct of our business, which may delay or prevent the undertaking of business opportunities that, absent the arrangement agreement governing the acquisition, may have been pursued;
- matters relating to our acquisition of Parkland (including integration planning) require substantial commitments of time and resources by management, which may have resulted in the distraction from ongoing business operations and pursuing other opportunities that could have been beneficial;
- litigation related to any failure to complete our acquisition of Parkland or related to any enforcement proceeding commenced against us to perform our respective obligations under the arrangement agreement governing the acquisition; and
- loss of key employees, the disruption of each of our and Parkland's ongoing businesses and relationships with customers, or inconsistencies in their standards, controls, procedures and policies.

If the acquisition is not completed, the risks described above may materialize and they may have a material adverse effect on our results of operations, cash flows, financial position and price of our common units.

***Our future debt levels may impair our financial condition and our ability to make distributions to our unitholders.***

We had \$7.7 billion of debt outstanding as of March 31, 2025. We have the ability to incur additional debt under our Credit Facility and the indentures governing our senior notes. In connection with our merger with Parkland, we expect to assume Parkland's debt and issue additional debt, aggregating approximately \$5 billion. The level of our future indebtedness could have important consequences to us, including:

- making it more difficult for us to satisfy our obligations with respect to our senior notes, our GoZone Bonds and our credit agreements governing our Credit Facility;
- limiting our ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, the execution of our growth strategy and other activities;
- requiring us to dedicate a substantial portion of our cash flow from operations to pay interest on our debt, which would reduce our cash flow available to make distributions to our unitholders and holders of SUNCorp units and to fund working capital, capital expenditures, acquisitions, execution of our growth strategy and other activities;
- making us more vulnerable to adverse changes in general economic conditions, our industry and government regulations and in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions; and
- placing us at a competitive disadvantage compared with our competitors that have less debt.

In addition, we may not be able to generate sufficient cash flow from our operations to repay our indebtedness when it becomes due and to meet other cash needs. Our ability to service our debt depends upon, among other things, our financial and operating performance as impacted by prevailing economic conditions, and financial, business, regulatory and other factors, some of which are beyond our control. In addition, our ability to service our debt will depend on market interest rates, since the rates applicable to a portion of our borrowings fluctuate. If we are not able to pay our debts as they become due, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness or selling additional debt or equity securities. We may not be able to refinance our debt or sell additional debt or equity securities or our assets on favorable terms, if at all, and if we must sell our assets, it may negatively affect our ability to generate revenues.

***Our tax treatment depends on our status as a partnership for U.S. federal income tax purposes, as well as our not being subject to a material amount of entity-level taxation by individual states. If the Internal Revenue Service (“IRS”) were to treat us as a corporation for U.S. federal income tax purposes or we were otherwise subject to a material amount of entity-level taxation, then our cash available for distribution to our unitholders would be substantially reduced.***

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for U.S. federal income tax purposes.

Despite the fact that we are organized as a limited partnership under Delaware law, we will be treated as a corporation for U.S. federal income tax purposes unless we satisfy a “qualifying income” requirement. Based upon our current operations, we believe we satisfy the qualifying income requirement and will continue to satisfy the qualifying income requirement after the acquisition of Parkland. However, no ruling has been or will be requested regarding our treatment as a partnership for U.S. federal income tax purposes. Failing to meet the qualifying income requirement or a change in current law could cause us to be treated as a corporation for U.S. federal income tax purposes or otherwise subject us to taxation as an entity.

If we were treated as a corporation for U.S. federal income tax purposes, we would pay U.S. federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 21%, and would likely pay state income tax at varying rates. Distributions to our unitholders who are treated as holders of corporate stock would generally be taxed again as corporate distributions, and no income, gains, losses, deductions or credits would flow through to our unitholders. Because a tax would be imposed upon us as a corporation, our cash available for distribution to our unitholders would be substantially reduced.

Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal, state or local income tax purposes, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law on us.

In addition, changes in current state law may subject us to additional entity-level taxation by individual states. Several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. For example, we are currently subject to the entity-level Texas franchise tax. Imposition of any such additional taxes on us or an increase in the existing tax rates would reduce the cash available for distribution to our unitholders. Therefore, if we were treated as a corporation for U.S. federal income tax purposes or otherwise subjected to a material amount of entity-level taxation, there would be a material reduction in the anticipated cash flow and after-tax return to our unitholders, likely causing a substantial reduction in the value of our common units.

## **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

On February 28, 2025, the Partnership issued 91,776 common units (valued at approximately \$5 million for accounting purposes) as a portion of the consideration for an acquisition, see “Recent Developments - Acquisitions” in “Part I - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.” The issuance of the common units did not involve any underwriters or any public offering and was in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended. The Partnership did not engage in a general solicitation or advertising with regard to the issuance of these common units. The recipients of the common units were determined to be accredited investors.



## **Item 6. Exhibits**

| <b>Exhibit No.</b> | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1                | <a href="#">Agreement and Plan of Merger, dated as of January 22, 2024, by and among Sunoco LP, Saturn Merger Sub, LLC, NuStar Energy L.P., Riverwalk Logistics, L.P., NuStar GP, LLC and Sunoco GP, LLC (incorporated by reference to Exhibit 2.1 of the current report on Form 8-K (File Number 001-35653) filed by the registrant on January 22, 2024)</a>                                                                                                                                                                                                                     |
| 2.2                | <a href="#">Contribution Agreement, by and among Sunoco LP, SUN Pipeline Holdings LLC, NuStar Permian Transportation and Storage LLC, NuStar Permian Crude Logistics LLC, NuStar Permian Holdings LLC, NuStar Logistics, L.P., ET-S Permian Holdings Company LP, ET-S Permian Pipeline Company LLC, ET-S Permian Marketing Company LLC, Energy Transfer LP, and Energy Transfer Crude Marketing, LLC, dated as of July 14, 2024 (incorporated by reference to Exhibit 2.2 of the current report on Form 8-K (File Number 001-35653) filed by the registrant on July 18, 2024)</a> |
| 3.1                | <a href="#">Second Amended and Restated Certificate of Limited Partnership of Sunoco LP, dated as of May 8, 2018 (incorporated by reference to Exhibit 3.1 of the quarterly report on Form 10-Q (File Number 001-35653) filed by the registrant on May 10, 2018)</a>                                                                                                                                                                                                                                                                                                              |
| 3.2                | <a href="#">Second Amended and Restated Agreement of Limited Partnership of Sunoco LP, dated February 12, 2025 (incorporated by reference to Exhibit 3.2 of the annual report on Form 10-K (File Number 001-35653) filed by the registrant on February 14, 2025)</a>                                                                                                                                                                                                                                                                                                              |
| 3.3                | <a href="#">Certificate of Formation of Susser Petroleum Partners GP LLC, dated as of June 11, 2012 (incorporated by reference to Exhibit 3.4 of the registration statement on Form S-1 (File Number 333-182276), as amended, originally filed by the registrant on June 22, 2012)</a>                                                                                                                                                                                                                                                                                            |
| 3.4                | <a href="#">Certificate of Amendment to the Certificate of Formation of Susser Petroleum Partners GP LLC (incorporated by reference to Exhibit 3.3 of the current report on Form 8-K (File Number 001-35653) filed by the registrant on October 28, 2014)</a>                                                                                                                                                                                                                                                                                                                     |
| 3.5                | <a href="#">Amended and Restated Limited Liability Company Agreement of Susser Petroleum Partners GP LLC, dated as of September 25, 2012 (incorporated by reference to Exhibit 3.2 of the current report on Form 8-K (File Number 001-35653) filed by the registrant on September 25, 2012)</a>                                                                                                                                                                                                                                                                                   |
| 3.6                | <a href="#">Amendment No. 1 to the Amended and Restated Limited Liability Company Agreement of Susser Petroleum Partners GP LLC (incorporated by reference to Exhibit 3.4 of the current report on Form 8-K (File Number 001-35653) filed by the registrant on October 28, 2014)</a>                                                                                                                                                                                                                                                                                              |
| 3.7                | <a href="#">Amendment No. 2 to the Amended and Restated Limited Liability Company Agreement of Sunoco GP LLC (incorporated by reference to Exhibit 3.3 of the current report on Form 8-K (File Number 001-35653) filed by the registrant on June 8, 2016)</a>                                                                                                                                                                                                                                                                                                                     |
| 3.8                | <a href="#">Amendment No. 3 to the Amended and Restated Limited Liability Company Agreement of Sunoco GP LLC (incorporated by reference to Exhibit 3.3 of the quarterly report on Form 10-Q (File Number 001-35653) filed by the registrant on May 10, 2018)</a>                                                                                                                                                                                                                                                                                                                  |
| 4.1                | <a href="#">Indenture, dated as of March 31, 2025, by and among Sunoco LP, the Guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K (File Number 001-35653) filed by the registrant on March 31, 2025)</a>                                                                                                                                                                                                                                                          |
| 22.1 *             | <a href="#">List of Guarantor and Issuer Subsidiaries</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 31.1 *             | <a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act</a>                                                                                                                                                                                                                                                                                                                                                                         |
| 31.2 *             | <a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act</a>                                                                                                                                                                                                                                                                                                                                                                         |
| 32.1 **            | <a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act</a>                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 32.2 **            | <a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act</a>                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 101*               | The following financial information from the Partnership's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in Inline XBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements                                                                                                |
| 104                | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| *                  | Filed herewith                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| **                 | Furnished herewith                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

**SUNOCO LP**

By Sunoco GP LLC, its general partner

Date: May 8, 2025

By /s/ Rick Raymer

Rick Raymer  
Vice President, Controller and  
Principal Accounting Officer  
(In his capacity as principal accounting  
officer)

### List of Guarantor and Issuer Subsidiaries

The following entities are issuers, co-issuers or guarantors of (i) the 6.000% senior notes due 2027, 5.875% senior notes due 2028, 7.000% senior notes due 2028, 4.500% senior notes due 2029 and 4.500% senior notes due 2030, each issued by Sunoco LP and Sunoco Finance Corp. (collectively, the “Legacy SUN Notes”), (ii) the 7.000% senior notes due 2029, 7.250% senior notes due 2032, and 6.250% senior notes due 2033 each issued by Sunoco LP (collectively, the “New SUN Notes”), and (iii) the 6.000% senior notes due 2026, 5.625% senior notes due 2027 and 6.375% senior notes due 2030, each issued by NuStar Logistics, L.P. (collectively, the “Legacy NuStar Notes”).

| <u>Name of Entity</u>                            | <u>Jurisdiction of<br/>Organization or<br/>Formation</u> | <u>Legacy SUN<br/>Notes</u> | <u>New SUN<br/>Notes</u> | <u>Legacy<br/>NuStar Notes</u> |
|--------------------------------------------------|----------------------------------------------------------|-----------------------------|--------------------------|--------------------------------|
| Sunoco LP                                        | Delaware                                                 | Co-Issuer                   | Issuer                   | Guarantor                      |
| Aloha Petroleum LLC                              | Delaware                                                 | Guarantor                   | Guarantor                | Guarantor                      |
| Aloha Petroleum, Ltd.                            | Hawaii                                                   | Guarantor                   | Guarantor                | Guarantor                      |
| Sunmarks, LLC                                    | Delaware                                                 | Guarantor                   | Guarantor                | Guarantor                      |
| Sunoco Midstream LLC (formerly Sunoco Caddo LLC) | Delaware                                                 | Guarantor                   | Guarantor                | Guarantor                      |
| Sunoco Finance Corp.                             | Delaware                                                 | Co-Issuer                   | Guarantor                | Guarantor                      |
| Sunoco, LLC                                      | Delaware                                                 | Guarantor                   | Guarantor                | Guarantor                      |
| Sunoco NLR LLC                                   | Delaware                                                 | Guarantor                   | Guarantor                | Guarantor                      |
| Sunoco Refined Products LLC                      | Delaware                                                 | Guarantor                   | Guarantor                | Guarantor                      |
| Sunoco Retail LLC                                | Pennsylvania                                             | Guarantor                   | Guarantor                | Guarantor                      |
| NuStar Energy L.P.                               | Delaware                                                 | Guarantor                   | Guarantor                | Guarantor                      |
| NuStar Logistics, L.P.                           | Delaware                                                 | Guarantor                   | Guarantor                | Issuer                         |
| NuStar Pipeline Operating Partnership L.P.       | Delaware                                                 | Guarantor                   | Guarantor                | Guarantor                      |
| NuStar Pipeline Partners L.P.                    | Delaware                                                 | Guarantor                   | Guarantor                | Guarantor                      |
| NuStar Permian Holdings, LLC                     | Delaware                                                 | Guarantor                   | Guarantor                | Guarantor                      |

CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph Kim, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sunoco LP (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

*/s/ Joseph Kim*

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Joseph Kim

President and Chief Executive Officer of Sunoco GP LLC, the  
general partner of Sunoco LP

CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dylan A. Bramhall, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sunoco LP (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

*/s/ Dylan A. Bramhall*

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Dylan A. Bramhall

Chief Financial Officer of Sunoco GP LLC, the  
general partner of Sunoco LP

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Sunoco LP (the "Partnership") on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph Kim, as President and Chief Executive Officer of Sunoco GP LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: May 8, 2025

/s/ Joseph Kim

Joseph Kim

President and Chief Executive Officer of Sunoco  
GP LLC, the general partner of Sunoco LP

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Partnership for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Sunoco LP (the “Partnership”) on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Dylan A. Bramhall, as Chief Financial Officer of Sunoco GP LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: May 8, 2025

/s/ Dylan A. Bramhall

Dylan A. Bramhall

Chief Financial Officer of Sunoco GP LLC, the  
general partner of Sunoco LP

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Partnership for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.



## **Sunoco 2025 Current Reports**

[See attached]

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Act of 1934**

**January 27, 2025**

Date of Report (Date of earliest event reported)

**SUNOCO LP**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001-35653**

(Commission File Number)

**30-0740483**

(IRS Employer Identification No.)

**8111 Westchester Drive, Suite 400**

**Dallas , Texas 75225**

(Address of principal executive offices, including zip code)

**(214) 981-0700**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>                                 | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|------------------------------------------------------------|--------------------------|--------------------------------------------------|
| <b>Common Units Representing Limited Partner Interests</b> | <b>SUN</b>               | <b>New York Stock Exchange</b>                   |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

☐

**Item 7.01. Regulation FD Disclosure.**

On January 27, 2025, Sunoco LP (the “Partnership”) issued a press release announcing that the Board of Directors of its general partner, Sunoco GP LLC, (the “Board”) approved a cash distribution of \$0.8865 per common unit (\$3.5460 annualized) on Partnership common units for the quarter ended December 31, 2024.

A copy of the press release is set forth in Exhibit 99.1 and is incorporated herein by reference. In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibit 99.1 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

**Item 8.01. Other Events.**

On January 27, 2025, the Partnership issued a press release announcing that the Board approved a cash distribution of \$0.8865 per common unit (\$3.5460 annualized) on Partnership common units for the quarter ended December 31, 2024. The cash distribution will be paid on February 19, 2025 to unitholders of record as of the close of business on February 7, 2025.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.**

| <u>Exhibit Number</u> | <u>Exhibit Description</u>                                                  |
|-----------------------|-----------------------------------------------------------------------------|
| 99.1                  | <a href="#">Press Release of Sunoco LP, dated January 27, 2025</a>          |
| 104                   | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 27, 2025

**SUNOCO LP**

By: Sunoco GP LLC, its general partner

By: /s/ Rick Raymer

Rick Raymer

Vice President, Controller and

Principal Accounting Officer



## Sunoco LP Announces Increase in Quarterly Distribution and Targets 2025 Distribution Growth Rate of At Least 5%

- Increases quarterly distribution to \$0.8865, a 1.25% increase over the previous quarter
- Targets 2025 distribution growth rate of at least 5%; future increases will be announced quarterly
- Represents the third consecutive increase in annual distribution growth rate
- Strong long-term financial outlook and track record of delivering accretive growth provide a clear path for continued multi-year distribution increases

**DALLAS**, January 27, 2025 – Sunoco LP (NYSE: SUN) (“SUN” or the “Partnership”) announced that the Board of Directors of its general partner declared a quarterly distribution for the fourth quarter of 2024 of \$0.8865 per common unit or \$3.5460 per common unit on an annualized basis which represents a 1.25% increase over the previous quarter.

The distribution will be paid on February 19, 2025 to common unitholders of record on February 7, 2025.

### About Sunoco LP

Sunoco LP (NYSE: SUN) is a leading energy infrastructure and fuel distribution master limited partnership operating in over 40 U.S. states, Puerto Rico, Europe, and Mexico. The Partnership’s midstream operations include an extensive network of approximately 14,000 miles of pipeline and over 100 terminals. This critical infrastructure complements the Partnership’s fuel distribution operations, which serve approximately 7,400 Sunoco and partner branded locations and additional independent dealers and commercial customers. SUN's general partner is owned by Energy Transfer LP (NYSE: ET).

### Forward-Looking Statements

This news release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management’s control. An extensive list of factors that can affect future results, including future distribution levels, are discussed in the Partnership’s Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. The Partnership undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

### Qualified Notice

This release serves as qualified notice to nominees as provided for under Treasury Regulation Section 1.1446-4(b)(4) and (d). Please note that one hundred percent (100%) of Sunoco LP’s distributions to foreign investors are attributable to income that is effectively connected with a United States trade or business. Accordingly, all of Sunoco LP’s distributions to foreign investors are subject to federal tax withholding at the highest applicable effective tax rate. Nominees, and not Sunoco LP, are treated as withholding agents responsible for withholding distributions received by them on behalf of foreign investors. For purposes of Treasury Regulation section 1.1446(f)-4(c)(2)(iii), brokers and nominees should treat one hundred percent (100%) of the distributions as being in excess of cumulative net income for purposes of determining the amount to withhold.

### Contacts

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(214) 840-5660, [scott.grischow@sunoco.com](mailto:scott.grischow@sunoco.com)

Erik Gulbrandsen  
Director – Investor Relations and Capital Markets  
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# # #

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Act of 1934**

**February 11, 2025**

Date of Report (Date of earliest event reported)

**SUNOCO LP**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**001-35653**  
(Commission File Number)

**30-0740483**  
(IRS Employer Identification No.)

**8111 Westchester Drive, Suite 400**  
**Dallas , Texas 75225**  
(Address of principal executive offices, including zip code)

**(214) 981-0700**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>                                 | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|------------------------------------------------------------|--------------------------|--------------------------------------------------|
| <b>Common Units Representing Limited Partner Interests</b> | <b>SUN</b>               | <b>New York Stock Exchange</b>                   |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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



**Item 2.02 Results of Operations and Financial Condition.**

The following information is furnished under Item 2.02, “Results of Operations and Financial Condition.” This information, including the information contained in Exhibit 99.1 hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On February 11, 2025, Sunoco LP issued a news release announcing its results for the fiscal year and fourth fiscal quarter ended December 31, 2024 and providing access information for an investor conference call to discuss those results. A copy of the news release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is hereby incorporated by reference into this Item 2.02. The conference call will be available for replay approximately 60 days following the date of the call at [www.SunocoLP.com](http://www.SunocoLP.com).

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.**

In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibit 99.1 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act.

| <u>Exhibit Number</u> | <u>Exhibit Description</u>                                                  |
|-----------------------|-----------------------------------------------------------------------------|
| 99.1                  | <a href="#">Press Release of Sunoco LP, dated February 11, 2025</a>         |
| 104                   | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 11, 2025

**SUNOCO LP**

By: Sunoco GP LLC, its general partner

By: /s/ Rick Raymer

Rick Raymer

Vice President, Controller and Principal  
Accounting Officer



## Sunoco LP Reports Fourth Quarter and Record Full Year 2024 Financial and Operating Results

- Delivers record full-year 2024 financial and operating results
  - Net income of \$874 million
  - Adjusted EBITDA<sup>(1)</sup>, excluding one-time transaction-related expenses<sup>(2)</sup>, of \$1.56 billion
  - Fuel volume of 8.6 billion gallons
- Increases quarterly distribution, targeting a distribution growth rate of at least 5% for 2025
- Expects full-year 2025 Adjusted EBITDA<sup>(1)(3)</sup> to be in a range of \$1.90 billion to \$1.95 billion

**DALLAS**, February 11, 2025 - Sunoco LP (NYSE: SUN) (“SUN” or the “Partnership”) today reported financial and operating results for the quarter and year ended December 31, 2024.

### Financial and Operational Highlights

Net income for the fourth quarter of 2024 was \$141 million compared to a net loss of \$106 million in the fourth quarter of 2023.

Adjusted EBITDA<sup>(1)</sup> for the fourth quarter of 2024 was \$439 million compared to \$236 million in the fourth quarter of 2023.

Adjusted EBITDA<sup>(1)</sup> for the fourth quarter of 2024 includes approximately \$7 million of one-time transaction-related expenses<sup>(2)</sup>.

Distributable Cash Flow, as adjusted<sup>(1)</sup>, for the fourth quarter of 2024 was \$261 million compared to \$148 million in the fourth quarter of 2023.

Adjusted EBITDA<sup>(1)</sup> for the Fuel Distribution segment for the fourth quarter of 2024 was \$192 million compared to \$209 million in the fourth quarter of 2023. The segment sold approximately 2.2 billion gallons of fuel in the fourth quarter of 2024. Fuel margin for all gallons sold was 10.6 cents per gallon for the fourth quarter of 2024.

Adjusted EBITDA<sup>(1)</sup> for the Pipeline Systems segment for the fourth quarter of 2024 was \$188 million. Adjusted EBITDA<sup>(1)</sup> for the fourth quarter of 2024 includes approximately \$5 million of one-time transaction-related expenses<sup>(2)</sup>. The segment averaged throughput volumes of approximately 1.4 million barrels per day in the fourth quarter of 2024.

Adjusted EBITDA<sup>(1)</sup> for the Terminals segment for the fourth quarter of 2024 was \$59 million compared to \$25 million in 2023.

Adjusted EBITDA<sup>(1)</sup> for the fourth quarter of 2024 includes approximately \$2 million of one-time transaction-related expenses<sup>(2)</sup>.

The segment averaged throughput volumes of approximately 590 thousand barrels per day in the fourth quarter of 2024.

For the year ended December 31, 2024, net income was \$874 million compared to \$394 million in 2023.

Adjusted EBITDA<sup>(1)</sup> for the year ended December 31, 2024 was \$1.46 billion compared to \$964 million in 2023. Adjusted EBITDA<sup>(1)</sup> for the year ended December 31, 2024 includes \$106 million in one-time transaction-related expenses<sup>(2)</sup>.

Distributable Cash Flow, as adjusted<sup>(1)</sup>, for the year ended December 31, 2024 was \$1.08 billion, compared to \$664 million in 2023.

## Distribution

On January 27, 2025, the Board of Directors of SUN's general partner declared a distribution for the fourth quarter of 2024 of \$0.8865 per unit, or \$3.5460 per unit on an annualized basis. The distribution will be paid on February 19, 2025, to common unitholders of record on February 7, 2025.

The Partnership is targeting a distribution growth rate of at least 5% for 2025 and will announce future increases quarterly.

## Liquidity, Leverage and Credit

At December 31, 2024, SUN had long-term debt of approximately \$7.5 billion and approximately \$1.3 billion of liquidity remaining on its \$1.5 billion revolving credit facility. SUN's leverage ratio of net debt to Adjusted EBITDA<sup>(1)</sup>, calculated in accordance with its credit facility, was 4.1 times at the end of the fourth quarter.

## Capital Spending

SUN's total capital expenditures in the fourth quarter of 2024 were \$132 million, which included \$74 million of growth capital and \$58 million of maintenance capital. For the full year 2024, growth capital expenditures were \$220 million and maintenance capital expenditures were \$124 million.

## 2025 Business Outlook

- Full year 2025 Adjusted EBITDA<sup>(1)(3)</sup> to be in a range of \$1.90 billion to \$1.95 billion
- Total operating expenses<sup>(4)</sup> to be in a range of \$900 million to \$925 million
- Growth capital expenditures of at least \$400 million
- Maintenance capital expenditures of approximately \$150 million.

SUN's segment results and other supplementary data are provided after the financial tables below.

- <sup>(1)</sup> Adjusted EBITDA and Distributable Cash Flow, as adjusted, are non-GAAP financial measures of performance that have limitations and should not be considered as a substitute for net income. Please refer to the discussion and tables under "Supplemental Information" later in this news release for a discussion of our use of Adjusted EBITDA and Distributable Cash Flow, as adjusted, and a reconciliation to net income.
- <sup>(2)</sup> Transaction-related expenses include certain one-time expenses incurred with acquisitions and divestitures.
- <sup>(3)</sup> A reconciliation of non-GAAP forward looking information to corresponding GAAP measures cannot be provided without unreasonable efforts due to the inherent difficulty in quantifying certain amounts due to a variety of factors, including the unpredictability of commodity price movements and future charges or reversals outside the normal course of business which may be significant.
- <sup>(4)</sup> Operating expenses include general and administrative, other operating, and lease expenses.

## Earnings Conference Call

Sunoco LP management will hold a conference call on Tuesday, February 11, 2025, at 9:00 a.m. Central Time (10:00 a.m. Eastern Time) to discuss results and recent developments. To participate, dial 877-407-6184 (toll free) or 201-389-0877 approximately 10 minutes before the scheduled start time and ask for the Sunoco LP conference call. The call will also be accessible live and for later replay via webcast in the Investor Relations section of Sunoco's website at [www.sunocolp.com](http://www.sunocolp.com) under Webcasts and Presentations.

## About Sunoco LP

Sunoco LP (NYSE: SUN) is a leading energy infrastructure and fuel distribution master limited partnership operating in over 40 U.S. states, Puerto Rico, Europe, and Mexico. The Partnership's midstream operations include an extensive network of approximately 14,000 miles of pipeline and over 100 terminals. This critical infrastructure complements the Partnership's fuel

distribution operations, which serve approximately 7,400 Sunoco and partner branded locations and additional independent dealers and commercial customers. SUN's general partner is owned by Energy Transfer LP (NYSE: ET).

### **Forward-Looking Statements**

This news release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. An extensive list of factors that can affect future results, including future distribution levels, are discussed in the Partnership's Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. The Partnership undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

The information contained in this press release is available on our website at [www.sunocolp.com](http://www.sunocolp.com)

### **Contacts**

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#### **Media:**

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– Financial Schedules Follow –



**SUNOCO LP**  
**CONSOLIDATED BALANCE SHEETS**

(Dollars in millions)

(unaudited)

|                                                                                                                             | December 31,<br>2024 | December 31,<br>2023 |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                                                                               |                      |                      |
| Current assets:                                                                                                             |                      |                      |
| Cash and cash equivalents                                                                                                   | \$ 94                | \$ 29                |
| Accounts receivable, net                                                                                                    | 1,162                | 856                  |
| Accounts receivable from affiliates                                                                                         | —                    | 20                   |
| Inventories, net                                                                                                            | 1,068                | 889                  |
| Other current assets                                                                                                        | 141                  | 133                  |
| Total current assets                                                                                                        | 2,465                | 1,927                |
| Property and equipment                                                                                                      | 8,914                | 2,970                |
| Accumulated depreciation                                                                                                    | (1,240)              | (1,134)              |
| Property and equipment, net                                                                                                 | 7,674                | 1,836                |
| Other assets:                                                                                                               |                      |                      |
| Operating lease right-of-use assets, net                                                                                    | 477                  | 506                  |
| Goodwill                                                                                                                    | 1,477                | 1,599                |
| Intangible assets, net                                                                                                      | 547                  | 544                  |
| Other non-current assets                                                                                                    | 400                  | 290                  |
| Investment in unconsolidated affiliates                                                                                     | 1,335                | 124                  |
| Total assets                                                                                                                | <u>\$ 14,375</u>     | <u>\$ 6,826</u>      |
| <b>LIABILITIES AND EQUITY</b>                                                                                               |                      |                      |
| Current liabilities:                                                                                                        |                      |                      |
| Accounts payable                                                                                                            | \$ 1,255             | \$ 828               |
| Accounts payable to affiliates                                                                                              | 199                  | 170                  |
| Accrued expenses and other current liabilities                                                                              | 457                  | 353                  |
| Operating lease current liabilities                                                                                         | 34                   | 22                   |
| Current maturities of long-term debt                                                                                        | 2                    | —                    |
| Total current liabilities                                                                                                   | 1,947                | 1,373                |
| Operating lease non-current liabilities                                                                                     | 479                  | 511                  |
| Long-term debt, net                                                                                                         | 7,484                | 3,580                |
| Advances from affiliates                                                                                                    | 82                   | 102                  |
| Deferred tax liabilities                                                                                                    | 157                  | 166                  |
| Other non-current liabilities                                                                                               | 158                  | 116                  |
| Total liabilities                                                                                                           | 10,307               | 5,848                |
| Commitments and contingencies                                                                                               |                      |                      |
| Equity:                                                                                                                     |                      |                      |
| Limited partners:                                                                                                           |                      |                      |
| Common unitholders (136,228,535 and 84,408,014 units issued and outstanding as of December 31, 2024 and 2023, respectively) | 4,066                | 978                  |
| Class C unitholders - held by subsidiary (16,410,780 units issued and outstanding as of December 31, 2024 and 2023)         | —                    | —                    |
| Accumulated other comprehensive income                                                                                      | 2                    | —                    |
| Total equity                                                                                                                | 4,068                | 978                  |
| Total liabilities and equity                                                                                                | <u>\$ 14,375</u>     | <u>\$ 6,826</u>      |

**SUNOCO LP**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in millions, except per unit data)  
(unaudited)

|                                                          | <b>Three months ended December 31,</b> |             | <b>Year Ended December 31,</b> |             |
|----------------------------------------------------------|----------------------------------------|-------------|--------------------------------|-------------|
|                                                          | <b>2024</b>                            | <b>2023</b> | <b>2024</b>                    | <b>2023</b> |
| Revenues                                                 | \$ 5,269                               | \$ 5,641    | \$ 22,693                      | \$ 23,068   |
| Costs and Expenses:                                      |                                        |             |                                |             |
| Cost of sales                                            | 4,644                                  | 5,492       | 20,595                         | 21,703      |
| Operating expenses                                       | 172                                    | 94          | 545                            | 356         |
| General and administrative                               | 52                                     | 34          | 277                            | 126         |
| Lease expense                                            | 19                                     | 17          | 72                             | 68          |
| (Gain) loss on disposal of assets and impairment charges | (7)                                    | 1           | 45                             | (7)         |
| Depreciation, amortization and accretion                 | 152                                    | 46          | 368                            | 187         |
| Total cost of sales and operating expenses               | 5,032                                  | 5,684       | 21,902                         | 22,433      |
| Operating Income (Loss)                                  | 237                                    | (43)        | 791                            | 635         |
| Other Income (Expense):                                  |                                        |             |                                |             |
| Interest expense, net                                    | (117)                                  | (55)        | (391)                          | (217)       |
| Equity in earnings of unconsolidated affiliates          | 25                                     | 1           | 60                             | 5           |
| Gain (loss) on West Texas Sale                           | (12)                                   | —           | 586                            | —           |
| Loss on extinguishment of debt                           | —                                      | —           | (2)                            | —           |
| Other, net                                               | 12                                     | —           | 5                              | 7           |
| Income (Loss) Before Income Taxes                        | 145                                    | (97)        | 1,049                          | 430         |
| Income tax expense                                       | 4                                      | 9           | 175                            | 36          |
| Net Income (Loss)                                        | \$ 141                                 | \$ (106)    | \$ 874                         | \$ 394      |
| Net Income (Loss) per Common Unit:                       |                                        |             |                                |             |
| Basic                                                    | \$ 0.76                                | \$ (1.50)   | \$ 6.04                        | \$ 3.70     |
| Diluted                                                  | \$ 0.75                                | \$ (1.50)   | \$ 6.00                        | \$ 3.65     |
| Weighted Average Common Units Outstanding:               |                                        |             |                                |             |
| Basic                                                    | 136,038,591                            | 84,139,599  | 118,529,390                    | 84,081,083  |
| Diluted                                                  | 136,870,335                            | 84,139,599  | 119,342,038                    | 85,093,497  |
| Cash Distributions per Common Unit                       | \$ 0.8865                              | \$ 0.8420   | \$ 3.5133                      | \$ 3.3680   |



**SUNOCO LP**  
**SUPPLEMENTAL INFORMATION**

(Dollars and units in millions)  
(unaudited)

|                                                                               | Three months ended December 31, |               | Year Ended December 31, |               |
|-------------------------------------------------------------------------------|---------------------------------|---------------|-------------------------|---------------|
|                                                                               | 2024                            | 2023          | 2024                    | 2023          |
| <b>Net income (loss)</b>                                                      | \$ 141                          | \$ (106)      | \$ 874                  | \$ 394        |
| Depreciation, amortization and accretion                                      | 152                             | 46            | 368                     | 187           |
| Interest expense, net                                                         | 117                             | 55            | 391                     | 217           |
| Non-cash unit-based compensation expense                                      | 5                               | 4             | 17                      | 17            |
| (Gain) loss on disposal of assets and impairment charges                      | (7)                             | 1             | 45                      | (7)           |
| Loss on extinguishment of debt                                                | —                               | —             | 2                       | —             |
| Unrealized (gains) losses on commodity derivatives                            | 4                               | (10)          | 12                      | (21)          |
| Inventory valuation adjustments                                               | (13)                            | 227           | 86                      | 114           |
| Equity in earnings of unconsolidated affiliates                               | (25)                            | (1)           | (60)                    | (5)           |
| Adjusted EBITDA related to unconsolidated affiliates                          | 48                              | 2             | 101                     | 10            |
| (Gain) loss on West Texas Sale                                                | 12                              | —             | (586)                   | —             |
| Other non-cash adjustments                                                    | 1                               | 9             | 32                      | 22            |
| Income tax expense                                                            | 4                               | 9             | 175                     | 36            |
| <b>Adjusted EBITDA <sup>(1)</sup></b>                                         | <b>439</b>                      | <b>236</b>    | <b>1,457</b>            | <b>964</b>    |
| Transaction-related expenses                                                  | 7                               | —             | 106                     | —             |
| <b>Adjusted EBITDA <sup>(1)</sup>, excluding transaction-related expenses</b> | <b>\$ 446</b>                   | <b>\$ 236</b> | <b>\$ 1,563</b>         | <b>\$ 964</b> |
| <b>Adjusted EBITDA <sup>(1)</sup></b>                                         | <b>\$ 439</b>                   | <b>\$ 236</b> | <b>\$ 1,457</b>         | <b>\$ 964</b> |
| Adjusted EBITDA related to unconsolidated affiliates                          | (48)                            | (2)           | (101)                   | (10)          |
| Distributable cash flow from unconsolidated affiliates                        | 43                              | 1             | 93                      | 7             |
| Cash interest expense                                                         | (114)                           | (53)          | (369)                   | (210)         |
| Current income tax expense                                                    | (5)                             | (4)           | (189)                   | (23)          |
| Transaction-related income taxes                                              | (3)                             | —             | 179                     | —             |
| Maintenance capital expenditures                                              | (58)                            | (33)          | (124)                   | (70)          |
| <b>Distributable Cash Flow</b>                                                | <b>254</b>                      | <b>145</b>    | <b>946</b>              | <b>658</b>    |
| Transaction-related expenses                                                  | 7                               | 3             | 135                     | 6             |
| <b>Distributable Cash Flow, as adjusted <sup>(1)</sup></b>                    | <b>\$ 261</b>                   | <b>\$ 148</b> | <b>\$ 1,081</b>         | <b>\$ 664</b> |
| <b>Distributions to Partners:</b>                                             |                                 |               |                         |               |
| Limited Partners                                                              | \$ 121                          | \$ 71         | \$ 478                  | \$ 284        |
| General Partner                                                               | 37                              | 19            | 145                     | 76            |
| Total distributions to be paid to partners                                    | \$ 158                          | \$ 90         | \$ 623                  | \$ 360        |
| Common Units outstanding - end of period                                      | 136.2                           | 84.4          | 136.2                   | 84.4          |

<sup>(1)</sup> Adjusted EBITDA is defined as earnings before net interest expense, income taxes, depreciation, amortization and accretion expense, allocated non-cash compensation expense, unrealized gains and losses on commodity derivatives and inventory valuation adjustments, and certain other operating expenses reflected in net income that we do not believe are indicative of ongoing core operations, such as gains or losses on disposal of assets and non-cash impairment charges. We define Distributable Cash Flow as Adjusted EBITDA less cash interest expense, including the accrual of interest expense related to our long-term debt which is paid on a semi-annual basis, current income tax expense, maintenance capital expenditures and other non-cash adjustments. For Distributable Cash Flow, as adjusted, certain transaction-related adjustments and non-recurring expenses are excluded.

We believe Adjusted EBITDA and Distributable Cash Flow, as adjusted, are useful to investors in evaluating our operating performance because:

- Adjusted EBITDA is used as a performance measure under our revolving credit facility;
- securities analysts and other interested parties use such metrics as measures of financial performance, ability to make distributions to our unitholders and debt service capabilities;

- our management uses them for internal planning purposes, including aspects of our consolidated operating budget, and capital expenditures; and
- Distributable Cash Flow, as adjusted, provides useful information to investors as it is a widely accepted financial indicator used by investors to compare partnership performance, and as it provides investors an enhanced perspective of the operating performance of our assets and the cash our business is generating.

Adjusted EBITDA and Distributable Cash Flow, as adjusted, are not recognized terms under GAAP and do not purport to be alternatives to net income as measures of operating performance or to cash flows from operating activities as a measure of liquidity. Adjusted EBITDA and Distributable Cash Flow, as adjusted, have limitations as analytical tools, and one should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations include:

- they do not reflect our total cash expenditures, or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, working capital;
- they do not reflect interest expense or the cash requirements necessary to service interest or principal payments on our revolving credit facility or senior notes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements; and
- as not all companies use identical calculations, our presentation of Adjusted EBITDA and Distributable Cash Flow, as adjusted, may not be comparable to similarly titled measures of other companies.

Adjusted EBITDA reflects amounts for the unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliates as those excluded from the calculation of Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly. Inventory valuation adjustments that are excluded from the calculation of Adjusted EBITDA represent changes in lower of cost or market reserves on the Partnership's inventory. These amounts are unrealized valuation adjustments applied to fuel volumes remaining in inventory at the end of the period.

**SUNOCO LP**  
**SUMMARY ANALYSIS OF QUARTERLY RESULTS BY SEGMENT**

(Tabular dollar amounts in millions)

(unaudited)

|                                                                | <b>Three months ended December 31,</b> |               |
|----------------------------------------------------------------|----------------------------------------|---------------|
|                                                                | <b>2024</b>                            | <b>2023</b>   |
| Segment Adjusted EBITDA:                                       |                                        |               |
| Fuel Distribution                                              | \$ 192                                 | \$ 209        |
| Pipeline Systems                                               | 188                                    | 2             |
| Terminals                                                      | 59                                     | 25            |
| <b>Adjusted EBITDA</b>                                         | <b>439</b>                             | <b>236</b>    |
| Transaction-related expenses                                   | 7                                      | —             |
| <b>Adjusted EBITDA, excluding transaction-related expenses</b> | <b>\$ 446</b>                          | <b>\$ 236</b> |

The following analysis of segment operating results includes a measure of segment profit. Segment profit is a non-GAAP financial measure and is presented herein to assist in the analysis of segment operating results and particularly to facilitate an understanding of the impacts that changes in sales revenues have on the segment performance measure of Segment Adjusted EBITDA. Segment profit is similar to the GAAP measure of gross profit, except that segment profit excludes charges for depreciation, depletion and amortization. The most directly comparable measure to segment profit is gross profit. The following table presents a reconciliation of segment profit to gross profit.

|                                                                         | <b>Three months ended December 31,</b> |             | <b>Year Ended December 31,</b> |             |
|-------------------------------------------------------------------------|----------------------------------------|-------------|--------------------------------|-------------|
|                                                                         | <b>2024</b>                            | <b>2023</b> | <b>2024</b>                    | <b>2023</b> |
| Fuel Distribution segment profit                                        | \$ 302                                 | \$ 130      | \$ 1,187                       | \$ 1,225    |
| Pipeline Systems segment profit                                         | 203                                    | 1           | 535                            | 3           |
| Terminals segment profit                                                | 120                                    | 18          | 376                            | 137         |
| Total segment profit                                                    | 625                                    | 149         | 2,098                          | 1,365       |
| Depreciation, amortization and accretion, excluding corporate and other | 151                                    | 45          | 364                            | 186         |
| Gross profit                                                            | \$ 474                                 | \$ 104      | \$ 1,734                       | \$ 1,179    |

## Fuel Distribution

|                                                                        | Three months ended December 31, |               |
|------------------------------------------------------------------------|---------------------------------|---------------|
|                                                                        | 2024                            | 2023          |
| Motor fuel gallons sold (millions)                                     | 2,151                           | 2,195         |
| Motor fuel profit cents per gallon <sup>(1)</sup>                      | 10.6 ¢                          | 11.8 ¢        |
| Fuel profit                                                            | \$ 239                          | \$ 60         |
| Non-fuel profit                                                        | 35                              | 32            |
| Lease profit                                                           | 28                              | 38            |
| Fuel Distribution segment profit                                       | \$ 302                          | \$ 130        |
| Expenses                                                               | \$ (120)                        | \$ (126)      |
| <b>Segment Adjusted EBITDA</b>                                         | <b>\$ 192</b>                   | <b>\$ 209</b> |
| Transaction-related expenses                                           | —                               | —             |
| <b>Segment Adjusted EBITDA, excluding transaction-related expenses</b> | <b>\$ 192</b>                   | <b>\$ 209</b> |

<sup>(1)</sup> Excludes the impact of inventory valuation adjustments consistent with the definition of Adjusted EBITDA.

*Volumes.* For the three months ended December 31, 2024 compared to the same period last year, volumes decreased due to the West Texas Sale, offset by volume increases from investment and profit optimization strategies.

*Segment Adjusted EBITDA.* For the three months ended December 31, 2024 compared to the same period last year, Segment Adjusted EBITDA related to our Fuel Distribution segment decreased due to the net impact of the following:

- a decrease of \$13 million related to a 2% decrease in gallons sold and a decrease in profit per gallon primarily due to the West Texas Sale in April 2024; and
- a decrease of \$10 million in lease profit due to the West Texas Sale; partially offset by
- a decrease of \$6 million in expenses primarily due to the West Texas Sale and lower allocated overhead.

## Pipeline Systems

|                                                                        | Three months ended December 31, |             |
|------------------------------------------------------------------------|---------------------------------|-------------|
|                                                                        | 2024                            | 2023        |
| Pipelines throughput (thousand barrels per day)                        | 1,395                           | —           |
| Pipeline Systems segment profit                                        | \$ 203                          | \$ 1        |
| Expenses                                                               | \$ (64)                         | \$ —        |
| <b>Segment Adjusted EBITDA</b>                                         | <b>\$ 188</b>                   | <b>\$ 2</b> |
| Transaction-related expenses                                           | 5                               | —           |
| <b>Segment Adjusted EBITDA, excluding transaction-related expenses</b> | <b>\$ 193</b>                   | <b>\$ 2</b> |

*Volumes.* For the three months ended December 31, 2024 compared to the same period last year, volumes increased due to recently acquired assets.

*Segment Adjusted EBITDA.* For the three months ended December 31, 2024 compared to the same period last year, Segment Adjusted EBITDA related to our Pipeline Systems segment increased due to the acquisition of NuStar on May 3, 2024.

## Terminals

|                                                                        | Three months ended December 31, |              |
|------------------------------------------------------------------------|---------------------------------|--------------|
|                                                                        | 2024                            | 2023         |
| Throughput (thousand barrels per day)                                  | 593                             | 411          |
| Terminal segment profit                                                | \$ 120                          | \$ 18        |
| Expenses                                                               | \$ (59)                         | \$ (19)      |
| <b>Segment Adjusted EBITDA</b>                                         | <b>\$ 59</b>                    | <b>\$ 25</b> |
| Transaction-related expenses                                           | 2                               | —            |
| <b>Segment Adjusted EBITDA, excluding transaction-related expenses</b> | <b>\$ 61</b>                    | <b>\$ 25</b> |

*Volumes.* For the three months ended December 31, 2024 compared to the same period last year, volumes increased due to recently acquired assets.

*Segment Adjusted EBITDA.* For the three months ended December 31, 2024 compared to the same period last year, Segment Adjusted EBITDA related to our Terminals segment increased primarily due to the recent acquisitions of NuStar and Zenith European terminals.

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**March 20, 2025**

Date of Report (Date of earliest event reported)

**SUNOCO LP**

(Exact name of registrant as specified in its charter)

**001-35653**

(Commission File Number)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**30-0740483**  
(IRS Employer  
Identification No.)

**8111 Westchester Drive, Suite 400**

**Dallas, TX 75225**

(Address of principal executive offices, including zip code)

**(214) 981-0700**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                                        | Trading Symbol(s) | Name of each exchange on which registered |
|------------------------------------------------------------|-------------------|-------------------------------------------|
| <b>Common Units Representing Limited Partner Interests</b> | <b>SUN</b>        | <b>New York Stock Exchange</b>            |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

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**Item 2.02 Results of Operations and Financial Condition.**

This Current Report on Form 8-K provides a pro forma statement of operations of Sunoco LP (the “Partnership”) for the twelve months ended December 31, 2024, as described in Item 8.01 below and which is incorporated into this Item 2.02 by reference, giving effect to the Partnership’s acquisition of NuStar Energy L.P., consummated on May 3, 2024 (the “NuStar Acquisition”), as well as the sale of certain assets of the Partnership in West Texas, New Mexico and Oklahoma, as if each had been consummated on January 1, 2024. The pro forma statement of operations is being updated for purposes of the Notes Offering (as defined below) and does not give effect to the Notes Offering.

The information contained in this Item 2.02 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

**Item 7.01 Regulation FD Disclosure.**

On March 20, 2025, the Partnership issued a press release announcing the commencement of the private offering of senior notes (the “Notes Offering”). A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated in this Item 7.01 by reference.

In addition, on March 20, 2025, in connection with the Notes Offering, the Partnership provided an operational update to potential investors to the effect that, during March 2025, the Partnership entered into an agreement to acquire two Bermuda entities that own and operate associated German and Polish terminalling assets, including an aggregate of 15 associated fuel terminals in Germany and one in Poland, for aggregate cash consideration of less than €500 million, which the Partnership expects to fund with cash on hand and borrowings under its revolving credit facility and to consummate in the second quarter of 2025. Such entities, which are not expected to guarantee the revolving credit facility or the notes being offered in the Notes Offering, have aggregate secured indebtedness of approximately €296 million that the Partnership expects to remain in place upon closing of the transaction. The Notes Offering is not conditioned on the consummation of the acquisition, which remains subject to customary closing conditions, and the acquisition is not conditioned on the consummation of the Notes Offering.

The information contained in this Item 7.01 shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or incorporated by reference in any filing under the Securities Act or the Exchange Act.

This Current Report on Form 8-K does not constitute an offer to sell, or the solicitation of an offer to buy, any security, including the notes issued in the Notes Offering.

In addition, the information contained in Item 8.01 of this Current Report on Form 8-K is incorporated into this Item 7.01 by reference.

**Item 8.01 Other Events.**

On March 20, 2025, in connection with the Notes Offering, the Partnership provided certain updated disclosures to potential investors that as of March 18, 2025, the Partnership had \$2 million of cash and cash equivalents and outstanding borrowings of approximately \$537 million under the Partnership’s revolving credit facility (excluding approximately \$56 million in standby letters of credit) and additional available borrowing capacity of approximately \$907 million.

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**Pro Forma Financials**

This Current Report on Form 8-K provides a pro forma statement of operations attached as Exhibit 99.2 hereto:

- Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2024; and
- Notes to the Unaudited Pro Forma Condensed Combined Financial Statement.

In addition, the information contained in Item 2.02 of this Current Report on Form 8-K is incorporated into this Item 8.01 by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Exhibit<br/>Number</b> | <b>Description</b>                                                                  |
|---------------------------|-------------------------------------------------------------------------------------|
| 99.1                      | <a href="#">Press Release, dated March 20, 2025, announcing the Notes Offering.</a> |
| 99.2                      | <a href="#">Sunoco LP unaudited pro forma combined financial information.</a>       |
| 104                       | Cover Page Interactive Data File (embedded within the Inline XBRL document).        |



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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SUNOCO LP**

By: SUNOCO GP LLC,  
its General Partner

Date: March 20, 2025

By: /s/ Rick Raymer  
Name: Rick Raymer  
Title: Vice President, Controller and Principal Accounting Officer



## Sunoco LP Announces Private Offering of Senior Notes

**DALLAS**, March 20, 2025 – Sunoco LP (NYSE: SUN) (“Sunoco” or the “Partnership”) today announced a private offering (the “offering”) of senior notes due 2033 in an aggregate principal amount of \$750 million (the “notes”).

Sunoco intends to use the net proceeds from the offering to repay indebtedness, including by redeeming in full NuStar Logistics, L.P.’s 5.750% senior notes due 2025 (the “NuStar 2025 Notes”) and repaying a portion of the outstanding borrowings under Sunoco’s revolving credit facility.

The offering of the notes has not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws and, unless so registered, the notes may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Sunoco plans to offer and sell the notes only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons in transactions outside the United States pursuant to Regulation S under the Securities Act.

This news release is neither an offer to sell nor a solicitation of an offer to buy the notes or any other securities and shall not constitute an offer to sell or a solicitation of an offer to buy, or a sale of, the notes or any other securities in any jurisdiction in which such offer, solicitation or sale is unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction. Additionally, this news release shall not constitute a notice of redemption under the indenture governing the NuStar 2025 Notes.

### About Sunoco LP

Sunoco LP (NYSE: SUN) is an energy infrastructure and fuel distribution master limited partnership operating in over 40 U.S. states, Puerto Rico, Europe, and Mexico with an extensive network of approximately 14,000 miles of pipeline and over 100 terminals for midstream operations. Sunoco’s general partner is owned by Energy Transfer LP (NYSE: ET).

### Forward-Looking Statements

This news release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law, including without limitation statements regarding the offering. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management’s control. An extensive list of factors that can affect future results are discussed in Sunoco’s Annual Report on Form 10-K and any other documents filed from time to

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time with the Securities and Exchange Commission. Sunoco undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

**Contacts**

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Treasurer, Senior Vice President – Finance

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Director – Investor Relations and Capital Markets

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SOURCE Sunoco LP

# UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma combined financial information of Sunoco reflects the pro forma impacts of multiple transactions, each of which is described in the following sections. The NuStar Merger and West Texas Asset Sale (both of which terms are defined below) were completed in the second quarter of 2024.

*NuStar Merger.* On May 3, 2024, Sunoco completed the previously announced acquisition of NuStar (“NuStar Merger”). Under the terms of the agreement, NuStar common unitholders received 0.400 Sunoco common units for each NuStar common unit. In connection with the acquisition, we issued approximately 51.5 million common units, which had a fair value of approximately \$2.85 billion, assumed debt totaling approximately \$3.5 billion including approximately \$56 million of lease related financing obligations and assumed preferred units with a fair value of approximately \$800 million. The assets acquired in the NuStar Merger included approximately 9,500 miles of pipeline and 63 terminal and storage facilities that store and distribute crude oil, refined products, renewable fuels, ammonia and specialty liquids.

*West Texas Asset Sale.* On April 16, 2024, Sunoco completed the previously announced sale of 204 convenience stores located in West Texas, New Mexico, and Oklahoma to 7-Eleven, Inc. (“West Texas Asset Sale”) for approximately \$1.0 billion, including customary adjustments for fuel and merchandise inventory. As part of the sale, Sunoco also amended its existing take-or-pay fuel supply agreement with 7-Eleven, Inc. to incorporate additional fuel gross profit. Upon the completion of the sale, the Partnership recorded a \$586 million gain (\$442 million, net of current tax expense of \$179 million and deferred tax benefit of \$35 million).

The unaudited pro forma combined financial information does not reflect the pro forma impacts of Sunoco’s recently completed acquisition of liquid fuel terminals in Amsterdam, Netherlands and Bantry Bay, Ireland, because such pro forma impacts are not significant to Sunoco’s historical financial statements or to the pro forma combined financial statement included herein.

The unaudited pro forma condensed combined statement of income assume that the NuStar Merger and West Texas Asset Sale were consummated on January 1, 2024. The unaudited pro forma condensed combined statement of income should be read in conjunction with (i) Sunoco’s Annual Report on Form 10-K for the year ended December 31, 2024 and (ii) NuStar’s Quarterly Report on Form 10-Q for the period ended March 31, 2024.

The unaudited pro forma combined financial statement has been prepared in accordance with Article 11 of Regulation S-X, as amended by Release No. 33-10786. The pro forma adjustments included herein include those adjustments that reflect the accounting for the respective transactions in accordance with U.S. GAAP (“transaction accounting adjustments”). Adjustments to reflect synergies and/or dis-synergies related to the respective transactions (“management adjustments”), which are elective pro forma adjustments under Release No. 33-10786, have not been reflected herein.

The unaudited pro forma combined financial statement is for illustrative purposes only and is not necessarily indicative of the financial results that would have occurred if the NuStar Merger and/or West Texas Asset Sale had been consummated on the dates indicated, nor is it necessarily indicative of the financial position or results of operations in the future. The pro forma adjustments, as described in the accompanying notes, are based upon available information and certain assumptions that are believed to be reasonable as of the date of this document. The unaudited pro forma combined financial information includes certain non-recurring transaction-related adjustments, as discussed in the accompanying notes.

The unaudited pro forma adjustments are based on available information and certain assumptions that management believes are reasonable under the circumstances. The unaudited pro forma combined financial information is presented for informational purposes only, and is not intended to be a projection of future results. All pro forma adjustments and their underlying assumptions are described more fully in the notes to the unaudited pro forma combined financial information.

**SUNOCO LP**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**  
For the Year Ended December 31, 2024  
(in millions, except units and per unit data)

|                                                           | Sunoco<br>Historical | NuStar<br>Historical <sup>(1)</sup> | NuStar<br>Merger<br>Transaction<br>Accounting<br>Adjustments | Sunoco Pro<br>Forma for<br>NuStar<br>Merger | West Texas<br>Asset Sale<br>Transaction<br>Accounting<br>Adjustments | Sunoco Pro<br>Forma for<br>NuStar<br>Merger and<br>West Texas<br>Asset Sale |
|-----------------------------------------------------------|----------------------|-------------------------------------|--------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------|
| REVENUES                                                  | \$ 22,693            | \$ 523                              | \$ (1) a                                                     | \$ 23,215                                   | \$ (179) e                                                           | \$ 23,036                                                                   |
| COSTS AND EXPENSES:                                       |                      |                                     |                                                              |                                             |                                                                      |                                                                             |
| Cost of sales                                             | 20,595               | 126                                 | (1) a                                                        | 20,720                                      | (159) e                                                              | 20,561                                                                      |
| General and administrative                                | 277                  | 150                                 | —                                                            | 427                                         | —                                                                    | 427                                                                         |
| Other operating                                           | 617                  | 116                                 | —                                                            | 733                                         | (12) e                                                               | 721                                                                         |
| Loss on disposal of assets                                | 45                   | —                                   | —                                                            | 45                                          | —                                                                    | 45                                                                          |
| Depreciation, amortization and accretion                  | 368                  | 86                                  | 43 b                                                         | 497                                         | —                                                                    | 497                                                                         |
| Total cost and expenses                                   | 21,902               | 478                                 | 42                                                           | 22,422                                      | (171)                                                                | 22,251                                                                      |
| OPERATING INCOME                                          | 791                  | 45                                  | (43)                                                         | 793                                         | (8)                                                                  | 785                                                                         |
| OTHER INCOME (EXPENSE):                                   |                      |                                     |                                                              |                                             |                                                                      |                                                                             |
| Interest expense, net                                     | (391)                | (83)                                | 9 b                                                          | (465)                                       | (1) e                                                                | (466)                                                                       |
| Equity in earnings of unconsolidated affiliates           | 60                   | —                                   | —                                                            | 60                                          | —                                                                    | 60                                                                          |
| Gain on West Texas Asset Sale                             | 586                  | —                                   | —                                                            | 586                                         | —                                                                    | 586                                                                         |
| Loss on extinguishment of debt                            | (2)                  | —                                   | —                                                            | (2)                                         | —                                                                    | (2)                                                                         |
| Other, net                                                | 5                    | 1                                   | —                                                            | 6                                           | (2) e                                                                | 4                                                                           |
| INCOME BEFORE INCOME TAX EXPENSE                          | 1,049                | (37)                                | (34)                                                         | 978                                         | (11)                                                                 | 967                                                                         |
| Income tax expense                                        | 175                  | 1                                   | —                                                            | 176                                         | —                                                                    | 176                                                                         |
| NET INCOME                                                | 874                  | (38)                                | (34)                                                         | 802                                         | (11)                                                                 | 791                                                                         |
| Less: Net income attributable to noncontrolling interests | 8                    | —                                   | —                                                            | 8                                           | 8                                                                    |                                                                             |
| Less: Incentive distribution rights                       | 145                  | —                                   | 12 c                                                         | 157                                         | —                                                                    | 157                                                                         |
| Less: Distributions on unvested unit awards               | 5                    | —                                   | —                                                            | 5                                           | —                                                                    | 5                                                                           |
| NET INCOME ATTRIBUTABLE TO COMMON<br>UNITHOLDERS          | \$ 716               | \$ (38)                             | \$ (46)                                                      | \$ 632                                      | \$ (11)                                                              | \$ 621                                                                      |

|                                               | Sunoco<br>Historical | NuStar<br>Historical <sup>(1)</sup> | NuStar<br>Merger<br>Transaction<br>Accounting<br>Adjustments | Sunoco Pro<br>Forma for<br>NuStar<br>Merger | West Texas<br>Asset Sale<br>Transaction<br>Accounting<br>Adjustments | Sunoco Pro<br>Forma for<br>NuStar<br>Merger and<br>West Texas<br>Asset Sale |
|-----------------------------------------------|----------------------|-------------------------------------|--------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------|
| NET INCOME PER COMMON UNIT:                   |                      |                                     |                                                              |                                             |                                                                      |                                                                             |
| Basic                                         | \$ 6.04              |                                     |                                                              | \$ 4.66                                     |                                                                      | \$ 4.58                                                                     |
| Diluted                                       | \$ 6.00              |                                     |                                                              | \$ 4.63                                     |                                                                      | \$ 4.55                                                                     |
| WEIGHTED AVERAGE COMMON UNITS<br>OUTSTANDING: |                      |                                     |                                                              |                                             |                                                                      |                                                                             |
| Common units – basic                          | 118,529,390          |                                     | 51,543,100 d                                                 | 135,710,423                                 |                                                                      | 135,710,423                                                                 |
| Dilutive effect of unvested awards            | 812,648              |                                     | —                                                            | 816,476                                     |                                                                      | 816,476                                                                     |
| Common units – diluted                        | 119,342,038          |                                     | 51,543,100                                                   | 136,526,899                                 |                                                                      | 136,526,899                                                                 |

(1) NuStar Historical represents amounts from January 1, 2024 to April 30, 2024, the four month period prior to the NuStar Merger. The following reconciles amounts previously reported by NuStar for the three months ended March 31, 2024 to amounts reported above as NuStar Historical:

|                                          | NuStar Quarter<br>Ended<br>March 31, 2024 | NuStar Month<br>Ended April 30,<br>2024 | NuStar<br>Historical |
|------------------------------------------|-------------------------------------------|-----------------------------------------|----------------------|
| REVENUES                                 | \$ 391                                    | \$ 132                                  | \$ 523               |
| COSTS AND EXPENSES:                      |                                           |                                         |                      |
| Cost of sales                            | 94                                        | 32                                      | 126                  |
| General and administrative               | 42                                        | 108                                     | 150                  |
| Other operating                          | 86                                        | 30                                      | 116                  |
| Depreciation, amortization and accretion | 65                                        | 21                                      | 86                   |
| Total cost and expenses                  | 287                                       | 191                                     | 478                  |
| OPERATING INCOME                         | 104                                       | (59)                                    | 45                   |
| OTHER INCOME (EXPENSE):                  |                                           |                                         |                      |
| Interest expense, net                    | (62)                                      | (21)                                    | (83)                 |
| Other, net                               | 2                                         | (1)                                     | 1                    |
| INCOME BEFORE INCOME TAX EXPENSE         | 44                                        | (81)                                    | (37)                 |
| Income tax expense                       | 1                                         | —                                       | 1                    |
| NET INCOME                               | \$ 43                                     | \$ (81)                                 | \$ (38)              |

# 1. BASIS OF PRESENTATION

The unaudited pro forma combined financial statement gives effect to the NuStar Merger and the West Texas Asset Sale. The unaudited pro forma condensed combined statement of income for the year ended December 31, 2024 gives effect to the transactions as if both transactions had occurred on January 1, 2024.

These unaudited pro forma combined financial statement is presented for illustrative purposes only. The pro forma adjustments are based upon available information and assumptions described below. The unaudited pro forma combined financial statement is not necessarily indicative of what the actual results of operations or financial position of Sunoco would have been if the transactions had in fact occurred on the dates or for the periods indicated, nor does it purport to project the results of operations or financial position of Sunoco for any future periods or as of any date. The unaudited pro forma combined financial statement does not give effect to any cost savings, operating synergies, and revenue enhancements expected to result from the transactions or the costs to achieve these cost savings, operating synergies, and revenue enhancements.

The unaudited pro forma combined financial statement includes material estimates and assumptions related to purchase price accounting for the NuStar Merger and are discussed further below.

The unaudited pro forma combined financial statement should be read in conjunction with the historical consolidated financial statements and related notes of Sunoco and NuStar. The pro forma condensed combined statement of income includes transaction adjustments for certain non-recurring items, including the estimated transaction-related expenses included in note 2.a. below.

## 2. NUSTAR MERGER TRANSACTION ACCOUNTING ADJUSTMENTS

- a. Represents the elimination of intercompany activity between Sunoco and NuStar.
- b. To record incremental depreciation and amortization expense related to estimated fair values recorded in purchase accounting, based on the estimated fair values recorded in purchase accounting, as summarized in Sunoco's Form 10-K for the year ended December 31, 2024.
- c. To record additional incentive distributions assumed to be paid to Energy Transfer LP (as holder of Sunoco's incentive distribution rights) based on the total of 51.5 million Sunoco common units issued as consideration and the actual distributions declared by Sunoco in the first quarter of 2024.
- d. Represents weighted average of the 51.5 million Sunoco common units issued as consideration.

## 3. WEST TEXAS ASSET SALE TRANSACTION ACCOUNTING ADJUSTMENTS

- e. To eliminate activity related to Sunoco's West Texas business.

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**March 20, 2025**  
**Date of Report (Date of earliest event reported)**

**SUNOCO LP**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-35653**  
(Commission  
File Number)

**30-0740483**  
(IRS Employer  
Identification No.)

**8111 Westchester Drive, Suite 400**  
**Dallas, TX 75225**  
(Address of principal executive offices, including zip code)  
**(214) 981-0700**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                                    | Trading<br>Symbol(s) | Name of each exchange<br>on which registered |
|--------------------------------------------------------|----------------------|----------------------------------------------|
| Common Units Representing Limited Partner<br>Interests | SUN                  | New York Stock Exchange                      |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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



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**Item 7.01 Regulation FD Disclosure.**

On March 20, 2025, Sunoco LP (the “Partnership”) issued a press release announcing the pricing of the previously announced private offering of senior notes (the “Notes Offering”). A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated in this Item 7.01 by reference.

Also on March 20, 2025, the Partnership issued a notice of redemption, with respect to NuStar Logistics, L.P.’s 5.750% senior notes due 2025 (the “NuStar 2025 Notes”). The Partnership gave holders of the NuStar 2025 Notes notice that on March 30, 2025 (the “Redemption Date”), the Partnership will redeem all of the outstanding NuStar 2025 Notes at a redemption price determined pursuant to the indenture governing the NuStar 2025 Notes on the third business day prior to the Redemption Date, plus accrued interest.

The information included herein (including the exhibit) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

This Current Report on Form 8-K does not constitute an offer to sell, or the solicitation of an offer to buy, any security, including the notes issued in the Notes Offering, nor does it constitute a notice of redemption with respect to the NuStar 2025 Notes.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| <b><u>Exhibit<br/>Number</u></b> | <b><u>Description</u></b>                                                                                 |
|----------------------------------|-----------------------------------------------------------------------------------------------------------|
| 99.1                             | <a href="#"><u>Press Release, dated March 20, 2025, announcing the pricing of the Notes Offering.</u></a> |
| 104                              | Cover Page Interactive Data File (embedded within the Inline XBRL document).                              |

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SUNOCO LP**

By: SUNOCO GP LLC,  
its General Partner

Date: March 20, 2025

By: /s/ Rick Raymer  
Name: Rick Raymer  
Title: Vice President, Controller and Principal Accounting Officer



### **Sunoco LP Announces Pricing of Upsized Private Offering of Senior Notes**

**DALLAS**, March 20, 2025 – Sunoco LP (NYSE: SUN) (“Sunoco” or the “Partnership”) today announced that it has priced at 100% a private offering (the “offering”) of 6.250% senior notes due 2033 in an aggregate principal amount of \$1 billion (the “notes”). This offering was upsized from an initial offering size of \$750 million aggregate principal amount. The sale of the notes is expected to settle on March 31, 2025, subject to the satisfaction of customary closing conditions.

Sunoco intends to use the net proceeds from the offering to repay indebtedness, including by redeeming in full NuStar Logistics, L.P.’s 5.750% senior notes due 2025 (the “NuStar 2025 Notes”) and repaying a portion of the outstanding borrowings under Sunoco’s revolving credit facility.

The offering of the notes has not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws and, unless so registered, the notes may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Sunoco plans to offer and sell the notes only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons in transactions outside the United States pursuant to Regulation S under the Securities Act.

This news release is neither an offer to sell nor a solicitation of an offer to buy the notes or any other securities and shall not constitute an offer to sell or a solicitation of an offer to buy, or a sale of, the notes or any other securities in any jurisdiction in which such offer, solicitation or sale is unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction. Additionally, this news release shall not constitute a notice of redemption under the indenture governing the NuStar 2025 Notes.

#### **About Sunoco LP**

Sunoco LP (NYSE: SUN) is an energy infrastructure and fuel distribution master limited partnership operating in over 40 U.S. states, Puerto Rico, Europe, and Mexico with an extensive network of approximately 14,000 miles of pipeline and over 100 terminals for midstream operations. Sunoco’s general partner is owned by Energy Transfer LP (NYSE: ET).

#### **Forward-Looking Statements**

This news release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law, including without limitation statements regarding the offering. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management’s control. An extensive list of factors that can affect future results are discussed in Sunoco’s Annual Report on Form 10-K and any other documents filed from time to time with the Securities and Exchange Commission. Sunoco undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

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**Contacts**

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SOURCE Sunoco LP

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**March 31, 2025**  
**Date of Report (Date of earliest event reported)**

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**SUNOCO LP**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-35653**  
(Commission  
File Number)

**30-0740483**  
(IRS Employer  
Identification No.)

**8111 Westchester Drive, Suite 400**  
**Dallas, TX 75225**  
(Address of principal executive offices, including zip code)

**(214) 981-0700**  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                                    | Trading<br>Symbol(s) | Name of each exchange<br>on which registered |
|--------------------------------------------------------|----------------------|----------------------------------------------|
| Common Units Representing Limited Partner<br>Interests | SUN                  | New York Stock Exchange                      |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

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**Item 1.01 Entry into a Material Definitive Agreement**

On March 31, 2025, Sunoco LP (NYSE: SUN) (the “Partnership”) completed a private offering to eligible purchasers (the “Notes Offering”) of \$1.0 billion in aggregate principal amount of its 6.250% Senior Notes due 2033 (the “Notes”), along with the related guarantees of the Notes. The Partnership received net proceeds of approximately \$989.5 million from the Notes Offering, after deducting the initial purchasers’ discount and commissions and estimated offering expenses, and the Partnership intends to use such net proceeds to repay indebtedness, including by redeeming in full NuStar Logistics, L.P.’s 5.750% senior notes due 2025 and repaying a portion of the outstanding borrowings under the Partnership’s revolving credit facility.

The Notes were issued in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), and were resold by the initial purchasers in reliance on Rule 144A and Regulation S under the Securities Act.

***Indenture and Senior Notes***

The Notes were issued under and are governed by an indenture dated March 31, 2025 (the “Indenture”), among the Partnership, certain subsidiary guarantors of the Partnership (the “Guarantors”) and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Notes will mature on July 1, 2033. Interest on the Notes is payable semi-annually in cash in arrears on January 1 and July 1 of each year, commencing on July 1, 2025.

The Notes are senior unsecured obligations of the Partnership and are guaranteed on a senior unsecured basis by all of the Partnership’s current subsidiaries that guarantee its obligations under the Partnership’s revolving credit facility, as well as by certain of its future subsidiaries. The Notes and related guarantees are unsecured and rank equally with all of the Partnership’s and each Guarantor’s existing and future senior obligations. The Notes and related guarantees are senior in right of payment to all of the Partnership’s and each Guarantor’s future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the Notes and guarantees. The Notes and related guarantees are effectively subordinated to the Partnership’s and each Guarantor’s future secured indebtedness, to the extent of the value of the assets securing such indebtedness, and structurally subordinated to all obligations, including trade payables, of the Partnership’s subsidiaries that do not guarantee the Notes.

The Partnership may, at its option, redeem some or all of the Notes at any time on or after July 1, 2028, at the redemption prices specified in the Indenture. Prior to such time, the Partnership may redeem some or all of the Notes at a redemption price equal to 100% of the aggregate principal amount of the Notes redeemed, plus a customary “make-whole premium” and accrued and unpaid interest, if any, to, but not including, the redemption date. In addition, before July 1, 2028, the Partnership may redeem up to 40% of the aggregate principal amount of the Notes with an amount of cash not greater than net cash proceeds from certain equity offerings at the redemption prices specified in the Indenture.

Upon the occurrence of a Change of Control (as defined in the Indenture), which occurrence (other than one involving the adoption of a plan relating to liquidation or dissolution) is followed by a ratings decline within 90 days after the consummation of the transaction, each holder of the Notes may require the Partnership to repurchase all or a portion of the holder’s Notes at a purchase price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase.

The Indenture contains customary events of default (each an “Event of Default”) with respect to the Notes, including the following:

- (1) default for 30 days in the payment when due of interest on the Notes;
- (2) default in the payment when due (at stated maturity, upon optional or mandatory redemption or otherwise) of the principal of, or premium, if any, on the Notes;
- (3) failure by the Partnership or any Guarantor to comply with their obligations to make or consummate a Change of Control offer or to comply with any of their agreements or covenants relating to merger, consolidation or sale of assets; provided that such failure (other than one involving failure to make or consummate a Change of Control offer) will not constitute an Event of Default for 30 days if such failure is capable of cure;

(4) failure by the Partnership for 180 days after notice by the Trustee or holders of 30% in aggregate principal amount of the Notes then outstanding to comply with its obligations to furnish the holders of the Notes and the Trustee certain reports;

(5) failure by the Partnership or any Guarantor for 60 days after written notice by the Trustee or holders of 30% in aggregate principal amount of the Notes then outstanding to comply with any of its other agreements in the Indenture;

(6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed of the Partnership or any Guarantor (or the payment of which is guaranteed by the Partnership or any Guarantor) whether the indebtedness or guarantee now exists, or is created after the date of the Indenture, if that default (a) is caused by a failure to pay principal of, or interest or premium, if any, on the indebtedness prior to the expiration of the grace period provided in such indebtedness on the date of the default (a "Payment Default") or (b) results in the acceleration of such indebtedness prior to its express maturity, and, in each case, the principal amount of any of the indebtedness, together with the principal amount of any other indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$100.0 million or more; provided, however, that if, (i) any such Payment Default is cured or waived, (ii) any such acceleration is rescinded or (iii) such indebtedness is repaid during the ten business day period commencing upon the end of any applicable grace period for such Payment Default or the occurrence of such acceleration, as applicable, any default or Event of Default (but not any acceleration of the Notes) caused by such Payment Default or acceleration shall automatically be rescinded, so long as such rescission does not conflict with any judgment, decree or applicable law;

(7) except as permitted under the Indenture, any guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor, or any person acting on behalf of any Guarantor, denies or disaffirms its obligations under its guarantee; and

(8) certain events of bankruptcy or insolvency described in the Indenture with respect to the Partnership or any of the Partnership's significant subsidiaries or any group of the Partnership's subsidiaries that, taken together, would constitute a significant subsidiary.

If an Event of Default occurs and is continuing, the Trustee or the holders of at least 30% in aggregate principal amount of the then outstanding Notes may declare the principal and accrued and unpaid interest on the Notes to be due and payable immediately. If an Event of Default relating to certain events of bankruptcy or insolvency with respect to the Partnership or any of the Partnership's significant subsidiaries or any group of the Partnership's subsidiaries that, taken together, would constitute a significant subsidiary, occurs and is continuing, all outstanding Notes will become due and payable immediately without further action or notice on the part of the Trustee or any holders of the Notes. Under certain circumstances, the holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

The above description of the Indenture, the Notes and the guarantees is not complete and is qualified in its entirety by reference to the full text of the Indenture, which is attached hereto as Exhibit 4.1 and is incorporated into this Item 1.01 by reference.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

The information set forth in Item 1.01 relating to the Indenture under the heading "Indenture and Senior Notes" is hereby incorporated into this Item 2.03 by reference.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Exhibit<br/>Number</b> | <b>Description</b>                                                                                                                                                         |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.1                       | <a href="#">Indenture, dated as of March 31, 2025, by and among Sunoco LP, the Guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee.</a> |
| 104                       | Cover Page Interactive Data File (embedded within the Inline XBRL document).                                                                                               |



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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SUNOCO LP**

By: SUNOCO GP LLC,  
its General Partner

Date: March 31, 2025

By: /s/ Rick Raymer  
Name: Rick Raymer  
Title: Vice President, Controller and Principal Accounting Officer

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SUNOCO LP

and

EACH OF THE GUARANTORS PARTY HERETO

6.250% SENIOR NOTES DUE 2033

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INDENTURE

Dated as of March 31, 2025

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U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as

Trustee

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## EXHIBITS

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| Exhibit D | FORM OF NOTATION OF GUARANTEE   |
| Exhibit E | FORM OF SUPPLEMENTAL INDENTURE  |

This INDENTURE, dated as of March 31, 2025, is among SUNOCO LP, a Delaware limited partnership (the “*Issuer*”), the Guarantors (as defined herein) and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”).

The Issuer, the Guarantors and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined herein) of the Issuer’s 6.250% Senior Notes due 2033 (the “*Notes*” and each individually, a “*Note*”):

ARTICLE 1  
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 Definitions.

“*144A Global Note*” means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

“*Additional Notes*” means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Section 2.02 hereof, as part of the same series as the Initial Notes.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “*control*,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms “*controlling*,” “*controlled by*” and “*under common control with*” have correlative meanings.

“*Agent*” means any Registrar or Paying Agent.

“*Applicable Premium*” means with respect to any Note at the time of computation, an amount equal to the excess, if any, of (a) the present value at such time of (i) the redemption price of the Note at July 1, 2028 (such redemption prices being set forth in Section 3.07(b)) plus (ii) all required interest payments due on the Note through July 1, 2028 (in each case excluding accrued but unpaid interest to the Redemption Date), computed using a discount rate equal to the applicable Treasury Rate plus 50 basis points, over (b) the principal amount of the Note.

“*Applicable Procedures*” means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear Bank SA/NV, as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, that apply to such transfer or exchange.

*“Attributable Indebtedness,”* when used with respect to any Sale-Leaseback Transaction, means, as at the time of determination, the present value, discounted at the rate set forth or implicit in the terms of the lease included in the transaction, of the total obligations of the lessee for rental payments, other than amounts required to be paid on account of property taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that constitute payments for property rights, during the remaining term of the lease included in the Sale-Leaseback Transaction, including any period for which the lease has been extended. In the case of any lease that is terminable by the lessee upon the payment of a penalty or other termination payment, the amount shall be the lesser of the amount determined assuming termination upon the first date the lease may be terminated, in which case the amount shall also include the amount of the penalty or termination payment, but no rent shall be considered as required to be paid under the lease subsequent to the first date upon which it may be so terminated, or the amount determined assuming no termination.

*“Bankruptcy Law”* means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

*“Beneficial Owner”* has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that, in calculating the beneficial ownership of any particular *“person”* (as that term is used in Section 13(d)(3) of the Exchange Act), such *“person”* will be deemed to have beneficial ownership of all securities that such *“person”* has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms *“Beneficially Owns”* and *“Beneficially Owned”* have a corresponding meaning. For purposes of this definition, a *“person”* shall be deemed not to Beneficially Own securities that are the subject of a stock purchase agreement, merger agreement, amalgamation agreement, arrangement agreement or similar agreement until consummation of the transactions or, as applicable, series of related transactions contemplated thereby.

*“Board of Directors”* means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors or board of managers of the general partner of the partnership or, if such general partner is itself a limited partnership, then the board of directors or board of managers of its general partner;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

*“Business Day”* means any day other than a Legal Holiday.

*“Capital Stock”* means:

(1) in the case of a corporation, corporate stock;



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(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“*Change of Control*” means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any “*person*” (as that term is used in Section 13(d)(3) of the Exchange Act), other than a Qualified Owner, which occurrence is followed by a Ratings Decline within 60 days;

(2) the adoption of a plan relating to the liquidation or dissolution of the Issuer or the removal of the General Partner by the limited partners of the Issuer; or

(3) the consummation of any transaction (including any merger or consolidation), the result of which is that any “*person*” (as that term is used in Section 13(d)(3) of the Exchange Act), other than a Qualified Owner, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the General Partner or of the Issuer, measured by voting power rather than number of shares, which occurrence is followed by a Ratings Decline within 60 days.

Notwithstanding the preceding, a conversion of the Issuer from a limited partnership to a corporation, limited liability company or other form of entity or an exchange of all of the outstanding limited partnership interests for capital stock in a corporation, for member interests in a limited liability company or for Equity Interests in such other form of entity shall not constitute a Change of Control, so long as immediately following such conversion or exchange either (i) the “*persons*” (as that term is used in Section 13(d)(3) of the Exchange Act) who immediately prior to such transactions Beneficially Owned the Capital Stock of the Issuer immediately after the transactions continue to Beneficially Own in the aggregate more than 50% of the Voting Stock of such entity, or continue to Beneficially Own sufficient Equity Interests in such entity to elect a majority of its directors, managers, trustees or other persons serving in a similar capacity for such entity, and, in either case no “*person*” (as that term is used in Section 13(d)(3) of the Exchange Act), excluding any Qualified Owner, Beneficially Owns more than 50% of the Voting Stock of such entity or (ii) one or more Qualified Owners in the aggregate own more than 50% of the Voting Stock of such entity.

Notwithstanding anything to the contrary in this Indenture or the Notes, any Qualified Retail Asset Sale shall not constitute a Change of Control.

“*Company Order*” means a written order delivered to the Trustee by the Issuer and executed on its behalf by an Officer of the General Partner.

“*Consolidated Net Tangible Assets*” means, with respect to any Person at any date of determination, the aggregate amount of total assets included in such Person’s most recent quarterly or annual consolidated balance sheet prepared in accordance with GAAP less applicable reserves reflected in such balance sheet, after (i) adding the aggregate incremental amount of total assets that would have resulted from an acquisition of assets from an Affiliate that is accounted for as a pooling had it been accounted for using purchase accounting and (ii) deducting the following amounts: (a) all current liabilities reflected in such balance sheet, excluding (A) any current liabilities that by their terms are extendable or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed, and (B) current maturities of long-term Debt, and (b) all goodwill, trademarks, patents, unamortized debt discounts and expenses and other like intangibles reflected in such balance sheet.

“*Corporate Trust Office of the Trustee*” will be at the address of the Trustee specified in Section 12.02 hereof or such other address as to which the Trustee may give notice to the Issuer.

“*Credit Agreement*” means that certain Third Amended and Restated Credit Agreement, dated as of May 3, 2024, by and among the Issuer, the Guarantors party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent for the lenders and collateral agent, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time (including increasing the amount of available borrowings thereunder).

“*Credit Facilities*” means, one or more debt facilities or commercial paper facilities, in each case, with banks or other institutional lenders providing for revolving credit loans, term loans, accounts receivable financing (including through the sale of accounts receivable to such lenders or to special purpose entities formed to borrow from such lenders against such accounts receivable) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time (including increasing the amount of available borrowings thereunder).

“*Custodian*” means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

“*Debt*” means any obligation created or assumed by any Person for the repayment of money borrowed, and any purchase money obligation created or assumed by such Person and any guarantee of the foregoing.

“*Default*” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“*Definitive Note*” means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A hereto except that such Note shall not bear the Global Note Legend and shall not have the “*Schedule of Exchanges of Interests in the Global Note*” attached thereto.

“*Depository*” means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depository with respect to the Notes, and any and all successors thereto appointed as Depository hereunder and having become such pursuant to the applicable provision of this Indenture.

“*Equity Interests*” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“*Equity Offering*” means any public or private sale of Equity Interests (other than to a Subsidiary) made for cash on a primary basis by the Issuer after the date of this Indenture.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*GAAP*” means generally accepted accounting principles in the United States, as in effect from time to time.

“*General Partner*” means Sunoco GP LLC, a Delaware limited liability company, and its successors and permitted assigns as general partner of the Issuer or as the business entity with the ultimate authority to manage the business and operations of the Issuer.

“*Global Note Legend*” means the legend set forth in Section 2.06(g)(2) hereof, which is required to be placed on all Global Notes issued under this Indenture.

“*Global Notes*” means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes deposited with or on behalf of and registered in the name of the Depository or its nominee, substantially in the form of Exhibit A hereto and that bears the Global Note Legend and that has the “*Schedule of Exchanges of Interests in the Global Note*” attached thereto, issued in accordance with Sections 2.01, 2.06(b)(3) or 2.06(b)(4) hereof.

“*Government Securities*” means direct obligations of, or obligations guaranteed by, the United States of America for the payment of which guarantee or obligations the full faith and credit of the United States of America is pledged.

“*Guarantors*” means each of:

(1) the Subsidiaries of the Issuer executing this Indenture as initial Guarantors; and

(2) any other Subsidiary of the Issuer that becomes a Guarantor in accordance with the provisions of this Indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of this Indenture.

“*Holder*” means a Person in whose name a Note is registered.

“*Indenture*” means this Indenture, as amended or supplemented from time to time.

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“*Initial Notes*” means the \$1,000,000,000 aggregate principal amount of the Notes issued under this Indenture on the date hereof.

“*Initial Purchasers*” means Wells Fargo Securities, LLC, Santander US Capital Markets LLC and the other initial purchasers of the Initial Notes identified under the caption “*Plan of Distribution*” in the Offering Memorandum.

“*Investment Grade Rating*” means a rating of the Notes equal to or higher than Baa3 by Moody’s or BBB- by S&P (or, if either such entity ceases to rate the Notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any other “*nationally recognized statistical rating organization*” registered under Section 15E of the Exchange Act selected by the Issuer as a replacement agency).

“*Legal Holiday*” means a Saturday, a Sunday or a day on which banking institutions in Dallas, Texas or the City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

“*Lien*” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, other than a precautionary financing statement respecting a lease not intended as a security agreement. In no event shall a right of first refusal be deemed to constitute a Lien.

“*Moody’s*” means Moody’s Investors Service, Inc., or any successor to the rating agency business thereof.

“*Non-US. Person*” means a Person who is not a U.S. Person.

“*Note Guarantee*” means the guarantee by each Guarantor of the Issuer’s obligations under this Indenture and the Notes, pursuant to the provisions of this Indenture.

“*Notes*” has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and Additional Notes shall be treated as a single series for all purposes under this Indenture, including waivers, amendments, redemptions and offers to purchase, and, unless the context otherwise requires, all references to the Notes shall include any Additional Notes.

“*Obligations*” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Debt.

“*Offering Memorandum*” means the final Offering Memorandum of the Issuer, dated March 20, 2025 with respect to the Notes.

“*Officer*” means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Assistant Secretary or any Vice President of such Person (or, if such Person is a limited partnership, the general partner of such Person, and in the case of the Issuer, the General Partner).

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*“Officers’ Certificate”* means, with respect to any Person, a certificate signed on behalf of such Person by any two of its Officers, one of whom must be the principal executive officer, the principal financial officer or the principal accounting officer of such Person, that meets the requirements of Section 12.05 hereof.

*“Opinion of Counsel”* means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 12.05 hereof. The counsel may be an employee of or counsel to the Issuer, the General Partner, any Subsidiary of the Issuer or the General Partner or the Trustee.

*“Pari Passu Debt”* means any Debt of the Issuer or a Subsidiary, whether outstanding on the date any Notes are issued under this Indenture or thereafter created, incurred or assumed, unless in the case of any particular Debt, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Debt shall be subordinated in right of payment to the Notes and the Note Guarantees.

*“Permitted Liens”* means:

- (1) Liens upon rights-of-way for pipeline purposes created by a Person other than the Issuer;
- (2) any statutory or governmental Lien or Lien arising by operation of law, or any mechanic’s, repairmen’s, materialmen’s, supplier’s, carrier’s, landlord’s, warehousemen’s or similar Lien incurred in the ordinary course of business which is not yet due or which is being contested in good faith by appropriate proceedings and any undetermined Lien which is incidental to construction, development, improvement or repair;
- (3) the right reserved to, or vested in, any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or by any provision of law, to purchase or recapture or to designate a purchaser of, any property;
- (4) any Lien of taxes and assessments which are (A) for the then current year, (B) not at the time delinquent, or (C) delinquent but the validity of which is being contested in good faith at the time by the Issuer or any Subsidiary;
- (5) any Lien of, or to secure the performance of, leases, other than capital leases;
- (6) any Lien upon, or deposits of, any assets in favor of any surety company or clerk of court for the purpose of obtaining indemnity or stay of judicial proceedings;
- (7) any Lien upon property or assets acquired or sold by the Issuer or any Subsidiary resulting from the exercise of any rights arising out of defaults on receivables;

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(8) any Lien incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance, temporary disability, social security, retiree health or similar laws or regulations or to secure obligations imposed by statute or governmental regulations;

(9) any Lien in favor of the Issuer or any Subsidiary;

(10) any Lien in favor of the United States of America or any state thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any state thereof, to secure partial, progress, advance or other payments pursuant to any contract or statute, or any Debt incurred by the Issuer or any Subsidiary for the purpose of financing all or any part of the purchase price of, or the cost of constructing, developing, repairing or improving, the property or assets subject to such Lien;

(11) any Lien securing industrial development, pollution control or similar revenue bonds;

(12) any Lien securing Debt of the Issuer or any Subsidiary, all or a portion of the net proceeds of which are used, substantially concurrent with the funding thereof (and for purposes of determining such "substantial concurrence," taking into consideration, among other things, required notices to be given to Holders of outstanding Notes under this Indenture in connection with such refunding, refinancing or repurchase, and the required corresponding durations thereof), to refinance, refund or repurchase all outstanding Notes under this Indenture including the amount of all accrued interest thereon and reasonable fees and expenses and premium, if any, incurred by the Issuer or any Subsidiary in connection therewith;

(13) any Lien in favor of any Person to secure obligations under the provisions of any letters of credit, bank guarantees, bonds or surety obligations required or requested by any governmental authority in connection with any contract or statute; or

(14) any Lien upon or deposits of any assets to secure performance of bids, trade contracts or statutory obligations.

"*Permitted Swap Agreements*" means (a) Swap Agreements entered into for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes, and (b) other Swap Agreements entered into in the ordinary course of business to hedge or mitigate risks to which the Issuer or any of its Subsidiaries is exposed in the conduct of its business or the management of its liabilities, and not for speculative purposes.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Private Placement Legend*" means the legend set forth in Section 2.06(g)(1)(A) hereof to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

“*QIB*” means a “qualified institutional buyer” as defined in Rule 144A.

“*Qualified Owner*” means any of (i) LE GP, LLC and Energy Transfer LP, (ii) any Person who Beneficially Owns more than 50% of the Voting Stock of any entity specified in clause (i) above or who Beneficially Owns sufficient Equity Interests in such entity to elect a majority of its directors, managers, trustees or other Persons serving in a similar capacity for such entity and (iii) any Subsidiary or Affiliate of any entity specified in either clause (i) or clause (ii) above.

“*Qualified Retail Asset Sale*” means the sale, lease, conveyance or other disposition of any Qualified Retail Assets (whether directly or indirectly, whether by sale or lease of any such Qualified Retail Assets, or of any Equity Interests or other interests in any Person holding such Qualified Retail Assets, or any consolidation or merger, or any combination thereof, and whether in one or more transactions, or otherwise).

“*Qualified Retail Assets*” means any assets used by the Issuer and its Subsidiaries in (i) the retail sale of motor fuel, (ii) the operation of convenience stores or (iii) activities or services reasonably related, ancillary or complementary to clause (i) or clause (ii), that are acquired by the Issuer or any of its Subsidiaries in connection with the Issuer’s or such Subsidiary’s acquisition of any assets used in the distribution of motor fuels (whether directly or indirectly, whether by sale or lease of such assets, or of any Equity Interests or other interests in any Person holding such assets, or any consolidation or merger, or any combination thereof, and whether in one or more transactions, or otherwise).

“*Ratings Categories*” means:

(1) with respect to S&P, any of the following categories: AAA, AA, A, BBB, BB, B, CCC, CC, C and D (or equivalent successor categories); and

(2) with respect to Moody’s, any of the following categories: Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C and D (or equivalent successor categories).

“*Ratings Decline*” means a decrease in the rating of the Notes by both Moody’s and S&P by one or more gradations (including gradations within Rating Categories as well as between Rating Categories). In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Ratings Categories, namely + or — for S&P, and 1, 2, and 3 for Moody’s, will be taken into account; for example, in the case of S&P, a ratings decline either from BB+ to BB or BB to BB- will constitute a decrease of one gradation.

“*Redemption Date*” means, with respect to any redemption of Notes pursuant to this Indenture, the date on which the redemption occurs.

“*Regulation S*” means Regulation S promulgated under the Securities Act.

“*Regulation S Global Note*” means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 903 of Regulation S.

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“*Responsible Officer*,” when used with respect to the Trustee, means any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“*Restricted Definitive Note*” means a Definitive Note bearing the Private Placement Legend.

“*Restricted Global Note*” means a Global Note bearing the Private Placement Legend.

“*Rule 144*” means Rule 144 promulgated under the Securities Act.

“*Rule 144A*” means Rule 144A promulgated under the Securities Act.

“*Rule 903*” means Rule 903 promulgated under the Securities Act.

“*Rule 904*” means Rule 904 promulgated under the Securities Act.

“*S&P*” means S&P Global Ratings, a division of S&P Global, Inc., or any successor to the rating agency business thereof.

“*SEC*” means the Securities and Exchange Commission.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*Securitization Transaction*” means any transaction in which the Issuer or any Subsidiary sells or otherwise transfers accounts receivable or other rights to payment (whether existing or arising in the future) and assets related thereto (a) to one or more purchasers or (b) to a special purpose entity that (i) borrows under a loan secured by or issues securities payable from such accounts receivable or other rights to payment (or undivided interests therein) and related assets or (ii) sells or otherwise transfers such accounts receivable or other rights to payment (or undivided interests therein) and related assets to one or more purchasers, whether or not amounts received in connection with the sale or other transfer of such accounts receivable or other rights to payment and related assets to an entity referred to in clause (a) or clause (b) above would under GAAP be accounted for as liabilities on a consolidated balance sheet of the Issuer.

“*Significant Subsidiary*” means any Subsidiary of the Issuer that would be a “*significant subsidiary*” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of this Indenture.

“*Swap Agreement*” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or Debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.



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“*Subsidiary*” means, with respect to any specified Person:

(1) any corporation, association or other business entity (other than a partnership or limited liability company) of which more than 50% of the total voting power of the Voting Stock is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (whether general or limited) or limited liability company (a) the sole general partner or member of which is such Person or a Subsidiary of such Person, or (b) if there is more than a single general partner or member, either (x) the only managing general partners or managing members of which are such Person or one or more Subsidiaries of such Person (or any combination thereof) or (y) such Person owns or controls, directly or indirectly, a majority of the outstanding general partner interests, member interests or other Voting Stock of such partnership or limited liability company, respectively.

“*TIA*” means the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbb).

“*Treasury Rate*” means, with respect to any Redemption Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 that has become publicly available at least two Business Days prior to the Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date to July 1, 2028; provided, however, that if such period is not equal to the constant maturity of a United States Treasury security for which a yield is given, the Issuer shall obtain the Treasury Rate by linear interpolation (calculated to the nearest one twelfth of a year) from the yields of United States Treasury securities for which such yields are given, and except that if such period is less than one year, the yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. The Issuer will (a) calculate the Treasury Rate on the second Business Day preceding the applicable Redemption Date and (b) prior to such Redemption Date, file with the Trustee an Officers’ Certificate setting forth the Applicable Premium and the Treasury Rate.

“*Trustee*” means U.S. Bank Trust Company, National Association, until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

“*Unrestricted Definitive Note*” means a Definitive Note that does not bear and is not required to bear the Private Placement Legend.

“*Unrestricted Global Note*” means a Global Note that does not bear and is not required to bear the Private Placement Legend.

“*U.S. Person*” means a U.S. Person as defined in Rule 902(k) promulgated under the Securities Act.

“*Voting Stock*” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors of such Person.

Section 1.02 Other Definitions.

| <u>Term</u>                               | <u>Defined in Section</u> |
|-------------------------------------------|---------------------------|
| “ <i>Alternate Offer</i> ”                | 4.09(c)                   |
| “ <i>Authentication Order</i> ”           | 2.02                      |
| “ <i>Change of Control Offer</i> ”        | 4.09(a)                   |
| “ <i>Change of Control Payment</i> ”      | 4.09(a)                   |
| “ <i>Change of Control Payment Date</i> ” | 4.09(a)                   |
| “ <i>Covenant Defeasance</i> ”            | 8.03                      |
| “ <i>DTC</i> ”                            | 2.03                      |
| “ <i>Event of Default</i> ”               | 6.01                      |
| “ <i>Legal Defeasance</i> ”               | 8.02                      |
| “ <i>Patriot Act</i> ”                    | 7.12                      |
| “ <i>Paying Agent</i> ”                   | 2.03                      |
| “ <i>Payment Default</i> ”                | 6.01(6)(A)                |
| “ <i>Registrar</i> ”                      | 2.03                      |
| “ <i>Resale Restriction Period</i> ”      | 2.06(g)(1)(A)             |
| “ <i>Sale-Leaseback Transaction</i> ”     | 4.08                      |

Section 1.03 Rules of Construction.

Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) “*or*” is not exclusive;
- (4) words in the singular include the plural, and in the plural include the singular;
- (5) “*will*” shall be interpreted to express a command;
- (6) provisions apply to successive events and transactions; and
- (7) references to sections of or rules under the Securities Act or Exchange Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

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ARTICLE 2  
THE NOTES

Section 2.01 Form and Dating.

(a) General. The Notes and the Trustee's certificate of authentication will be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. The Notes shall be in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Issuer, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) Global Notes. Notes issued in global form will be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the "*Schedule of Exchanges of Interests in the Global Note*" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A hereto (but without the Global Note Legend thereon and without the "*Schedule of Exchanges of Interests in the Global Note*" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein, and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, repurchases and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

Section 2.02 Execution and Authentication.

At least one Officer must sign the Notes for the Issuer by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee will, upon receipt of a written order of the Issuer signed by two Officers of the Issuer (an "*Authentication Order*"), authenticate Notes for original issue that may be validly issued under this Indenture, including \$1,000,000,000 aggregate principal amount of Initial Notes to be issued on the date of this Indenture and any Additional Notes. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount of Notes authorized for issuance by the Issuer pursuant to one or more Authentication Orders, except as provided in Section 2.07 hereof.

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The Trustee may appoint an authenticating agent acceptable to the Issuer to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuer.

Section 2.03 Registrar and Paying Agent.

The Issuer will maintain an office or agency where Notes may be presented for registration of transfer or for exchange (“*Registrar*”) and an office or agency where Notes may be presented for payment (“*Paying Agent*”). The Registrar will keep a register of Notes and of their transfer and exchange. The Issuer may appoint one or more co-registrars and one or more additional paying agents. The term “*Registrar*” includes any co-registrar and the term “*Paying Agent*” includes any additional paying agent. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer will notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuer fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Issuer or any of the Issuer’s Subsidiaries may act as Paying Agent or Registrar.

The Issuer initially appoints The Depository Trust Company (“*DTC*”) to act as Depositary with respect to the Global Notes.

The Issuer initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes.

Section 2.04 Paying Agent to Hold Money in Trust.

The Issuer will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and will notify the Trustee of any default by the Issuer in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary) will have no further liability for the money. If the Issuer or a Subsidiary acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Issuer, the Trustee will serve as Paying Agent for the Notes.

Section 2.05 Holder Lists.

The Trustee will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders of Notes. If the Trustee is not the Registrar for the Notes, the Issuer will furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes.

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Section 2.06 Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Issuer for Definitive Notes if:

(1) the Depositary notifies the Issuer that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Issuer within 90 days; or

(2) there has occurred and is continuing an Event of Default and the Depositary notifies the Trustee of its decision to exchange the Global Notes for Definitive Notes.

Upon the occurrence of either of the preceding events, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or Section 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b) or (c) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a participant or an indirect participant in the Depositary given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the participant account to be credited with such increase; or

(B) both:

(i) a written order from a participant or an indirect participant in the Depositary given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in clause (i) above.

Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(3) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(4) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and:

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(A) [reserved];

(B) [reserved];

(C) [reserved]; or

(D) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such exchange or transfer is effected pursuant to this Section 2.06(b)(4) at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of a Company Order the Trustee shall authenticate, one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests exchanged or transferred pursuant to this Section 2.06(b)(4).

(5) Exchange or Transfer Prohibited. Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes.

(1) Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) [reserved];

(F) if such beneficial interest is being transferred to the Issuer or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof;

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) [reserved];

(B) [reserved];



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(C) [reserved]; or

(D) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuer will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the participant or indirect participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests. Definitive Notes may not be exchanged for beneficial interests in a Global Note.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(2) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) [reserved];

(B) [reserved];

(C) [reserved]; or

(D) the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) [Reserved].

(g) Legends. The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

“THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT) OR (B) IT IS A NON-U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATIONS PROMULGATED UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH THE LAWS APPLICABLE TO IT IN THE JURISDICTION IN WHICH SUCH PURCHASE IS MADE, AND (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE THAT IS, IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATEST OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE

ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), AND IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF (1) THE ORIGINAL ISSUE DATE HEREOF OR THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES, AS APPLICABLE, AND (2) THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S (AS APPLICABLE, THE "RESALE RESTRICTION PERIOD") ONLY (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT) THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHICH NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S AND IN ACCORDANCE WITH THE LAWS APPLICABLE TO IT IN THE JURISDICTION IN WHICH SUCH PURCHASE IS MADE, (D) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S, OR REGISTRAR'S, AS APPLICABLE, RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C) OR CLAUSE (E) TO REQUIRE THE DELIVERY OF A CERTIFICATE OF TRANSFER IN THE FORM CONTAINED IN THE INDENTURE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE OR REGISTRAR. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE EXPIRATION OF THE APPLICABLE RESALE RESTRICTION PERIOD."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(2), (c)(3), (e)(2), (e)(3) or (j) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) Global Note Legend. Each Global Note will bear a legend in substantially the following form:

“THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.”

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

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(i) General Provisions Relating to Transfers and Exchanges.

(1) To permit registrations of transfers and exchanges, the Issuer will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of a Company Order or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06 and 9.05 hereof).

(3) The Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) Neither the Registrar nor the Issuer will be required:

(A) to issue, to register the transfer of or to exchange, any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuer shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes for original issue in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile or electronic transmission.

(j) Automatic Exchange from Restricted Global Note to Unrestricted Global Note. At the option of the Issuer and upon compliance with the Applicable Procedures, beneficial interests in a Restricted Global Note shall be exchanged automatically for beneficial interests in an Unrestricted Global Note. Upon such exchange of beneficial interests pursuant to this Section 2.06(j), the Registrar shall reflect on its books and records the date of such transfer and a decrease and increase, respectively, in the principal amount of the applicable Restricted Global Note and the Unrestricted Global Note, respectively, equal to the principal amount of beneficial interests transferred. Following any such transfer pursuant to this Section 2.06(j) of all of the beneficial interests in a Restricted Global Note, such Restricted Global Note shall be canceled.

(k) Transfers of Securities Held by Affiliates. Notwithstanding anything to the contrary in this Section 2.06, any certificate (i) evidencing a Note that has been transferred to an affiliate (as defined in Rule 405 of the Securities Act) of the Issuer, as evidenced by a notation on the certificate of transfer or certificate of exchange for such transfer or in the representation letter delivered in respect thereof, or (ii) evidencing a Note that has been acquired from an affiliate (other than by an affiliate) in a transaction or a chain of transactions not involving any public offering, as evidenced by a notation on the certificate of transfer or certificate of exchange for such transfer or in the representation letter delivered in respect thereof, shall, unless otherwise agreed by the Issuer, until one year after the last date on which either the Issuer or any affiliate of the Issuer was an owner of such Note, in each case, be in the form of a permanent Definitive Note and bear the private placement legend subject to the restrictions in this Section 2.06. The Registrar shall retain copies of all letters, notices and other written communications received pursuant to this Section 2.06(k). The Issuer, at its sole cost and expense, shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable advance written notice to the Trustee.

#### Section 2.07 Replacement Notes.

If any mutilated Note is surrendered to the Trustee or the Issuer and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuer will issue and the Trustee, upon receipt of a Company Order, will authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Issuer, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuer and the Trustee may charge for their expenses in replacing a Note.

Every replacement Note is an additional obligation of the Issuer and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

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#### Section 2.08 Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Issuer or an Affiliate of the Issuer holds the Note; however, Notes held by the Issuer or a Subsidiary of the Issuer shall not be deemed to be outstanding for purposes of Section 3.07(a) hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Issuer, a Subsidiary or an Affiliate of any thereof) holds as of 11:00 a.m., Eastern time, on a Redemption Date, or other maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

#### Section 2.09 Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer or any Guarantor, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any Guarantor, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee knows are so owned will be so disregarded.

#### Section 2.10 Temporary Notes.

Until certificates representing Notes are ready for delivery, the Issuer may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Issuer considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuer will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

#### Section 2.11 Cancellation.

The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else will cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will destroy canceled Notes (subject to the record retention requirement of the Exchange Act). Certification of the destruction of all canceled Notes will be delivered to the Issuer at the written request of the Issuer. The Issuer may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.



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Section 2.12 Defaulted Interest.

If the Issuer defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on the applicable record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Issuer will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Issuer will fix or cause to be fixed each such payment date and, if such payment date is beyond the applicable grace period, a special record date; provided that no such special record date may be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Issuer (or, upon the written request of the Issuer, the Trustee in the name and at the expense of the Issuer) will send or cause to be sent to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

ARTICLE 3  
REDEMPTION

Section 3.01 Notices to Trustee.

If the Issuer elects to redeem Notes pursuant to the optional redemption provision of Section 3.07 hereof, the Issuer must furnish to the Trustee, at least five Business Days before the giving of the notice of redemption pursuant to Section 3.03 (unless a shorter notice period shall be satisfactory to the Trustee), an Officers' Certificate setting forth:

- (1) the clause of this Indenture pursuant to which the redemption shall occur;
- (2) the Redemption Date;
- (3) the principal amount of Notes to be redeemed;
- (4) the redemption price, if then determinable and, if not, then a method for determination; and
- (5) any conditions precedent with respect to such redemption.

Section 3.02 Selection of Notes to Be Redeemed.

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption as follows:

- (1) if such Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which such Notes are listed; or

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(2) if such Notes are not listed on any national securities exchange, on a pro rata basis, by lot or by such other method as the Trustee deems fair (except that Global Notes will be selected by such method as DTC or its nominee or successor may require or, where such nominee or successor is the Trustee, a method that most nearly approximates pro rata selection as the Trustee deems fair and appropriate unless otherwise required by law).

No Notes of \$2,000 or less can be redeemed in part.

### Section 3.03 Notice of Redemption.

At least 10 days but not more than 60 days before a Redemption Date, the Issuer will send, or cause to be sent, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be sent more than 60 days prior to the Redemption Date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture with respect to such Notes pursuant to Article 8 or Article 11 hereof, as applicable.

The notice of redemption will identify the Notes to be redeemed and will state:

- (1) the Redemption Date;
  - (2) the redemption price, if then determinable, and, if not, then a method for determination;
  - (3) if any Note is being redeemed in part only, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion of the original Note will be issued upon cancellation of the original Note;
  - (4) the name and address of the Paying Agent;
  - (5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;
  - (6) that, unless the Issuer defaults in making such redemption payment, interest on Notes called for redemption will cease to accrue on and after the Redemption Date;
  - (7) the paragraph of the Notes and/or Section 3.02 of this Indenture pursuant to which the Notes called for redemption are being redeemed;
  - (8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes;
- and
- (9) any conditions precedent with respect to such redemption.

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At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's name and at its expense; provided, however, that the Issuer has delivered to the Trustee, at least five Business Days prior to the date of giving such notice (unless a shorter notice period shall be satisfactory to the Trustee), an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph. Such Officers' Certificate may be combined with the Officers' Certificate referred to in Section 3.01.

Section 3.04 Effect of Notice of Redemption.

Once a notice of redemption is delivered to the Holders in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the Redemption Date, at the redemption price, subject to satisfaction of conditions precedent specified in the applicable notice of redemption.

Section 3.05 Deposit of Redemption Price.

By 11:00 a.m., Eastern time, on the Redemption Date, the Issuer will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest on all Notes to be redeemed on that date. The Trustee or the Paying Agent will promptly return to the Issuer any money deposited with the Trustee or the Paying Agent by the Issuer in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Notes to be redeemed.

If the Issuer complies with the provisions of the preceding paragraph with respect to a redemption pursuant to Section 3.07 hereof, on and after the Redemption Date, interest will cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption is not so paid upon surrender for redemption because of the failure of the Issuer to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the Redemption Date, until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Issuer will issue and, upon receipt of a Company Order, the Trustee will authenticate for the Holder, at the expense of the Issuer, a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 3.07 Optional Redemption.

(a) At any time prior to July 1, 2028, the Issuer may, on one or more occasions, redeem up to 40% of the aggregate principal amount of the Notes issued under this Indenture (including Additional Notes) at a redemption price of 106.250% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the Redemption Date, in an amount not greater than the net cash proceeds of one or more Equity Offerings; provided that:

(I) at least 60% of the aggregate principal amount of the Notes issued on the date of this Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Issuer and its Subsidiaries); and

(II) the redemption occurs within 180 days of the date of the closing of each such Equity Offering.

(b) On and after July 1, 2028, the Issuer may, on one or more occasions, redeem all or a part of the Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed to, but excluding, the applicable Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the Redemption Date), if redeemed during the twelve-month period beginning on July 1 of the years indicated below:

| <u>Year</u>         | <u>Redemption Price</u> |
|---------------------|-------------------------|
| 2028                | 103.125%                |
| 2029                | 101.563%                |
| 2030 and thereafter | 100.000%                |

(c) Prior to July 1, 2028, the Issuer may, on one or more occasions, redeem all or part of the Notes at a redemption price equal to the sum of the principal amount thereof, plus the Applicable Premium for the Notes, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the Redemption Date).

(d) Any redemption pursuant to this [Section 3.07](#) may, at the Issuer's discretion, be subject to one or more conditions precedent. In addition, if such optional redemption pursuant to this [Section 3.07](#) is subject to the satisfaction of one or more conditions precedent, the related notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied or waived (provided that in no event shall such Redemption Date be delayed to a date later than 60 days after the date on which such notice was sent), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the Redemption Date, or by the Redemption Date, as so delayed.

(e) The Notes are also redeemable as provided in [Section 4.09\(d\)](#).

(f) Any redemption pursuant to this [Section 3.07](#) shall be made pursuant to the provisions of [Sections 3.01](#) through [3.06](#) hereof.

(g) Nothing in this Indenture shall limit the right of the Issuer or its Affiliates to acquire Notes by means other than redemption, including by means of tender offers, exchange offers, open market purchases or privately negotiated purchases.

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ARTICLE 4  
COVENANTS

Section 4.01 Payment of Notes.

The Issuer shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest will be considered paid on the date due if the Paying Agent, if other than the Issuer or a Subsidiary thereof, holds as of 11:00 a.m., Eastern time, on the due date money deposited by the Issuer in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due.

The Issuer shall pay interest on overdue principal and premium, if any, at the then-applicable interest rate on the Notes to the extent lawful; and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

Section 4.02 Maintenance of Office or Agency.

The Issuer shall maintain in the continental United States an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuer fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission will in any manner relieve the Issuer of its obligation to maintain an office or agency in the continental United States for such purposes. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuer hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Issuer in accordance with Section 2.03 hereof.

Section 4.03 Reports.

(a) Whether or not required by the rules and regulations of the SEC, so long as any Notes are outstanding, the Issuer will furnish (whether through hard copy or internet access) to the Holders of Notes or post on its website, within the time periods specified in the SEC's rules and regulations:

(1) all quarterly and annual reports that would be required to be filed with the SEC on Forms 10-Q and 10-K if the Issuer were required to file such reports as a non-accelerated filer; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if the Issuer were required to file such reports.

All such reports will be prepared in all material respects in accordance with all of the rules and regulations applicable to such reports, but shall not be required to comply with Rules 3-09, 3-10, 3-16 or Article 13 of Regulation S-X. Each annual report on Form 10-K will include a report on the Issuer's consolidated financial statements by the Issuer's independent registered public accounting firm. If, at any time the Issuer is no longer subject to the periodic reporting requirements of the Exchange Act for any reason, the Issuer will post the reports referred to in the preceding paragraphs on its website within the time periods that would apply if the Issuer were required to file those reports with the SEC.

(b) Any and all Defaults or Events of Default arising from a failure to furnish in a timely manner any information required by this Section 4.03 shall be deemed cured (and the Issuer shall be deemed to be in compliance with this Section 4.03) upon furnishing such information as contemplated by this Section 4.03 (but without regard to the date on which such financial statement or report is so furnished); provided that such cure shall not otherwise affect the rights of the Holders under Article 6 if the principal of, premium, if any, on, and interest, if any, on, the Notes have been accelerated in accordance with the terms of this Indenture and such acceleration has not been rescinded or canceled prior to such cure.

(c) To the extent not satisfied by the foregoing, for so long as the Notes are outstanding, the Issuer will furnish to the Holders of the Notes, securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(d) The Issuer will be deemed to have furnished each report required by this Section 4.03 to the Holders of the Notes if it has filed such report with the SEC using the EDGAR filing system and such report is publicly available.

#### Section 4.04 Compliance Certificate.

(a) The Issuer shall deliver to the Trustee, within 120 days after the end of each fiscal year (starting with the fiscal year ending December 31, 2025), an Officers' Certificate stating that a review of the activities of the Issuer and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Issuer has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Issuer has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Issuer is taking or proposes to take with respect thereto).

(b) So long as any of the Notes are outstanding, the Issuer and the Guarantors will deliver to the Trustee, within 30 days of any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Issuer is taking or proposes to take with respect thereto.

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Section 4.05 Stay, Extension and Usury Laws.

The Issuer and each of the Guarantors covenant (to the extent that they may lawfully do so) that they shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer and each of the Guarantors (to the extent that they may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and covenant that they will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.06 Additional Guarantees.

If, after the date of this Indenture, any Subsidiary of the Issuer that is not already a Guarantor guarantees or becomes a co-obligor in respect of any Debt of either the Issuer or of any Guarantor under a Credit Facility, then the applicable Subsidiary will become a Guarantor by executing a supplemental indenture substantially in the form of Exhibit E hereto and delivering it to the Trustee within 20 Business Days of the date on which it guaranteed or became a co-obligor in respect of such Debt. Notwithstanding the preceding, any Note Guarantee of a Subsidiary that was incurred pursuant to this paragraph shall be subject to the terms, including the release provisions, described in Article 10 hereto.

Section 4.07 Limitation on Liens.

The Issuer will not, nor will it permit any Subsidiary to, create, assume, incur or suffer to exist any Lien upon any property or assets, whether owned or leased on the date of this Indenture or thereafter acquired, to secure any of its Debt or Debt of any other Person (other than the Notes issued hereunder), without in any such case making effective provision whereby all of the Notes outstanding hereunder shall be secured equally and ratably with, or prior to, such Debt so long as such Debt shall be so secured.

This restriction does not apply to:

- (1) Permitted Liens;
- (2) any Lien upon any property or assets of the Issuer or any Subsidiary in existence on the date of this Indenture or created pursuant to an “after-acquired property” clause or similar term or provided for pursuant to agreements existing on such date;
- (3) any Lien upon any property or assets created at the time of acquisition of such property or assets by the Issuer or any Subsidiary or within one year after such time to secure all or a portion of the purchase price for such property or assets or Debt incurred to finance such purchase price, whether such Debt was incurred prior to, at the time of or within one year after the date of such acquisition;

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(4) any Lien upon any property or assets existing thereon at the time of the acquisition thereof by the Issuer or any Subsidiary; provided, however, that such Lien only encumbers the property or assets so acquired;

(5) any Lien upon any property or assets of a Person existing thereon at the time such Person becomes a Subsidiary by acquisition, merger or otherwise; provided, however, that such Lien only encumbers the property or assets of such Person at the time such Person becomes a Subsidiary;

(6) any Lien upon any property or assets to secure all or part of the cost of construction, development, repair or improvements thereon or to secure Debt incurred prior to, at the time of, or within one year after completion of such construction, development, repair or improvements or the commencement of full operations thereof, whichever is later, to provide funds for any such purpose;

(7) any Lien imposed by law or order as a result of any proceeding before any court or regulatory body that is being contested in good faith, and Liens which secure a judgment or other court-ordered award or settlement as to which the Issuer or the applicable Subsidiary has not exhausted its appellate rights;

(8) any Lien upon any additions, improvements, replacements, repairs, fixtures, appurtenances or component parts thereof attaching to or required to be attached to property or assets pursuant to the terms of any mortgage, pledge agreement, security agreement or other similar instrument creating a Lien upon such property or assets permitted by clauses (1) through (7) above;

(9) any extension, renewal, refinancing, refunding or replacement (or successive extensions, renewals, refinancings, refundings or replacements) of any Lien, in whole or in part, referred to in clauses (1) through (8), inclusive, above; provided, however, that the principal amount of Debt secured thereby shall not exceed the principal amount of Debt so secured at the time of such extension, renewal, refinancing, refunding or replacement (plus in each case the aggregate amount of premiums, other payments, costs and expenses required to be paid or incurred in connection with such extension, renewal, refinancing, refunding or replacement); provided, further, however, that such extension, renewal, refinancing, refunding or replacement Lien shall be limited to all or a part of the property (including improvements, alterations and repairs on such property) subject to the encumbrance so extended, renewed, refinanced, refunded or replaced (plus improvements, alterations and repairs on such property);

(10) any Lien resulting from the deposit of moneys or evidence of indebtedness in trust for the purpose of defeasing or discharging Debt of the Issuer or any Subsidiary;

(11) any Lien on (i) cash and cash equivalents, (ii) any commodity account, deposit account or securities account maintained with or for the benefit of a counterparty to a Permitted Swap Agreement and any assets credited to such accounts and the proceeds of any of the foregoing and (iii) any contracts evidencing Permitted Swap Agreements, including rights to payment hereunder and the proceeds of any of the foregoing, in each case securing obligations of the Issuer or any Subsidiary under Permitted Swap Agreements; or



(12) any Lien granted on, or assignments or sales of, accounts receivable or other rights to payment and related assets in connection with Securitization Transactions.

Notwithstanding the foregoing, the Issuer may, and may permit any Subsidiary to, create, assume, incur or suffer to exist any Lien upon any property or assets to secure its Debt or Debt of any Person (other than the Notes) that is not excepted by clauses (1) through (12), inclusive, above without securing the Notes issued under this Indenture, provided that the aggregate principal amount of all Debt then outstanding secured by such Lien and all similar Liens, together with all Attributable Indebtedness from Sale-Leaseback Transactions, as defined below (excluding Sale-Leaseback Transactions permitted by clauses (1) through (4), inclusive, of the first paragraph of Section 4.08 hereof) does not exceed the greater of (a) \$1,500.0 million and (b) 20% of the Issuer's Consolidated Net Tangible Assets, determined at the time of incurrence of such Debt.

Section 4.08 Restrictions on Sale-Leasebacks.

The Issuer will not, and will not permit any Subsidiary to, engage in the sale or transfer by the Issuer or any Subsidiary of any property or assets to a Person (other than the Issuer or a Subsidiary) and the taking back by the Issuer or any Subsidiary, as the case may be, of a lease of such property or assets (a "*Sale-Leaseback Transaction*"), unless:

(1) the Sale-Leaseback Transaction occurs within one year from the date of completion of the acquisition of the property or assets subject thereto or the date of the completion of construction, development or substantial repair or improvement or commencement of full operations on such property or assets, whichever is later;

(2) the Sale-Leaseback Transaction involves a lease for a period, including renewals, of not more than three years;

(3) the Issuer or such Subsidiary would be entitled to incur Debt secured by a Lien on the property or assets subject thereto in a principal amount equal to or exceeding the Attributable Indebtedness from such Sale-Leaseback Transaction without equally and ratably securing the Notes issued under this Indenture; or

(4) the Issuer or such Subsidiary, within a one-year period after such Sale-Leaseback Transaction, applies or causes to be applied an amount not less than the Attributable Indebtedness from such Sale-Leaseback Transaction to (A) the prepayment, repayment, redemption, reduction or retirement of Pari Passu Debt of the Issuer or a Subsidiary, or (B) the expenditure or expenditures for property or assets used or to be used in the ordinary course of business of the Issuer or its Subsidiaries.

Notwithstanding the foregoing, the Issuer may, and may permit any of its Subsidiaries to, effect any Sale-Leaseback Transaction that is not excepted by clauses (1) through (4), inclusive, above; provided that the Attributable Indebtedness from the Sale-Leaseback Transaction, together with the aggregate principal amount of then outstanding Debt (other than the Notes) secured by Liens upon any property or assets of the Issuer or its Subsidiaries not excepted by clauses (1) through (12), inclusive, of the second paragraph of Section 4.07 hereof, do not exceed the greater of (a) \$1,500.0 million and (b) 20% of the Issuer's Consolidated Net Tangible Assets, determined at the time of incurrence.

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Section 4.09 Change of Control.

(a) Upon the occurrence of a Change of Control, the Issuer shall make an offer (a “*Change of Control Offer*”) to each Holder of Notes to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder’s Notes at a purchase price in cash (the “*Change of Control Payment*”) equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest on the Notes repurchased to, but excluding, the date of purchase (the “*Change of Control Payment Date*”), subject to the rights of Holders of Notes on the relevant record date to receive interest due on an interest payment date that is on or prior to the Change of Control Payment Date. Within 30 days following any Change of Control, the Issuer will send a notice to each Holder of Notes describing the transaction or transactions that constitute the Change of Control and stating:

- (1) that the Change of Control Offer is being made pursuant to this Section 4.09 and that all Notes tendered will be accepted for payment;
- (2) the purchase price and the Change of Control Payment Date specified in the notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is sent;
- (3) that any Note not tendered will continue to accrue interest;
- (4) that, unless the Issuer defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;
- (5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled “*Option of Holder to Elect Purchase*” attached to the Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;
- (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a facsimile, electronic transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and
- (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to \$2,000 in principal amount or an integral multiple of \$1,000 in excess thereof.

The Issuer shall comply with all applicable requirements of Rule 14e-1 under the Exchange Act and other securities laws and regulations. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.09, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.09 by virtue of such compliance. Notwithstanding anything to the contrary in this Indenture or the Notes, the Issuer shall not be required to make a Change of Control Offer as a result of any Qualified Retail Asset Sale.

(b) Promptly following the expiration of a Change of Control Offer, the Issuer will, to the extent lawful, accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer. Promptly thereafter on the Change of Control Payment Date, the Issuer will:

(1) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(2) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The Paying Agent shall promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes (or, to the extent the Notes are in global form, make such payment through the facilities of DTC), and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note and equal in principal amount to any unpurchased portion of the Notes surrendered; provided that each new Note will be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions of this Section 4.09 that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of this Indenture are applicable.

(c) Notwithstanding anything to the contrary in this Section 4.09, the Issuer will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer with respect to such Notes in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.09 applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer; (2) notice of redemption with respect to all outstanding Notes has been given pursuant to Section 3.07 hereof, unless and until there is a default in payment of the applicable redemption price; or (3) in connection with, or in contemplation of, any publicly announced Change of Control, the Issuer has made an offer to purchase (an "*Alternate Offer*") any and all Notes properly tendered at a cash price equal to or higher than the Change of Control Payment and has purchased all Notes properly tendered in accordance with the terms of such Alternate Offer. Notwithstanding anything to the contrary contained in this Indenture, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

(d) In the event that Holders of not less than 90% of the aggregate principal amount of the outstanding Notes accept a Change of Control Offer or Alternate Offer or other tender offer, and the Issuer purchases all of the Notes held by such Holders, the Issuer will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following the purchase pursuant to the Change of Control Offer, Alternate Offer or other tender offer, to redeem all of the Notes that remain outstanding following such purchase at a redemption price equal to the Change of Control Payment or Alternate Offer or other tender offer price, as applicable, plus, to the extent not included in the Change of Control Payment or Alternate Offer or other tender offer price, as applicable, accrued and unpaid interest thereon to, but excluding, the Redemption Date (subject to the right of the Holders of Notes on the relevant record date to receive interest due on an interest payment date that is on or prior to the Redemption Date).

ARTICLE 5  
SUCCESSORS

Section 5.01 Merger, Consolidation or Sale of Assets.

(a) The Issuer may not: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving entity); or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, in one or more related transactions, to another Person, unless:

(1) either:

(A) the Issuer is the surviving entity; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made is a Person organized or existing under the laws of the United States, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition has been made assumes all the obligations of the Issuer under the Notes, this Indenture pursuant to a supplemental indenture hereto or other appropriate agreement;

(3) immediately after such transaction, no Default or Event of Default exists; or

(4) if the Issuer is not the surviving entity, the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or disposition and such supplemental indenture or other appropriate agreement (if any) comply with this Indenture and all conditions precedent therein relating to such transaction have been satisfied;

provided that clause (3) shall not apply to any sale of assets of a Subsidiary to the Issuer or another Subsidiary or the merger or consolidation of a Subsidiary into any Subsidiary or the Issuer.

(b) Notwithstanding anything to the contrary in this Indenture or the Notes, any Qualified Retail Asset Sale shall not constitute a sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole.

(c) Notwithstanding Section 5.01(a), the Issuer is permitted to reorganize as any other form of entity in accordance with the procedures established in this Indenture; provided that:

(1) the reorganization involves the conversion (by merger, sale, legal conversion, contribution or exchange of assets or otherwise) of the Issuer into a form of entity other than a limited partnership formed under Delaware law;

(2) the entity so formed by or resulting from such reorganization is an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia;

(3) the entity so formed by or resulting from such reorganization assumes all the obligations of the Issuer under the Notes, this Indenture pursuant to a supplemental indenture hereto or other appropriate agreement;

(4) immediately after such reorganization no Default or Event of Default exists;

(5) such reorganization is not materially adverse to the Holders of Notes (for purposes of this clause (5), it is stipulated that such reorganization shall not be considered materially adverse to the Holders of Notes solely because the successor or survivor of such reorganization (A) is subject to federal or state income taxation as an entity or (B) is considered to be an “*includible corporation*” of an affiliated group of corporations within the meaning of Section 1504(b)(i) of the Internal Revenue Code of 1986, as amended, or any similar state or local law); and

(6) the Issuer has delivered to the Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that such reorganization and such supplemental indenture or other appropriate agreement (if any) comply with this Indenture and all conditions precedent therein relating to such transaction have been satisfied.

#### Section 5.02 Successor Person Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets, of the Issuer in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof and in which the Issuer is not the surviving entity, the successor Person formed by such consolidation or into or with which the Issuer is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Indenture referring to “*the Issuer*” shall refer instead to the successor Person and not to the Issuer), and may exercise every right and power of the Issuer under this Indenture with the same effect as if such successor Person had been named as the Issuer herein, and thereafter (except in the case of a lease of all or substantially all of the Issuer’s properties or assets), the Issuer will be relieved of all obligations and covenants under this Indenture and the Notes.

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ARTICLE 6  
DEFAULTS AND REMEDIES

Section 6.01 Events of Default.

Each of the following is an “*Event of Default*” with respect to the Notes:

- (1) default for 30 days in the payment when due of interest on the Notes;
- (2) default in the payment when due (at stated maturity, upon optional or mandatory redemption or otherwise) of the principal of, or premium, if any, on, the Notes;
- (3) failure by the Issuer or any Guarantor to (a) make a Change of Control Offer when required, or to consummate a purchase of such Notes when required pursuant to the terms described, in Section 4.09 hereof or (b) comply with the provisions of Section 5.01 hereof; provided that, with respect to the failures described in clause (b), such failure will not constitute an Event of Default for 30 days if such failure is capable of cure;
- (4) failure by the Issuer for 180 days after notice by the Trustee or Holders of at least 30% in aggregate principal amount of Notes then outstanding to comply with the provisions of Section 4.03 hereof;
- (5) failure by the Issuer or any Guarantor for 60 days after written notice by the Trustee or Holders of at least 30% in aggregate principal amount of Notes then outstanding to comply with any of its other agreements in this Indenture;
- (6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed of the Issuer or any Guarantor (or the payment of which is guaranteed by the Issuer or any Guarantor), whether such indebtedness or guarantee now exists, or is created after the date of this Indenture, if that default:

(A) is caused by a failure to pay principal of, or interest or premium, if any, on such indebtedness prior to the expiration of the grace period provided in such indebtedness on the date of such default (a “*Payment Default*”); or

(B) results in the acceleration of such indebtedness prior to its express maturity,

and, in each case, the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$100.0 million or more; provided, however, that if (i) any such Payment Default is cured or waived, (ii) any such acceleration is rescinded, or (iii) such indebtedness is repaid in each case during the 10 Business Day period commencing upon the end of any applicable grace period for such Payment Default or the occurrence of such acceleration, as applicable, any Default or Event of Default (but not any acceleration of the Notes) caused by such Payment Default or acceleration shall automatically be rescinded, so long as such rescission does not conflict with any judgment, decree or applicable law;

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(7) the Issuer or any of its Subsidiaries that is a Significant Subsidiary (or group of Subsidiaries that, taken together, would constitute a Significant Subsidiary) pursuant to or within the meaning of Bankruptcy Law:

- (A) commences a voluntary case,
- (B) consents to the entry of an order for relief against it in an involuntary case,
- (C) consents to the appointment of a custodian of it or for all or substantially all of its property,
- (D) makes a general assignment for the benefit of its creditors, or
- (E) generally is not paying its debts as they become due;

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

- (A) is for relief against the Issuer or any of its Subsidiaries that is a Significant Subsidiary in an involuntary case;
- (B) appoints a custodian of the Issuer or any of its Subsidiaries that is a Significant Subsidiary or for all or substantially all of the property of the Issuer or any of its Subsidiaries that is a Significant Subsidiary; or
- (C) orders the liquidation of the Issuer or any of its Subsidiaries that is a Significant Subsidiary; and

(9) except as permitted by this Indenture, any Note Guarantee of such Notes is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its Obligations under its Note Guarantee of such Notes.

Section 6.02 Acceleration.

In the case of an Event of Default specified in clause (7) or clause (8) of Section 6.01 hereof with respect to the Issuer, the principal of, and accrued and unpaid interest, if any, on all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs with respect to the Notes and is continuing, the Trustee or the Holders of at least 30% in aggregate principal amount of the then outstanding Notes may declare, by notice in writing to the Issuer, the principal of, and accrued and unpaid interest, if any, on, all the Notes to be due and payable immediately.

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The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may, on behalf of the Holders of the Notes, rescind an acceleration or waive any existing Default or Event of Default with respect to the Notes and its consequences under this Indenture except a continuing Default or Event of Default in the payment of interest or premium on, or the principal of, the Notes.

Section 6.03 Other Remedies.

If an Event of Default occurs with respect to the Notes and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of, or premium, if any, and interest on, the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 Waiver of Past Defaults.

Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may, on behalf of the Holders of all of the Notes, waive an existing Default or Event of Default with respect to Notes and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium, if any, or interest on, the Notes (including in connection with an offer to purchase); provided, however, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences with respect to Notes, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 Control by Majority.

Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it hereunder with respect to Notes. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability.

Section 6.06 Limitation on Suits.

A Holder of Notes may pursue a remedy with respect to this Indenture or the Notes only if:



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- (1) such Holder gives to the Trustee written notice that an Event of Default is continuing;
  - (2) Holders of at least 30% in aggregate principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;
  - (3) such Holder or Holders offer and, if requested, provide to the Trustee security or indemnity satisfactory to the Trustee in its sole discretion against any loss, liability or expense;
  - (4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and
  - (5) during such 60-day period, Holders of a majority in aggregate principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with such request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07 [Reserved].

Section 6.08 Collection Suit by Trustee.

If an Event of Default specified in clause (1) or clause (2) of Section 6.01 hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the whole amount of principal of, premium, if any, and interest remaining unpaid on, the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Issuer (or any other obligor upon the Notes), their creditors or their property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured

by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities.

If the Trustee collects any money or property pursuant to this Article 6, it shall pay out the money or property in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest, respectively; and

Third: to the Issuer or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE 7  
TRUSTEE

Section 7.01 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

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(1) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability. The Trustee will be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holders have offered to the Trustee security or indemnity satisfactory to it in its sole discretion against any loss, liability or expense.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

#### Section 7.02 Rights of Trustee.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer will be sufficient if signed by an Officer of the Issuer.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity or security satisfactory to it in its sole discretion against the losses, liabilities and expenses that might be incurred by it in compliance with such request or direction.

(g) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder and each agent, custodian and other Person employed to act hereunder.

(h) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(i) The Trustee shall not be responsible or liable for any action taken or omitted by it in good faith at the direction of the Holders of not less than a majority in principal amount of the Notes as to the time, method and place of conducting any proceedings for any remedy available to the Trustee or the exercising of any power conferred by this Indenture.

(j) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(k) In no event shall the Trustee be liable for special, punitive, indirect or consequential damages, including but not limited to lost profits, irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action arising in connection with this Indenture.

#### Section 7.03 Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest (as defined in the TIA) after a Default has occurred and is continuing, it must eliminate such conflict within 90 days or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Section 7.10 hereof.

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Section 7.04 Trustee's Disclaimer.

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05 Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will send to Holders of Notes a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest on, any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06 [Reserved].

Section 7.07 Compensation and Indemnity

(a) The Issuer will pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Issuer will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Issuer and the Guarantors will indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Issuer and the Guarantors (including this Section 7.07) and defending itself against any claim (whether asserted by the Issuer, the Guarantors, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense which is found by a court of competent jurisdiction in a non-appealable judgment to have resulted from the Trustee's own negligence or bad faith. The Trustee will notify the Issuer promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer will not relieve the Issuer or any of the Guarantors of their obligations hereunder. The Issuer or such Guarantor will defend the claim and the Trustee will cooperate in the defense. The Trustee may have separate counsel and the Issuer will pay the reasonable fees and expenses of such counsel. Neither the Issuer nor any Guarantor need pay for any settlement made without its consent, which consent will not be unreasonably withheld.

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(c) The obligations of the Issuer and the Guarantors under this Section 7.07 will survive the satisfaction and discharge of this Indenture.

(d) To secure the Issuer's and the Guarantors' payment obligations in this Section 7.07, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal, premium, if any, and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(8) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.08 Replacement of Trustee.

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuer. The Holders of a majority in aggregate principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuer in writing. The Issuer may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer will promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in aggregate principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

(d) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer, or the Holders of at least 10% in aggregate principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

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(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will send a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee; provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuer's obligations under Section 7.07 hereof will continue for the benefit of the retiring Trustee.

Section 7.09 Successor Trustee by Merger, etc.

Subject to Section 7.10 hereof, if the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.10 Eligibility; Disqualification.

There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least \$100.0 million as set forth in its most recent published annual report of condition.

Section 7.11 Force Majeure.

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 7.12 U.S.A. PATRIOT Act.

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. PATRIOT Act (the "*Patriot Act*"), the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each Person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the Patriot Act.

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ARTICLE 8  
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 Option to Effect Legal Defeasance or Covenant Defeasance.

The Issuer may, at its option and at any time, elect to have either Section 8.02 or Section 8.03 hereof be applied to all outstanding Notes and the related Note Guarantees upon compliance with the conditions set forth below in this Article 8.

Section 8.02 Legal Defeasance and Discharge.

Upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.02 with respect to the Notes, the Issuer and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes (including the related Note Guarantees) on the date the conditions set forth below are satisfied (hereinafter, "*Legal Defeasance*"). For this purpose, Legal Defeasance means that the Issuer and the Guarantors will be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes (including the related Note Guarantees), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to below, and to have satisfied all their other obligations under the Notes, the related Note Guarantees and this Indenture (and the Trustee, on the demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions, which will survive until otherwise terminated or discharged hereunder:

- (1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium, if any, on, the Notes when such payments are due from the trust referred to in Section 8.04 hereof;
- (2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties and immunities of the Trustee and the Issuer's and the Guarantors' obligations in connection therewith; and
- (4) this Article 8.

Subject to compliance with this Article 8, the Issuer may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.



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### Section 8.03 Covenant Defeasance.

Upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Issuer and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released with respect to the Notes from each of their obligations under the covenants contained in Sections 4.03, 4.04, 4.06, 4.07, 4.08 and 4.09 hereof, and the Guarantors will be released from their obligations with respect to the related Note Guarantees, on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "*Covenant Defeasance*"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that the Notes will not be deemed outstanding for accounting purposes to the extent permitted by GAAP). For this purpose, *Covenant Defeasance* means that, with respect to the outstanding Notes and related Note Guarantees, the Issuer and the Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and the Notes and the related Note Guarantees will be unaffected thereby. In addition, upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(3) through 6.01(6) inclusive hereof will not constitute Events of Default with respect to Notes.

### Section 8.04 Conditions to Legal or Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or Section 8.03 hereof:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of Notes, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, if any, on the outstanding Notes on the stated date for payment thereof or on the applicable Redemption Date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular Redemption Date;

(2) in the case of an election under Section 8.02 hereof, the Issuer must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that:

(A) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or

(B) since the date of this Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Beneficial Owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.03 hereof, the Issuer must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the Beneficial Owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(6) the Issuer must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

(7) the Issuer must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05 Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "*Trustee*") pursuant to Section 8.04 hereof will be held in trust and applied by the Trustee, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Issuer will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Issuer from time to time upon the request of the Issuer any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

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Section 8.06 Repayment to the Issuer.

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of the principal of, premium, if any, or interest on, any Note and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Issuer on its request or, if then held by the Issuer, shall be discharged from such trust; and the Holder of such Note will thereafter be permitted to look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuer as trustee thereof, will thereupon cease.

Section 8.07 Reinstatement.

If the Trustee or Paying Agent is unable to apply any U.S. dollars or non-callable Government Securities in accordance with Section 8.02 or Section 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuer's and the Guarantors' obligations under this Indenture and the Notes and the related Note Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or Section 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or Section 8.03 hereof, as the case may be; provided, however, that, if the Issuer makes any payment of principal of, premium, if any, or interest on, such Notes following the reinstatement of its obligations, the Issuer will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9  
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 Without Consent of Holders of Notes.

Notwithstanding Section 9.02 of this Indenture, the Issuer, the Guarantors and the Trustee may amend or supplement this Indenture, the Notes or the Note Guarantees without the consent of any Holder of Notes:

- (1) to cure any ambiguity, defect or inconsistency;
- (2) to provide for uncertificated Notes in addition to or in place of certificated Notes;
- (3) to provide for the assumption of the Issuer's or a Guarantor's obligations to the Holders of the Notes and Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;
- (4) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights hereunder of any such Holder;

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(5) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA;

(6) to conform the text of this Indenture or a notation of a Note Guarantee to any provision of the “*Description of Notes*” section of the Offering Memorandum to the extent that such text of this Indenture or such notation of a Note Guarantee was intended to reflect such provision of such “*Description of Notes*”, which intent shall be evidenced by an Officers’ Certificate;

(7) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date of this Indenture;

(8) to allow any Guarantor to execute a supplemental indenture and/or a notation of a Note Guarantee with respect to the Notes or to reflect the addition or release of a Note Guarantee in accordance with this Indenture;

(9) to secure the Notes and/or the Note Guarantees; or

(10) to provide for the reorganization of the Issuer as any other form of entity, in accordance with the provisions described in Section 5.01 hereof.

Upon the request of the Issuer, and upon receipt by the Trustee of the documents described in Section 9.06 hereof, the Trustee will join with the Issuer and the Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Section 9.01 and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee will not be obligated to enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

#### Section 9.02 With Consent of Holders of Notes.

Except as provided below in this Section 9.02, the Issuer, the Guarantors and the Trustee may amend or supplement this Indenture and the Notes and the Note Guarantees with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding and affected thereby (including Additional Notes, if any) (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Section 6.04 hereof, any existing Default or Event of Default or compliance with any provision of this Indenture or the Notes or the Note Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding and affected thereby (including Additional Notes, if any) (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes). Section 2.08 hereof shall determine which Notes are considered to be “outstanding” for purposes of this Section 9.02.

Upon the request of the Issuer, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 9.06 hereof, the Trustee will join with the Issuer and the Guarantors in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee’s own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but will not be obligated to, enter into such amended or supplemental indenture.

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It is not necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Issuer will send to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuer to send such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver.

However, without the consent of each Holder affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

- (1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption or repurchase of the Notes (other than provisions relating to minimum required notice of optional redemption or to Section 4.09 hereof);
- (3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;
- (4) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);
- (5) make any Note payable in money other than that stated in the Notes;
- (6) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of, principal of, or interest or premium, if any, on, the Notes (other than as permitted by clause (7) below);
- (7) waive a redemption or repurchase payment with respect to any Note (other than a payment required by Section 4.09 hereof);
- (8) release any Guarantor from any of its obligations under its Note Guarantee or this Indenture, except in accordance with the terms of this Indenture; or
- (9) make any change in the preceding amendment, supplement and waiver provisions.

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Section 9.03 [Reserved].

Section 9.04 Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder, except as provided in the last paragraph of Section 9.02.

Section 9.05 Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall, upon receipt of a Company Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 Trustee to Sign Amendments, etc.

The Trustee will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In executing any amended or supplemental indenture, the Trustee shall receive and (subject to Section 7.01 hereof) will be fully protected in relying upon, in addition to the documents required by Section 12.04 hereof, an Officers' Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10  
NOTE GUARANTEES

Section 10.01 Guarantee.

(a) Subject to this Article 10, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Issuer hereunder or thereunder, that:

(1) the principal of, premium, if any, and interest on, the Notes will be promptly paid in full when due, whether at stated maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Issuer to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

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(2) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors will be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

(b) The Guarantors hereby agree that their obligations hereunder are unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever and covenant that this Note Guarantee will not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

(c) If any Holder or the Trustee is required by any court or otherwise to return to the Issuer, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, any amount paid by any of the foregoing to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

(d) Each Guarantor agrees that it will not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Article 10, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such obligations as provided in Article 6 hereof, such obligations (whether or not due and payable) will forthwith become due and payable by the Guarantors for the purpose of this Article 10. The Guarantors will have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Article 10.

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Section 10.02 Limitation on Guarantor Liability.

Each Guarantor, and, by its acceptance of Notes, each Holder, hereby confirm that it is the intention of all such parties that the Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Note Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 10, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent transfer or conveyance.

Section 10.03 Execution and Delivery of Note Guarantee.

To evidence its Note Guarantee set forth in Section 10.01 hereof, each Guarantor hereby agrees that a notation of such Note Guarantee substantially in the form attached as Exhibit D hereto will be endorsed by an Officer of such Guarantor on each Note authenticated and delivered by the Trustee and that this Indenture will be executed on behalf of such Guarantor by one of its Officers.

Each Guarantor hereby agrees that its Note Guarantee set forth in Section 10.01 hereof will remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

If an Officer whose signature is on this Indenture or on the notation of Note Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a notation of Note Guarantee is endorsed, the Note Guarantee will be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, will constitute due delivery of the Note Guarantee set forth in this Indenture on behalf of the Guarantors.

Section 10.04 Releases.

(a) In the event of any sale or other disposition of all or substantially all of the properties or assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of Capital Stock of any Guarantor, in each case to a Person that is not (either before or after giving effect to such transactions) the Issuer or a Subsidiary of the Issuer, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of Capital Stock of such Guarantor) or the Person acquiring the properties or assets (in the event of a sale or other disposition of all or substantially all of the properties or assets of such Guarantor) will be automatically released and relieved of any obligations under its Note Guarantee; provided that following such sale or disposition, the Guarantor ceases to be a Subsidiary of the Issuer.

(b) At such time as any Guarantor ceases to guarantee or be a co-obligor in respect of any other Debt of the Issuer or of a Guarantor, the Note Guarantee of such Guarantor shall be automatically released; provided, however, that if, at any time following such release, that Guarantor incurs a guarantee of, or becomes a co-obligor in respect of, any Debt of the Issuer or a Guarantor, then such Guarantor shall be required to provide a Note Guarantee as provided in Section 4.06 hereof.



(c) Upon Legal Defeasance or Covenant Defeasance in accordance with Article 8 hereof or satisfaction and discharge of this Indenture in accordance with Article 11 hereof, each Guarantor will be automatically released and relieved of any obligations under its Note Guarantee with respect to such Notes.

(d) Upon the first day on which the Notes then outstanding achieve an Investment Grade Rating, each Guarantor will be automatically released and relieved of any obligations under its Note Guarantee.

Upon delivery by the Issuer to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that a Note Guarantee has been released in accordance with the provisions of this Indenture, the Trustee will execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Note Guarantee.

The release of a Guarantor from its Note Guarantee pursuant to this Section 10.04 shall also release such Guarantor from all of its other obligations under this Indenture.

Any Guarantor not released from its obligations under its Note Guarantee as provided in this Section 10.04 will remain liable for the full amount of principal of, and interest and premium, if any, on, the Notes and for the other obligations of any Guarantor under this Indenture as provided in this Article 10.

## ARTICLE 11 SATISFACTION AND DISCHARGE

### Section 11.01 Satisfaction and Discharge.

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder (except as to surviving rights of transfer or exchange of such Notes and as otherwise specified herein), when:

(1) either:

(A) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(B) all Notes that have not been delivered to the Trustee for cancellation have become due and payable or will become due and payable within one year by reason of the sending of a notice of redemption or otherwise and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal and premium, if any, and accrued interest to the date of fixed maturity or redemption;

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(2) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture;

(3) the Issuer has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at fixed maturity or on the Redemption Date, as the case may be; and

(4) in the case of a deposit of non-callable Government Securities or a combination of cash in U.S. Dollars and non-callable Government Securities, an opinion of a nationally recognized investment bank, appraisal firm or independent public accountants that the amounts in each deposit will be sufficient to pay the principal of, or interest and premium, if any, on the outstanding Notes on stated date for payment or the applicable Redemption Date.

In addition, the Issuer must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to such satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money or Government Securities have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section 11.01, the provisions of Sections 2.06, 2.07, 2.10, 8.06 and 11.02 hereof will survive. In addition, nothing in this Section 11.01 will be deemed to discharge those provisions of Section 7.07 hereof that, by their terms, survive the satisfaction and discharge of this Indenture.

Section 11.02 Application of Trust Money.

Subject to the provisions of Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee pursuant to Section 11.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer acting as Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or Government Securities (including the proceeds thereof) in accordance with Section 11.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's and any Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 11.01 hereof, until such time as the Trustee or Paying Agent is permitted to apply such money in accordance with Section 11.01 hereof; provided that if the Issuer has made any payment of principal of, premium, if any, or interest on, such Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent.

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ARTICLE 12  
MISCELLANEOUS

Section 12.01 Trust Indenture Act Not Applicable.

This Indenture shall not be subject to or governed by the provisions of the TIA.

Section 12.02 Notices.

Any notice or communication by the Issuer, any Guarantor or the Trustee to the others is duly given if in writing in the English language and delivered in person or by first class mail (registered or certified, return receipt requested) or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Issuer and/or any Guarantor:

Sunoco LP  
8111 Westchester Drive, Suite 400  
Dallas, Texas 75225  
Attention: Chief Financial Officer

If to the Trustee:

U.S. Bank Trust Company, National Association  
13737 Noel Road, Suite 800  
Dallas, Texas 75240  
Attention: Global Corporate Trust Services

The Issuer, any Guarantor or the Trustee, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. When the Notes are represented by one or more Global Notes, all notices will be deemed to be given when sent pursuant to the Applicable Procedures.

Any notice or communication to a Holder of a Definitive Note will be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. When the Notes are represented by one or more Global Notes, all notices or communications to the Holders will be sent pursuant to the applicable procedures of the Depositary and will be deemed to be given when sent pursuant to such procedures. Failure to mail or send a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed or otherwise sent in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

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If the Issuer sends a notice or communication to Holders, it will send a copy to the Trustee and each Agent at the same time.

The Trustee shall not have any duty to confirm that the person sending any notice, instruction or other communication by electronic transmission (including by email, web portal or other electronic methods) is, in fact, a person authorized to do so. Electronic signatures believed by the Trustee to comply with the Electronic Signatures in Global and National Commerce Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider acceptable to the Trustee) shall be deemed original signatures for all purposes, other than with respect to the Trustee's authentication of Notes. The Issuer assumes all risks arising out of the use of electronic signatures and electronic methods to send communications to the Trustee, including without limitation the risk of the Trustee acting on an unauthorized communication, and the risk of interception or misuse by third parties.

Section 12.03 [Reserved].

Section 12.04 Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Issuer to the Trustee to take any action under this Indenture, the Issuer shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 12.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 12.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied; provided, however, that the Issuer shall not be required to furnish such Opinion of Counsel in connection with its request for the Trustee to authenticate the Initial Notes on the date of this Indenture or in connection with the addition of a Guarantor under this Indenture upon execution and delivery of such Guarantor of a supplemental indenture to this Indenture substantially in the form set forth in Exhibit E hereto.

Section 12.05 Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

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(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 12.06 Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07 No Personal Liability of Directors, Officers, Employees and Equity Holders.

None of the Trustee, the General Partner or any past, present or future director, officer, partner, member, employee, incorporator, manager or unit holder or other owner of Equity Interests of the Trustee, the General Partner, the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or the Guarantors under the Notes, this Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes and the Note Guarantees.

Section 12.08 Governing Law.

THE LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUCT THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES.

Section 12.09 No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuer or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 12.10 Successors.

All agreements of the Issuer in this Indenture and the Notes will bind its respective successors. All agreements of the Trustee in this Indenture will bind its successors. All agreements of each Guarantor in this Indenture will bind its successors.

Section 12.11 Severability.

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

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Section 12.12 Counterpart Originals.

This Indenture may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page to this Indenture by telecopier, facsimile, email or other electronic transmission (i.e., a “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart thereof.

Section 12.13 Evidence of Action by Holders.

Whenever in this Indenture it is provided that the Holders of a specified percentage in aggregate principal amount of the Notes may take action (including the making of any demand or request, the giving of any direction, notice, consent or waiver or the taking of any other action) the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Holders in person or by agent or proxy appointed in writing, (b) by the record of the Holders voting in favor thereof at any meeting of Holders duly called and held in accordance with procedures approved by the Trustee, (c) by a combination of such instrument or instruments and any such record of such a meeting of Holders or (d) in the case of Notes evidenced by a Global Note, by any electronic transmission or other message, whether or not in written format, that complies with the Depositary’s applicable procedures.

Section 12.14 Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following pages]

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**SIGNATURES**

Dated as of the date first written above.

**ISSUER**

**SUNOCO LP**

By: Sunoco GP LLC, its general partner

By: /s/ Joseph Kim

Name: Joseph Kim

Title: President and Chief Executive Officer

*[Signature Page to Indenture]*

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**GUARANTORS**

**Sunoco Finance Corp.**

By: /s/ Joseph Kim  
Name: Joseph Kim  
Title: President and Chief Executive Officer

**Sunoco, LLC**

By: Sunoco LP, the sole member of Sunoco, LLC  
By: Sunoco GP LLC, the general partner of Sunoco LP

By: /s/ Joseph Kim  
Name: Joseph Kim  
Title: President and Chief Executive Officer

**Sunoco Refined Products LLC**

**Sunoco Retail LLC**

By: Sunoco, LLC, the sole member of each of Sunoco Refined Products LLC and Sunoco Retail LLC

By: /s/ Joseph Kim  
Name: Joseph Kim  
Title: Chief Executive Officer

**Aloha Petroleum LLC**

By: /s/ Brian A. Hand  
Name: Brian A. Hand  
Title: President

*[Signature Page to Indenture]*



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**Aloha Petroleum, Ltd.**

By: the Board of Directors

/s/ Robert S. Hood  
Robert S. Hood

/s/ Brian A. Hand  
Brian A. Hand

/s/ Edward S. Pak  
Edward S. Pak

**Sunmarks, LLC**

By: Sunoco Retail LLC, the sole member of Sunmarks, LLC

By: /s/ Joseph Kim  
Name: Joseph Kim  
Title: President and Chief Executive Officer

**Sunoco NLR LLC**  
**Sunoco Midstream LLC**

By: Sunoco Refined Products LLC, the sole member of each of Sunoco NLR LLC and Sunoco Midstream LLC

By: /s/ Joseph Kim  
Name: Joseph Kim  
Title: Chief Executive Officer

*[Signature Page to Indenture]*

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**NuStar Energy L.P.**  
**NuStar Logistics, L.P.**

By: NuStar GP, LLC, the ultimate general partner of each  
of NuStar Energy L.P. and NuStar Logistics, L.P.

By: /s/ Joseph Kim

Name: Joseph Kim

Title: President and Chief Executive Officer

**NuStar Pipeline Partners L.P.**  
**NuStar Pipeline Operating Partnership L.P.**

By: NuStar Pipeline Company LLC, the general partner of  
each of NuStar Pipeline Partners L.P. and NuStar  
Pipeline Operating Partnership L.P.

By: /s/ Joseph Kim

Name: Joseph Kim

Title: President and Chief Executive Officer

**NuStar Permian Holdings, LLC**

By: NuStar Logistics, L.P., its sole member

By: Riverwalk Logistics, L.P., its general partner

By: NuStar GP, LLC, its general partner

By: /s/ Joseph Kim

Name: Joseph Kim

Title: President and Chief Executive Officer

*[Signature Page to Indenture]*

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**TRUSTEE**

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION**, as Trustee

By: /s/ Michael K. Herberger

Name: Michael Herberger

Title: Vice President

*[Signature Page to Indenture]*

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**EXHIBIT A (Form of Note)**

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]

[Face of Note]

CUSIP No. \_\_\_\_\_

ISIN No. \_\_\_\_\_

6.250% Senior Notes due 2033

No. \_\_\_\_\_

\$ \_\_\_\_\_

SUNOCO LP

promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ DOLLARS [or such greater or lesser amount as may be indicated on the attached Schedule of Exchanges of Interests in the Global Note]<sup>1</sup> on July 1, 2033.

Interest Payment Dates: January 1 and July 1, beginning on July 1, 2025.

Record Dates: December 15 and June 15.

[Signature page follows.]

<sup>1</sup> \_\_\_\_\_ This phrase should be included only if the Note is issued in global form.

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**SUNOCO LP**

By: Sunoco GP LLC,  
its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

This is one of the 6.250% Senior Notes due 2033 referred to in the within-mentioned Indenture:

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,**  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Dated: \_\_\_\_\_, 20\_\_\_\_

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6.250% Senior Notes due 2033

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) Interest. Sunoco LP, a Delaware limited partnership (the “*Issuer*”), promises to pay interest on the unpaid principal amount of this Note at 6.250% per annum. The Issuer will pay interest semi-annually in arrears on January 1 and July 1 of each year, beginning on July 1, 2025 or if any such day is not a Business Day, on the next succeeding Business Day (each, an “*Interest Payment Date*”). Interest on this Note will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date. The Issuer will pay interest on overdue principal and premium, if any, from time to time on demand at the rate then in effect to the extent lawful; and it will pay interest on overdue installments of interest (without regard to any applicable grace periods), from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(2) Method of Payment. The Issuer will pay interest on this Note to the Persons who are registered Holders of the Notes at the close of business on the December 15 or June 15 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. Holders of Definitive Notes must surrender their Notes to the Paying Agent to collect payments of principal and premium, if any, due at maturity. The Notes will be payable as to principal, premium, if any, and interest at the office or agency of the Issuer maintained for such purpose within the continental United States, or, at the option of the Issuer, payment of interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders; provided that payment by wire transfer of immediately available funds will be required with respect to principal of, and interest, premium, if any, on, all Global Notes and all other Notes for which the Holders of \$5.0 million or more in principal amount of which have provided wire transfer instructions to an account in the United States to the Issuer or the Paying Agent. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(3) Paying Agent and Registrar. Initially, U.S. Bank Trust Company, National Association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer or any of its Subsidiaries may act in any such capacity.

(4) Indenture. The Issuer issued this Note under an Indenture dated as of March 31, 2025 (the “*Indenture*”) among the Issuer, the Guarantors and the Trustee, as one of the “*Notes*” referred to therein (and are herein referred to as the “*Notes*”). The terms of the Notes include those stated in the Indenture, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture as it relates to the Notes, the provisions of the Indenture shall govern and be controlling. The Notes are unsecured obligations of the Issuer. The Notes were initially issued in an aggregate principal amount of \$1,000.0 million on the date of the Indenture. Additional Notes may be issued thereunder subject to the terms of the Indenture.

(5) Optional Redemption.

(a) At any time prior to July 1, 2028, the Issuer may, on one or more occasions, redeem up to 40% of the aggregate principal amount of the Notes issued under the Indenture at a redemption price of 106.250% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the Redemption Date), in an amount not greater than the net cash proceeds of one or more Equity Offerings; provided that:

(i) at least 60% of the aggregate principal amount of the Notes issued on the date of the Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Issuer and its Subsidiaries); and

(ii) the redemption occurs within 180 days of the date of the closing of each such Equity Offering.

(b) On and after July 1, 2028, the Issuer may, on one or more occasions, redeem all or a part of the Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed to, but excluding, the applicable Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the Redemption Date), if redeemed during the twelve-month period beginning on July 1 of the years indicated below:

| <u>Year</u>         | <u>Redemption Price</u> |
|---------------------|-------------------------|
| 2028                | 103.125%                |
| 2029                | 101.563%                |
| 2030 and thereafter | 100.000%                |

(c) Prior to July 1, 2028, the Issuer may, on one or more occasions, redeem all or part of the Notes at a redemption price equal to the sum of the principal amount thereof, plus the Applicable Premium, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the Redemption Date).

(d) In the event that Holders of not less than 90% of the aggregate principal amount of the outstanding Notes accept a Change of Control Offer or Alternate Offer or other tender offer, and the Issuer purchases all of the Notes held by such Holders, the Issuer will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following the purchase pursuant to the Change of Control Offer, Alternate Offer or other tender offer, to redeem all of the Notes that remain outstanding following such purchase at a redemption price equal to the Change of Control Payment or Alternate Offer or other tender offer price, as applicable, plus, to the extent not included in the Change of Control Payment or Alternate Offer or other tender offer price, as applicable, accrued and unpaid interest thereon to, but excluding, the Redemption Date (subject to the right of the Holders of Notes on the relevant record date to receive interest due on an Interest Payment Date that is on or prior to the Redemption Date).

(e) Any such optional redemption may, at the Issuer's discretion, be subject to one or more conditions precedent. In addition, if such optional redemption is subject to the satisfaction of one or more conditions precedent, the related notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied or waived (provided that in no event shall such Redemption Date be delayed to a date later than 60 days after the date on which such notice was sent), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the Redemption Date, or by the Redemption Date as so delayed.

(f) Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable Redemption Date.

(6) Notice of Redemption. Except as set forth in paragraph 5(d) above, notice of redemption will be sent at least 10 days but not more than 60 days before a Redemption Date to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be sent more than 60 days prior to a Redemption Date if the notice is issued in connection with a defeasance of the Notes or a satisfaction or discharge of the Indenture with respect to the Notes. Notes in denominations larger than \$2,000 may be redeemed in part but only in whole multiples of \$1,000 in excess thereof, unless all of the Notes held by a Holder are to be redeemed.

(7) Repurchase at the Option of Holder. If there is a Change of Control with respect to the Notes, the Issuer may be required to make an offer (a "Change of Control Offer") to each Holder to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of each Holder's Notes at a purchase price in cash (the "Change of Control Payment") equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest to the date of purchase, subject to the rights of Holders of the Notes on the relevant record date to receive interest due on the relevant Interest Payment Date (the "Change of Control Payment"). Within 30 days following any Change of Control with respect to the Notes, the Issuer will send a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Indenture.

(8) Denominations, Transfer, Exchange. The Notes are in registered form without coupons in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The transfer of the Notes may be registered and the Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any transfer taxes or similar governmental charges required by law or permitted by the Indenture. The Issuer need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Issuer need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.



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(9) Persons Deemed Owners. The registered Holder of a Note will be treated as its owner for all purposes.

(10) Amendment, Supplement and Waiver. Subject to certain exceptions, the Indenture or the Notes or the Note Guarantees may be amended or supplemented with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any), and any existing Default or Event of Default with respect to the Notes or compliance with any provision of the Indenture or the Notes or the Note Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any). Without the consent of any Holder of a Note, the Indenture or the Notes or the Note Guarantees may be amended or supplemented for certain purposes as described in the Indenture.

(11) Defaults and Remedies. If any Event of Default occurs with respect to the Notes and is continuing, the Trustee or the Holders of at least 30% in aggregate principal amount of the then outstanding Notes may declare the principal of, and accrued and unpaid interest, if any, on all the Notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Issuer, as described in the Indenture, the principal of, and accrued and unpaid interest, if any, on all outstanding Notes, will become due and payable immediately without further action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power with respect to the Notes. The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may, on behalf of the Holders of all of the Notes, rescind an acceleration or waive any existing Default or Event of Default with respect to the Notes and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or premium on, or the principal of, the Notes.

(12) Trustee Dealings with the Issuer. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Issuer or its Affiliates, and may otherwise deal with the Issuer or its Affiliates, as if it were not the Trustee.

(13) No Recourse Against Others. None of the Trustee, the General Partner or any past, present or future director, officer, partner, member, employee, incorporator, manager or unit holder or other owner of Equity Interests of the Trustee, the General Partner, the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Note Guarantees.

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(14) Authentication. This Note will not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

(15) Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(16) CUSIP Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused CUSIP numbers and corresponding ISIN numbers to be printed on the Notes and the Trustee may use CUSIP numbers and corresponding ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

(17) Guarantees. The Guarantors have provided the Note Guarantees pursuant to Article 10 of the Indenture that are evidenced by the attached Notation of Guarantee.

(18) GOVERNING LAW. THE LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUCT THE INDENTURE, THIS NOTE AND THE NOTE GUARANTEES.

The Issuer will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Sunoco LP  
8111 Westchester Drive, Suite 400  
Dallas, Texas 75225  
Attention: Treasurer, Senior Vice President – Finance

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Assignment Form

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: \_\_\_\_\_  
(Insert assignee's legal name)

\_\_\_\_\_  
(Insert assignee's soc. sec. or tax I.D. no.)

\_\_\_\_\_  
(Print or type assignee's name, address and zip code)

and irrevocably appoint \_\_\_\_\_

to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee\*:

\* \_\_\_\_\_ Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

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Option of Holder to Elect Purchase

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.09 of the Indenture, check the appropriate box below:

☐ Section 4.09

If you want to elect to have only part of the Note purchased by the Issuer pursuant to Section 4.09 of the Indenture, state the amount you elect to have purchased:

\$ \_\_\_\_\_

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the face of this Note)  
Tax Identification No.: \_\_\_\_\_

Signature Guarantee\*: \_\_\_\_\_

\* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

Schedule of Exchanges of Interests in the Global Note\*

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

| <b>Date of Exchange</b> | <b>Amount of decrease in Principal Amount of this Global Note</b> | <b>Amount of increase in Principal Amount of this Global Note</b> | <b>Principal Amount of this Global Note following such decrease (or increase)</b> | <b>Signature of authorized officer of Trustee or Custodian</b> |
|-------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------|
|-------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------|

\* This schedule should be included only if the Note is issued in global form.

**EXHIBIT B**  
**FORM OF CERTIFICATE OF TRANSFER**

Sunoco LP  
8111 Westchester Drive, Suite 400  
Dallas, Texas 75225

U.S. Bank Trust Company, National Association  
13737 Noel Road, Suite 800  
Dallas, Texas 75240

Re: 6.250% Senior Notes due 2033 (the “Notes”)

Reference is hereby made to the Indenture, dated as of March 31, 2025 (the “*Indenture*”), among Sunoco LP, a Delaware limited partnership (the “*Issuer*”), the Guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the “*Transferor*”) owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of \$ \_\_\_\_\_ in such Note[s] or interests (the “*Transfer*”), to \_\_\_\_\_ (the “*Transferee*”), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Restricted Definitive Note pursuant to Rule 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the “*Securities Act*”), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “*qualified institutional buyer*” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A, and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

2. ☐ Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Restricted Definitive Note pursuant to Regulation S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was

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executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

3. ☐ Check and complete if Transferee will take delivery of a beneficial interest in a Restricted Global Note or a Restricted Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) ☐ such Transfer is being effected to the Issuer or a Subsidiary thereof; or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(d) ☐ [reserved].

4. ☐ Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.

(a) ☐ Check if Transfer is pursuant to Rule 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

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(b) ☐ Check if Transfer is Pursuant to Regulation S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) ☐ Check if Transfer is Pursuant to Other Exemption. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit.

[Insert Name of Transferor]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_



1. The Transferor owns and proposes to transfer the following:

[CHECK ONE of (a) or (b)]

- (a) ☐ a beneficial interest in the:
  - (i) ☐ 144A Global Note (CUSIP [\_\_\_\_]), or
  - (ii) ☐ Regulation S Global Note (CUSIP [\_\_\_\_]), or
- (b) ☐ a Restricted Definitive Note,

2. After the Transfer the Transferee will hold:

[CHECK ONE OF]

- (a) ☐ a beneficial interest in the:
  - (i) ☐ 144A Global Note (CUSIP [\_\_\_\_]), or
  - (ii) ☐ Regulation S Global Note (CUSIP [\_\_\_\_]), or
  - (iii) ☐ Unrestricted Global Note (CUSIP [\_\_\_\_]); or
- (b) ☐ a Restricted Definitive Note; or
- (c) ☐ an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

**EXHIBIT C**  
**FORM OF CERTIFICATE OF EXCHANGE**

Sunoco LP  
8111 Westchester Drive, Suite 400  
Dallas, Texas 75225

U.S. Bank Trust Company, National Association  
13737 Noel Road, Suite 800  
Dallas, Texas 75240

Re: 6.250% Senior Notes due 2033 (the “Notes”)

(CUSIP\_\_\_\_)

Reference is hereby made to the Indenture, dated as of March 31, 2025 (the “*Indenture*”), among Sunoco LP, a Delaware limited partnership (the “*Issuer*”), the Guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the “*Owner*”) owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of \$\_\_\_\_\_ in such Note[s] or interests (the “*Exchange*”). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted

Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note.

(a) ☐ Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note. In connection with the Exchange of the Owner’s beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner’s own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the “*Securities Act*”), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐ Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note. In connection with the Exchange of the Owner’s beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner’s own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

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(c) [Reserved]

(d) ☐ Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. Exchange of Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes.

(a) ☐ Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit.

[Insert Name of Transferor]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**EXHIBIT D**  
[FORM OF NOTATION OF GUARANTEE]

For value received, each Guarantor (which term includes any successor Person under the Indenture) has, jointly and severally, unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions in the Indenture, dated as of March 31, 2025 (the “*Indenture*”), among Sunoco LP, a Delaware limited partnership (the “*Issuer*”), the Guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”), (a) the due and punctual payment of the principal of, premium, if any, and interest on, the Notes, whether at stated maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on overdue principal of, premium, if any, interest on the Notes, if any, if lawful, and the due and punctual performance of all other obligations of the Issuer to the Holders or the Trustee all in accordance with the terms of the Indenture and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. The obligations of the Guarantors to the Holders of Notes and to the Trustee pursuant to the Note Guarantees and the Indenture are expressly set forth in Article 10 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Note Guarantees. Each Holder of a Note, by accepting the same, agrees to and shall be bound by such provisions.

Capitalized terms used but not defined herein have the meanings given to them in the Indenture.

[Name of Guarantor(s)]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

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**EXHIBIT E**  
[FORM OF SUPPLEMENTAL INDENTURE  
TO BE DELIVERED BY SUBSEQUENT GUARANTORS]

This Supplemental Indenture (this “*Supplemental Indenture*”), dated as of \_\_\_\_\_, 20\_\_, is among \_\_\_\_\_ (the “*Guaranteeing Subsidiary*”), Sunoco LP, a Delaware limited partnership (the “*Issuer*”), the other Guarantors (as defined in the Indenture referred to herein) and U.S. Bank Trust Company, National Association, as trustee under the Indenture referred to below (the “*Trustee*”).

WITNESSETH

WHEREAS, the Issuer has heretofore executed and delivered to the Trustee an indenture (the “*Indenture*”), dated as of March 31, 2025, providing for the issuance of its 6.250% Senior Notes due 2033 (the “*Notes*”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuer’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the “*Note Guarantee*”); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Agreement to Guarantee. The Guaranteeing Subsidiary hereby agrees to provide an unconditional guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 10 thereof.
3. No Recourse Against Others. No past, present or future director, officer, partner, member, employee, incorporator, manager or unit holder or other owner of Equity Interests of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Issuer or any Guaranteeing Subsidiary under the Notes, any Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

4. NEW YORK LAW TO GOVERN. THE LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUCT THIS SUPPLEMENTAL INDENTURE.

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5. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. Delivery of an executed counterpart of a signature page to this Indenture by telecopier, facsimile, email or other electronic transmission (i.e., a “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart thereof.

6. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

7. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Issuer.

*(Signature page follows.)*

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

**[Guaranteeing Subsidiary]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SUNOCO LP**

By: Sunoco GP LLC, its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[Existing Guarantors]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,**  
As Trustee

By: \_\_\_\_\_  
Authorized Signatory

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Act of 1934**

**April 23, 2025**

Date of Report (Date of earliest event reported)

**SUNOCO LP**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001-35653**

(Commission File Number)

**30-0740483**

(IRS Employer Identification No.)

**8111 Westchester Drive, Suite 400**

**Dallas , Texas 75225**

(Address of principal executive offices, including zip code)

**(214) 981-0700**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>                                 | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|------------------------------------------------------------|--------------------------|--------------------------------------------------|
| <b>Common Units Representing Limited Partner Interests</b> | <b>SUN</b>               | <b>New York Stock Exchange</b>                   |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐



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

☐

**Item 7.01. Regulation FD Disclosure.**

On April 23, 2025, Sunoco LP (the “Partnership”) issued a press release announcing that the Board of Directors of its general partner, Sunoco GP LLC, (the “Board”) approved a cash distribution of \$0.8976 per common unit (\$3.5904 annualized) on Partnership common units for the quarter ended March 31, 2025.

A copy of the press release is set forth in Exhibit 99.1 and is incorporated herein by reference. In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibit 99.1 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

**Item 8.01. Other Events.**

On April 23, 2025, the Partnership issued a press release announcing that the Board approved a cash distribution of \$0.8976 per common unit (\$3.5904 annualized) on Partnership common units for the quarter ended March 31, 2025. The cash distribution will be paid on May 20, 2025 to unitholders of record as of the close of business on May 9, 2025.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.**

| <u>Exhibit Number</u> | <u>Exhibit Description</u>                                                  |
|-----------------------|-----------------------------------------------------------------------------|
| 99.1                  | <a href="#">Press Release of Sunoco LP, dated April 23, 2025</a>            |
| 104                   | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SUNOCO LP**

By: Sunoco GP LLC, its general partner

Date: April 23, 2025

By: /s/ Rick Raymer

Rick Raymer

Vice President, Controller and

Principal Accounting Officer



## **Sunoco LP Announces a 1.25% Increase in Quarterly Distribution and Continues to Target 2025 Distribution Growth Rate of At Least 5%**

DALLAS, April 23, 2025 – Sunoco LP (NYSE: SUN) (“SUN” or the “Partnership”) announced that the Board of Directors of SUN’s general partner declared a distribution of \$0.8976 per common unit, or \$3.5904 on an annualized basis, for the quarter ended March 31, 2025. This represents an increase of approximately 1.25%, or \$0.0111 per common unit, as compared with the quarter ended December 31, 2024.

This is the second consecutive quarterly increase in SUN’s distribution and is consistent with SUN’s capital allocation strategy and 2025 business outlook, which includes an annual distribution growth rate of at least 5%. Since 2022, SUN has increased distributions by approximately 9%, underscoring the Partnership’s ongoing commitment to returning capital to its unitholders.

The quarterly distribution will be paid on May 20, 2025, to common unitholders of record as of May 9, 2025.

### **About Sunoco LP**

Sunoco LP (NYSE: SUN) is a leading energy infrastructure and fuel distribution master limited partnership operating in over 40 U.S. states, Puerto Rico, Europe, and Mexico. The Partnership’s midstream operations include an extensive network of approximately 14,000 miles of pipeline and over 100 terminals. This critical infrastructure complements the Partnership’s fuel distribution operations, which serve approximately 7,400 Sunoco and partner branded locations and additional independent dealers and commercial customers. SUN’s general partner is owned by Energy Transfer LP (NYSE: ET).

### **Forward-Looking Statements**

This news release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management’s control. An extensive list of factors that can affect future results, including future distribution levels, are discussed in the Partnership’s Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. The Partnership undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

### **Qualified Notice**

This release serves as qualified notice to nominees as provided for under Treasury Regulation Section 1.1446-4(b)(4) and (d). Please note that one hundred percent (100%) of Sunoco LP’s distributions to foreign investors are attributable to income that is effectively connected with a United States trade or business. Accordingly, all of Sunoco LP’s distributions to foreign investors are subject to federal tax withholding at the highest applicable effective tax rate. Nominees, and not Sunoco LP, are treated as withholding agents responsible for withholding distributions received by them on behalf of foreign investors. For purposes of Treasury Regulation section 1.1446(f)-4(c)(2)(iii), brokers and nominees should treat one hundred percent (100%) of the distributions as being in excess of cumulative net income for purposes of determining the amount to withhold.

### **Contacts**

Scott Grischow

Treasurer, Senior Vice President – Finance

(214) 840-5660, [scott.grischow@sunoco.com](mailto:scott.grischow@sunoco.com)

Erik Gulbrandsen

Director – Investor Relations and Capital Markets

(214) 840-5684, [erik.gulbrandsen@sunoco.com](mailto:erik.gulbrandsen@sunoco.com)

# # #

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Act of 1934**

**April 22, 2025**

Date of Report (Date of earliest event reported)

**SUNOCO LP**

(Exact name of registrant as specified in its charter)

|                                                                   |                                              |                                                        |
|-------------------------------------------------------------------|----------------------------------------------|--------------------------------------------------------|
| <b>Delaware</b><br>(State or other jurisdiction of incorporation) | <b>001-35653</b><br>(Commission File Number) | <b>30-0740483</b><br>(IRS Employer Identification No.) |
|-------------------------------------------------------------------|----------------------------------------------|--------------------------------------------------------|

**8111 Westchester Drive, Suite 400**

**Dallas , Texas 75225**

(Address of principal executive offices, including zip code)

**(214) 981-0700**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

|                                                            |                          |                                                  |
|------------------------------------------------------------|--------------------------|--------------------------------------------------|
| <u>Title of each class</u>                                 | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
| <b>Common Units Representing Limited Partner Interests</b> | <b>SUN</b>               | <b>New York Stock Exchange</b>                   |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On April 22, 2025, Mr. Christopher R. Curia, age 69, announced his intention to retire from the board of directors (the “Board”) of Sunoco GP LLC (the “General Partner”), the general partner of Sunoco LP (the “Partnership”), effective May 1, 2025.

Mr. Curia’s retirement from the Board is not a result of any disagreement with the General Partner, the Partnership, management, or other current directors. Mr. Curia has served as a director of the General Partner since August 2014.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 28, 2025

**SUNOCO LP**

By: Sunoco GP LLC, its general partner

By: /s/ Edward Pak

Edward Pak

Assistant General Counsel and Secretary

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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

**Date of report (Date of earliest event reported): May 4, 2025**

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**Sunoco LP**

(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**No. 001-35653**  
(Commission  
File Number)

**30-0740483**  
(IRS Employer  
Identification No.)

**8111 Westchester Drive, Suite 400**  
**Dallas, Texas**  
(Address of Principal Executive Offices)

**75225**  
(Zip Code)

**(214) 981-0700**  
(Registrant's Telephone Number, Including Area Code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)) Securities Registered Pursuant to Section 12(b) of the Act:

| <u>Title of Each Class</u>                          | <u>Trading<br/>Symbol(s)</u> | <u>Name Of Each Exchange<br/>On Which Registered</u> |
|-----------------------------------------------------|------------------------------|------------------------------------------------------|
| Common Units Representing Limited Partner Interests | SUN                          | New York Stock Exchange                              |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

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

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**Item 8.01. Other Events.**

On May 5, 2025, Sunoco LP, a Delaware limited partnership (“Sunoco”), and Parkland Corporation, a corporation organized and existing under the laws of the Province of Alberta, Canada (“Parkland”), issued a joint press release announcing their entry into an Arrangement Agreement, dated as of May 4, 2025 (the “Agreement”), with NuStar GP Holdings, LLC, a Delaware limited liability company and direct wholly-owned subsidiary of Sunoco (“SUNCorp”), and 2709716 Alberta Ltd., a corporation organized and existing under the laws of the Province of Alberta, Canada, pursuant to which, among other things, and on the terms and subject to the conditions set forth therein (i) Sunoco will acquire all of the issued and outstanding common shares of Parkland and (ii) Parkland shareholders will receive (subject to an election mechanism and proration procedures in the Agreement) consideration in the form of cash and common units representing limited liability company interests in SUNCorp, which, upon the closing, will become a publicly traded company. A copy of the press release is filed as Exhibit 99.1 hereto and incorporated herein by reference.

Additionally, on May 5, 2025, Sunoco and Parkland issued a joint investor presentation, a copy of which is filed as Exhibit 99.2 hereto and is incorporated herein by reference.

**Forward Looking Statements**

This current report on Form 8-K contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address future business and financial events, conditions, expectations, plans or ambitions, and often include, but are not limited to, words such as “believe,” “expect,” “may,” “will,” “should,” “could,” “would,” “anticipate,” “estimate,” “intend,” “plan,” “seek,” “see,” “target” or similar expressions, or variations or negatives of these words, but not all forward-looking statements include such words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. All such forward-looking statements are based upon current plans, estimates, expectations and ambitions that are subject to risks, uncertainties and assumptions, many of which are beyond the control of Sunoco and Parkland, that could cause actual results to differ materially from those expressed in such forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: the completion of the proposed transaction on anticipated terms and timing, or at all, including obtaining regulatory approvals, the creation of SUNCorp and approval of the listing of the SUNCorp units on the New York Stock Exchange, and receipt of Parkland shareholder approval; and the anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, prospects, business and management strategies for the management, expansion and growth of the combined company’s operations, including the possibility that any of the anticipated benefits of the proposed transaction will not be realized or will not be realized within the expected time period; the ability of Sunoco and Parkland to integrate the business successfully and to achieve anticipated synergies and value creation; potential litigation relating to the proposed transaction that could be instituted against Sunoco, Parkland or their directors; the risk that disruptions from the proposed transaction will harm Sunoco’s or Parkland’s business, including current plans and operations and that management’s time and attention will be diverted on transaction-related issues; potential adverse reactions or changes to business relationships, including with employees, suppliers, customers, competitors or credit rating agencies, resulting from the announcement or completion of the proposed transaction; rating agency actions and Sunoco and Parkland’s ability to access short-and long-term debt markets on a timely and affordable basis; potential business uncertainty, including the outcome of commercial negotiations and changes to existing business relationships during the pendency of the proposed transaction that could affect Sunoco’s and/or Parkland’s financial performance and operating results; certain restrictions during the pendency of the merger that may impact Parkland’s ability to pursue certain business opportunities or strategic transactions or otherwise operate its business; dilution caused by Sunoco’s issuance of additional units representing limited partner interests in connection with the proposed transaction; fees, costs and expenses and the possibility that the transaction may be more expensive to complete than anticipated; those risks described in Item 1A of Sunoco’s Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (“SEC”) on February 14, 2025. Those disclosures are incorporated by reference in this communication. While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information, which is as of the date of this communication. Sunoco and Parkland do not intend to update these statements unless required by the securities laws to do so, and Sunoco and Parkland undertake no obligation to publicly release the result of any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this communication.

**Important Information about the Transaction and Where to Find It**

In connection with the potential transaction between Sunoco and Parkland, SUNCorp intends to file any relevant materials with the SEC, which may include a registration statement on Form S-4 and/or Form S-1, which registration statement, if and when filed, will contain a preliminary prospectus of SUNCorp. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT/PROSPECTUS, IF AND WHEN FILED, AND ANY OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors and security holders will be able to obtain free copies of the registration statement / prospectus (if and when available) and other documents filed with the SEC by Sunoco or SUNCorp through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Sunoco or SUNCorp will also be available free of charge on Sunoco’s website at <https://www.sunocolp.com/investors> or by contacting the contact below.

**No Offer or Solicitation**

This current report on Form 8-K is not intended to, and shall not, constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any offer, issuance, exchange, transfer, solicitation or sale of securities in any jurisdiction in which such offer, issuance, exchange, transfer, solicitation or sale would be in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or pursuant to an exemption therefrom.

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

- 99.1 Joint Press Release, dated as of May 5, 2025.
- 99.2 Joint Investor Presentation, dated as of May 5, 2025.
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SUNOCO LP**

By: SUNOCO GP LLC, its general partner

By: /s/ Dylan Bramhall

Name: Dylan Bramhall

Title: Chief Financial Officer

Date: May 5, 2025

**Sunoco LP to Acquire Parkland Corporation in Transaction Valued at \$9.1 Billion**

DALLAS, May 5, 2025 - Sunoco LP (NYSE: SUN) ("Sunoco" or the "Partnership") and Parkland Corporation (TSX: PKI) ("Parkland") announced today that the parties have entered into a definitive agreement whereby Sunoco will acquire all outstanding shares of Parkland in a cash and equity transaction valued at approximately \$9.1 billion, including assumed debt.

As part of the transaction, Sunoco intends to form a new publicly-traded Delaware limited liability company named SUNCorp, LLC ("SUNCorp"). SUNCorp will hold limited partnership units of Sunoco that are economically equivalent to Sunoco's publicly-traded common units on the basis of one Sunoco common unit for each outstanding SUNCorp unit. This new publicly-traded entity will be treated as a corporation for tax purposes. For a period of two years following closing of the transaction, Sunoco will ensure that SUNCorp unitholders will receive the same dividend equivalent as the distribution to Sunoco unitholders.

**Transaction Details**

Under the terms of the agreement, Parkland shareholders will receive 0.295 SUNCorp units and C\$19.80 for each Parkland share, implying a 25% premium based on the 7-day VWAP's of both Parkland and Sunoco as of May 2, 2025. Parkland shareholders can elect, in the alternative, to receive C\$44.00 per Parkland share in cash or 0.536 SUNCorp units for each Parkland share, subject to proration to ensure that the aggregate consideration payable in connection with the transaction does not exceed C\$19.80 in cash per Parkland share outstanding as of immediately before close and 0.295 SUNCorp units per Parkland share outstanding as of immediately before close.

Sunoco has secured a \$2.65 billion 364-day bridge term loan for the proposed cash consideration.

The transaction has been unanimously approved by the board of directors of both companies and is expected to close in the second half of 2025 upon the satisfaction of closing conditions, including approval by Parkland's shareholders and customary regulatory and stock exchange listing approvals.

**Strategic Rationale**

- **Compelling Financial Benefits.** Immediately accretive, with 10%+ accretion to distributable cash flow per Common Unit and \$250 million in run-rate synergies by Year 3. Expect to return to 4x long-term leverage target within 12-18 months post-close.

- 
- **Strong Industrial Logic.** Complementary assets enables advantaged fuel supply and further diversifies Sunoco's portfolio and geographic footprint.
  - **Accelerated Accretive Growth.** Increases cash flow generation for reinvestment and distribution growth.

#### **Benefits to Canada and Responsible Stewardship**

- **Employment in Canada.** Sunoco will maintain a Canadian headquarters in Calgary and significant employment levels in Canada.
- **Burnaby Refinery.** Sunoco is committed to continuing to invest in Parkland's innovative refinery, which produces low-carbon fuels, while maintaining safe, healthy and growing operations for the long-term. The refinery will continue to operate and supply fuel within the Lower Mainland.
- **Transportation Energy Infrastructure Expansion.** Sunoco will continue to support Parkland's plan to expand its Canadian transportation energy infrastructure.
- **Expanded Investment Opportunities.** The combined company's expanded free cash flow will provide additional resources for reinvestment in Canada, the Caribbean, and the United States in support of both existing and new opportunities.

Additional details will be made available today in a presentation on the Investor Relations section of Sunoco's website at [www.SunocoLP.com](http://www.SunocoLP.com) under Webcasts and Presentations and on the Investor section of Parkland's website at [www.parkland.ca](http://www.parkland.ca).

#### **Conference Call Information**

Sunoco LP management will hold a conference call on Monday, May 5 at 8:30 a.m. Eastern Daylight Time (7:30 a.m. Central Daylight Time) to discuss the transaction. To participate, dial 877-407-6184 (toll free) or 201-389-0877 at least 10 minutes before the call and ask for the Sunoco LP conference call. The conference call will also be accessible live and for later replay via webcast in the Investor Relations section of Sunoco's website at [www.SunocoLP.com](http://www.SunocoLP.com) under Webcasts and Presentations.

#### **Advisors**

Barclays and RBC Capital Markets served as the exclusive financial advisors to Sunoco. Barclays and RBC Capital Markets provided committed financing. Stikeman Elliott LLP, Weil, Gotshal & Manges LLP, and Vinson & Elkins LLP acted as Sunoco's legal advisors.

Goldman Sachs Canada Inc. and BofA Securities served as financial advisors to Parkland. BMO Capital Markets acted as financial advisor to Parkland's Special Committee. Norton Rose Fulbright Canada LLP acted as Parkland's legal advisor. Torys LLP acted as legal advisor to Parkland's Special Committee.

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**About Sunoco**

Sunoco LP (NYSE: SUN) is a leading energy infrastructure and fuel distribution master limited partnership operating in over 40 U.S. states, Puerto Rico, Europe, and Mexico. The Partnership's midstream operations include an extensive network of approximately 14,000 miles of pipeline and over 100 terminals. This critical infrastructure complements the Partnership's fuel distribution operations, which serve approximately 7,400 Sunoco and partner branded locations and additional independent dealers and commercial customers. SUN's general partner is owned by Energy Transfer LP (NYSE: ET).

**About Parkland**

Parkland is a leading international fuel distributor, marketer, and convenience retailer with safe and reliable operations in twenty-six countries across the Americas. Our retail network meets the fuel, and convenience needs of everyday consumers. Our commercial operations provide businesses with fuel to operate, complete projects and better serve their customers. In addition to meeting our customers' needs for essential fuels, Parkland provides a range of choices to help them lower their environmental impact, including manufacturing and blending renewable fuels, ultra-fast EV charging, a variety of solutions for carbon credits and renewables, and solar power. With approximately 4,000 retail and commercial locations across Canada, the United States, and the Caribbean region, we have developed supply, distribution, and trading capabilities to accelerate growth and business performance.

Our strategy is focused on two interconnected pillars: our Customer Advantage and our Supply Advantage. Through our Customer Advantage, we aim to be the first choice of our customers through our proprietary brands, differentiated offers, extensive network, competitive pricing, reliable service, and compelling loyalty program. Our Supply Advantage is based on achieving the lowest cost to serve among independent fuel marketers and distributors in the hard-to-serve markets in which we operate, through our well-positioned assets, significant scale, and deep supply and logistics capabilities. Our business is underpinned by our people and our values of safety, integrity, community, and respect, which are embedded across our organization.

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## Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address future business and financial events, conditions, expectations, plans or ambitions, and often include, but are not limited to, words such as “believe,” “expect,” “may,” “will,” “should,” “could,” “would,” “anticipate,” “estimate,” “intend,” “plan,” “seek,” “see,” “target” or similar expressions, or variations or negatives of these words, but not all forward-looking statements include such words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. All such forward-looking statements are based upon current plans, estimates, expectations and ambitions that are subject to risks, uncertainties and assumptions, many of which are beyond the control of Sunoco LP (“Sunoco” or “SUN”) and Parkland Corporation (“Parkland”), that could cause actual results to differ materially from those expressed in such forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: the completion of the proposed transaction on anticipated terms and timing, or at all, including obtaining regulatory approvals, the creation of SUNCorp and approval of the listing of the SUNCorp units on the New York Stock Exchange, and receipt of Parkland shareholder approval; and the anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, prospects, business and management strategies for the management, expansion and growth of the combined company’s operations, including the possibility that any of the anticipated benefits of the proposed transaction will not be realized or will not be realized within the expected time period; the ability of Sunoco and Parkland to integrate the business successfully and to achieve anticipated synergies and value creation; potential litigation relating to the proposed transaction that could be instituted against Sunoco, Parkland or their directors; the risk that disruptions from the proposed transaction will harm Sunoco’s or Parkland’s business, including current plans and operations and that management’s time and attention will be diverted on transaction-related issues; potential adverse reactions or changes to business relationships, including with employees, suppliers, customers, competitors or credit rating agencies, resulting from the announcement or completion of the proposed transaction; rating agency actions and Sunoco and Parkland’s ability to access short-and long-term debt markets on a timely and affordable basis; potential business uncertainty, including the outcome of commercial negotiations and changes to existing business relationships during the pendency of the proposed transaction that could affect Sunoco’s and/or Parkland’s financial performance and operating results; certain restrictions during the pendency of the merger that may impact Parkland’s ability to pursue certain business opportunities or strategic transactions or otherwise operate its business; dilution caused by Sunoco’s issuance of additional units representing limited partner interests in connection with the proposed transaction; fees, costs and expenses and the possibility that the transaction may be more expensive to complete than anticipated; those risks described in Item 1A of Sunoco’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the “SEC”) on February 14, 2025. Those disclosures are incorporated by reference in this communication. While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information, which is as of the date of this communication. Sunoco and Parkland do not intend to update these statements unless required by the securities laws to do so, and Sunoco and Parkland undertake no obligation to publicly release the result of any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this communication.



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**Additional Information and Where to Find It**

In connection with the potential transaction between Sunoco and Parkland, SUNCorp intends to file any relevant materials with the U.S. Securities and Exchange Commission ("SEC"), which may include a registration statement on Form S-4 and/or Form S-1, which registration statement, if and when filed, will contain a preliminary prospectus of SUNCorp. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT/PROSPECTUS, IF AND WHEN FILED, AND ANY OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors and security holders will be able to obtain free copies of the registration statement / prospectus (if and when available) and other documents filed with the SEC by Sunoco or SUNCorp through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Sunoco or SUNCorp will also be available free of charge on Sunoco's website at <https://www.sunocolp.com/investors> or by contacting the contact below.

Additional information about Parkland can be found under its corporate profile on SEDAR at [www.sedar.com](http://www.sedar.com), on its website at [www.parkland.ca](http://www.parkland.ca), or by contacting the contact below.

**No Offer or Solicitation**

This communication is for informational purposes only and is not intended to, and shall not, constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any offer, issuance, exchange, transfer, solicitation or sale of securities in any jurisdiction in which such offer, issuance, exchange, transfer, solicitation or sale would be in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or pursuant to an exemption therefrom, or prior to registration or qualification under applicable securities laws.

The information contained in this communication is available on our website at [www.sunocolp.com](http://www.sunocolp.com).

**Contacts****SUN Investors:**

Scott Grischow  
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**PKI Investors:**

1-855-355-1051  
[Investor.Relations@parkland.ca](mailto:Investor.Relations@parkland.ca)

**SUN Media:**

Chris Cho  
(469) 646-1647  
[chris.cho@sunoco.com](mailto:chris.cho@sunoco.com)

**PKI Media:**

1-855-301-5427  
[Public.Relations@parkland.ca](mailto:Public.Relations@parkland.ca)

**SUNOCO LP**

**Parkland**

**Sunoco LP  
Acquisition of  
Parkland Corporation**  
May 5, 2025

# Forward-Looking Statements

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This presentation includes certain non-GAAP financial measures as defined under SEC Regulation G. Adjusted EBITDA is defined as net income before net interest expense, income tax expense, depreciation, amortization and accretion expense, non-cash unit-based compensation expense, unrealized gains and losses on commodity derivatives and inventory adjustments, and certain other operating expenses reflected in net income that we do not believe are indicative of ongoing core operations, such as gain or loss on disposal of assets and impairment charges. We define Distributable Cash Flow, as adjusted ("DCF"), as Adjusted EBITDA less cash interest expense, including the accrual of interest expense related to our long-term debt which is paid on a semi-annual basis, current income tax expense, maintenance capital expenditures and other non-cash adjustments. This presentation includes the forward-looking non-GAAP measure of Adjusted EBITDA. Due to the forward-looking nature of the aforementioned non-GAAP financial measure, management cannot reliably or reasonably predict certain of the necessary components of the most directly comparable forward-looking GAAP measure without unreasonable effort, due to the inherent difficulty in quantifying certain amounts due to a variety of factors, including the unpredictability of commodity price movements and future charges or reversals outside the normal course of business which may be significant. Accordingly, we are unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measure to its most directly comparable forward-looking GAAP financial measure.

#### **Additional Information and Where to Find It**

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The information contained in this communication is available on our website at [www.sunocolp.com](http://www.sunocolp.com).

#### **Sunoco Investor Relations Contact Information**

**Scott Grischow**  
Treasurer, Senior Vice President - Finance  
(214) 840-5660  
[scott.grischow@sunoco.com](mailto:scott.grischow@sunoco.com)

#### **Parkland Investor Relations Contact Information**

1-855-355-1051  
[Investor.Relations@parkland.ca](mailto:Investor.Relations@parkland.ca)

**SUNOCO LP**

**Parkland** 3



# Transaction Overview

## Key Terms of the Transaction

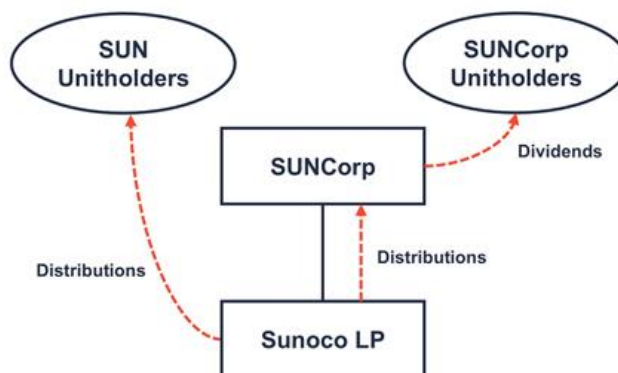
- Will acquire 100% of the outstanding PKI shares in a cash and equity transaction
- Each PKI share will be exchanged for 0.295 SUNCorp units and C\$19.80
- Represents a premium of 25% based upon 7-day VWAP as of May 2, 2025

## \$9.1 Billion Transaction Value

- \$3.0 billion of SUNCorp equity issued to PKI shareholders
- \$2.6 billion of cash consideration supported by fully committed bridge facility and expected to be permanently financed through combination of senior notes and preferred equity offering prior to close
- \$3.5 billion of existing PKI net debt assumed
- Expect to close in the second half of 2025 and subject to customary closing conditions including shareholder and regulatory approvals

## SUNCorp Equity

- PKI shareholders to receive equity portion of consideration in form of new publicly traded vehicle – SUNCorp
- SUNCorp will be a 1099 security and treated as a corporation for tax purposes
- SUNCorp will own common equivalent units of Sunoco LP
- SUNCorp's cash flow will come from distributions from Sunoco LP



# Strategic Rationale

## Strong Industrial Logic

- Creates largest independent fuel distributor in the Americas
- Vast scale provides optionality and cost advantages
- Diversifies portfolio optimized for stability with upside

## Compelling Financial Benefits

- 10%+ accretive to DCF<sup>(1)</sup> per common unit by Year 3
- Immediately accretive in Year 1
- Return to ~4x leverage target within 12 to 18 months

## Increased Cash Flow Creates Financial Flexibility

- Generates >50% FCF<sup>(2)</sup> increase vs. SUN as stand-alone
- Expands landscape of investment opportunities
- Proven track record of disciplined capital allocation and returning capital to investors

**SUNOCO LP**

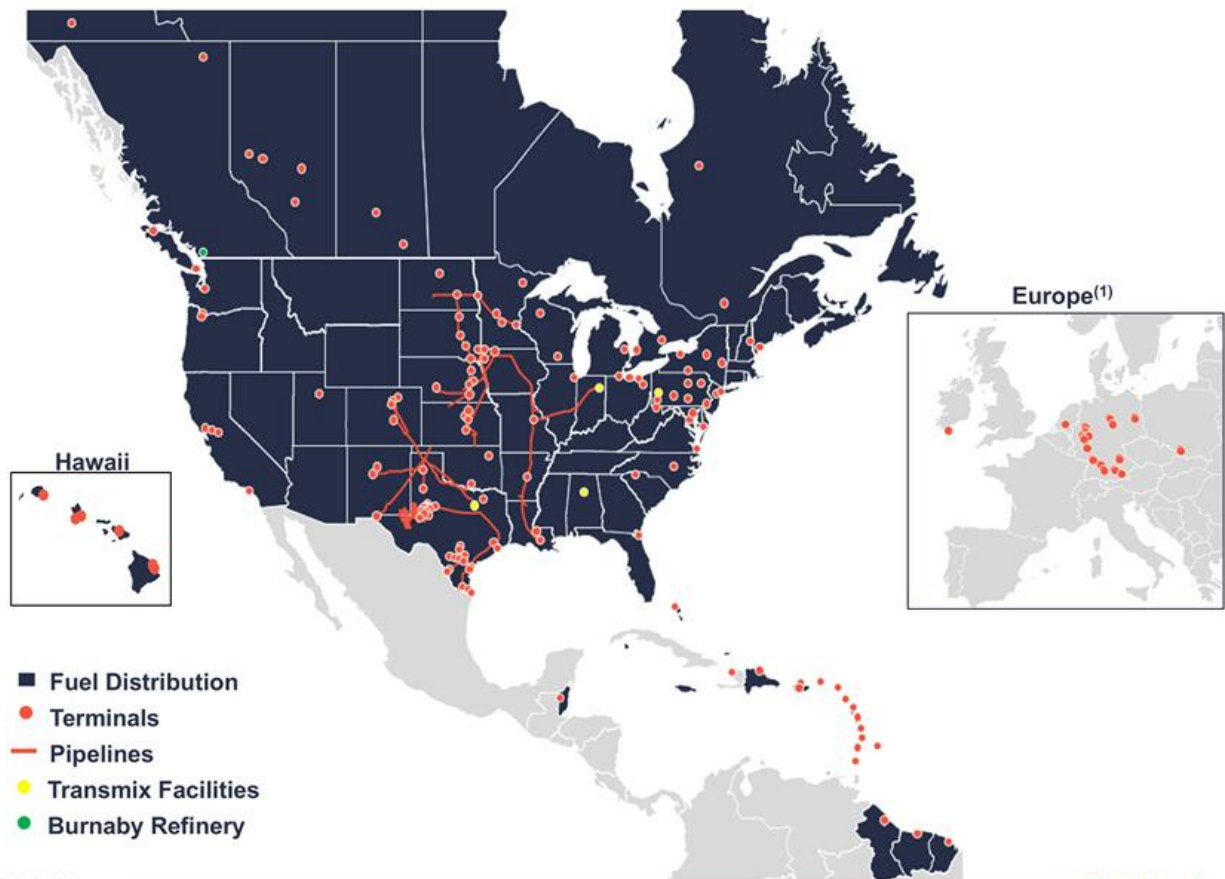
**Parkland**

**SUNOCO LP**

(1) Distributable Cash Flow, as adjusted is a non-GAAP number. For a definition, please see slide 2  
(2) Defined as Distributable Cash Flow, as adjusted less distributions

**Parkland** 5

# Critical Energy Infrastructure Operator and Premier Fuel Distributor



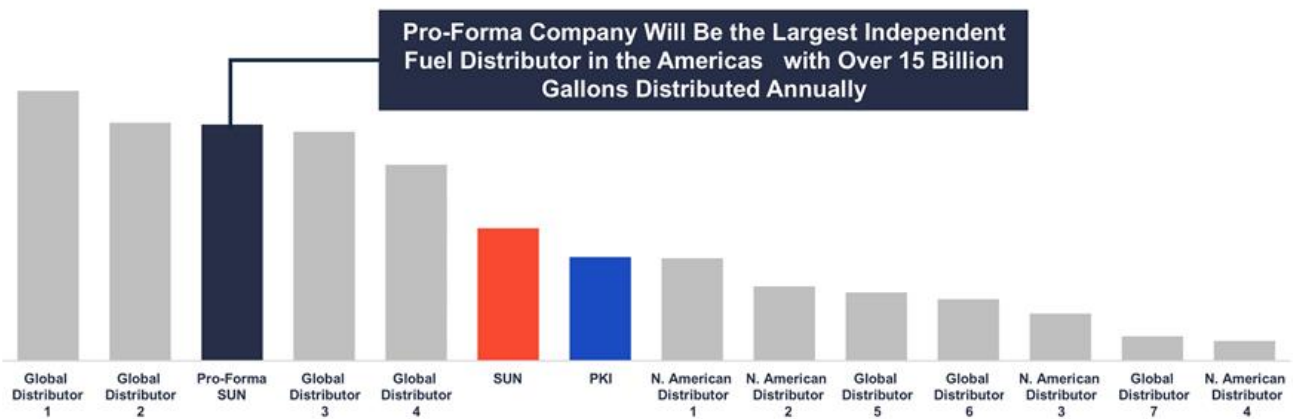
**SUNOCO LP**

(1) Includes pending acquisition with an anticipated close in the second half of 2025

**Parkland** 6

# Combined Scale in the Americas Will Deliver Commercial Synergies

## Top Independent Global Fuel Distributors



## Fuel Supply Improvement

- Complementary geographic footprint and combined volume creates synergies to reduce cost of goods sold
- Diversified supply chain provides critical optionality, enabling stability and surety of supply
- Expanded demand profile and customer base further diversifies and strengthens supply chain

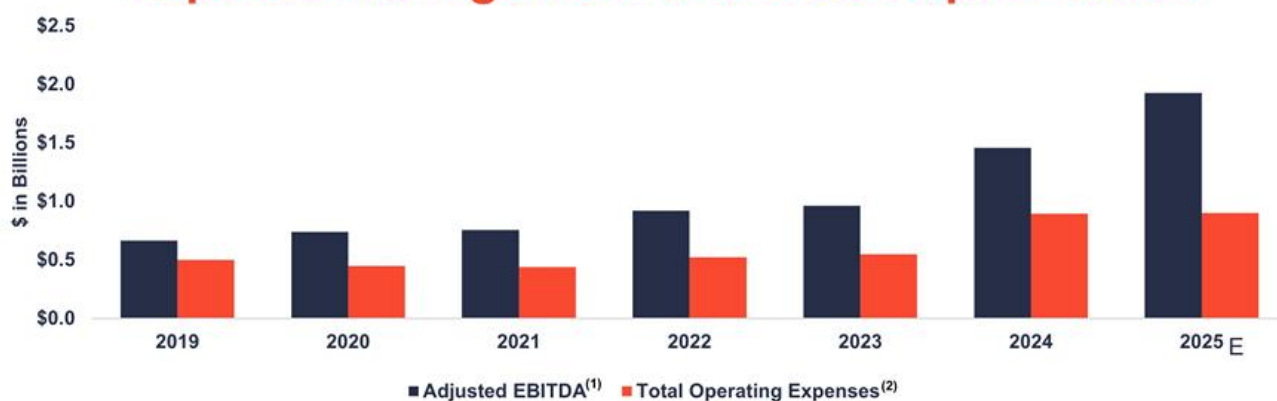
**SUNOCO LP**

Source: Public company filings

**Parkland** 7



## Leverage SUN's Proven History of Expense Management and Asset Optimization



### SUN's Demonstrated Track Record of Expense Discipline

- EBITDA<sup>(1)</sup> and DCF<sup>(1)</sup> growth have consistently outpaced total expense growth
- Outperformed on expense control during periods of high inflation
- Proactively managed expenses contributing to income stability

### Key Components of Value Creation from Growth

- Delivered synergies quickly and efficiently
- Executed on asset optimization strategies

## Industry Leading Scale and Greater Diversification



**SUN**

- ~14,000 miles of pipeline and 124 terminals
- Geographic and commodity diversity
- Stable and growing fuel distribution business



**SUN + PKI**

- U.S. Fuel Distribution
- Terminals
- Pipelines
- Canada Fuel Distribution
- Caribbean Fuel Distribution
- Refining



**PKI**

- ~4,000 locations
- Operations in 26 countries
- Unique, well-positioned and hard-to-replicate assets

---

# Compelling Financial Benefits

## Delivers 10%+ Accretion to DCF<sup>(1)</sup> per Common Unit by Year 3

- Immediately accretive in Year 1
- At least \$250 million in run rate synergies by Year 3
- Acquisition economics reflect below mid-cycle refinery income – provides conservative floor with periodic upside

## Improves Long Term Credit Profile

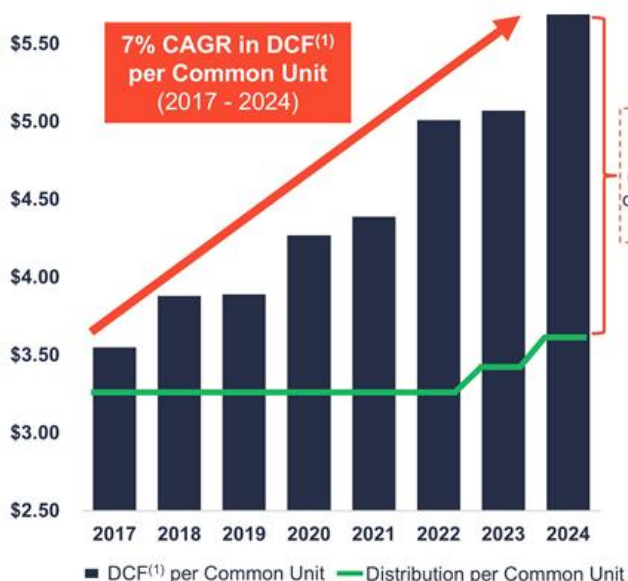
- Additional operational and geographic diversification with increased scale reduces business risk
- Committed to maintaining financial discipline and responsible financial policy

## Continues SUN's Successful Capital Allocation Strategy on a Larger Scale

- **Strong Balance Sheet:** Expect to return to ~4x target leverage ratio within 12 to 18 months post-close
- **Secure Distribution:** Significant accretion and strong distribution coverage further support continued distribution growth
- **Disciplined Growth:** Increased cash flow to fund growth; larger operating platform expands opportunity set for organic growth and acquisitions

# Material Growth of Cash Flow Creates Financial Flexibility

Since 2017, SUN Has Materially Grown DCF<sup>(1)</sup> per Common Unit



SUN is the only AMZL constituent to grow DCF<sup>(1)</sup> per common unit for the last eight consecutive years (2017 – 2024)

Pro-Forma Company Expects to Generate >\$1 Billion of Run-Rate Free Cash Flow<sup>(2)</sup>

- Expands landscape of investment opportunities across the U.S., Canada, Europe and the Caribbean
- Proven track record of delivering on acquisitions and growth projects - NuStar acquisition case study:
  - Increased total synergies by over 30% (relative to initial announcement)
  - Shortened time frame to capture synergies and on-pace to deliver run-rate ahead of schedule
  - Returned leverage to ~4x target inside of 6 months compared to initial 12-18 month commitment
  - Delivered on synergy and optimization targets while maintaining base business performance in line with expectations

**SUNOCO LP**

(1) Distributable Cash Flow, as adjusted is a non-GAAP number. For a definition, please see slide 2  
 (2) Defined as Distributable Cash Flow, as adjusted less distributions

**Parkland** 11



## Combination Benefits All Stakeholders of SUN and PKI



**Delivers 10%+ Accretion**



**Increases Stability**



**Strengthens Financial Foundation**



**Enhances Growth**

**SUNOCO LP**

**Parkland** 12

The Sunoco LP logo is displayed in white, italicized, sans-serif font on a red rectangular background.

**SUNOCO LP®**

The Parkland logo is displayed in white, sans-serif font on a blue rectangular background.

**Parkland**

The title 'Appendix 1: Sunoco Overview' is centered in a white, bold, sans-serif font over a semi-transparent grey rectangular box. The background of the entire slide features a collage of images: a map of the United States and Mexico, a close-up of Sunoco gas pumps, a perspective view of a highway with many lanes, and a photograph of a Sunoco convenience store at night.

**Appendix 1:  
Sunoco Overview**

# North America's Largest Independent Fuel Distributor and Leading Operator of Critical Energy Infrastructure



**~9 billion**

Gallons  
Distributed

**~7,400**

Branded  
Locations

**~800**

Real Estate  
Assets

**124**

Terminals

**4**

Transmix  
Facilities

**~14,000**

Miles of  
Pipeline

**SUNOCO LP**

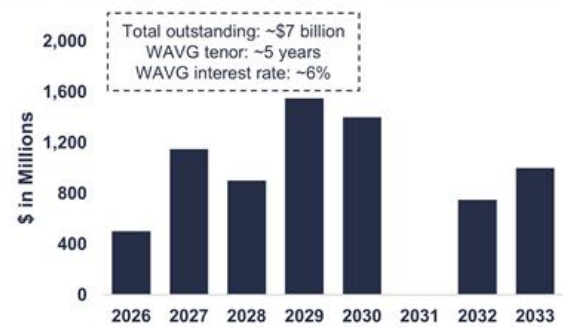
**Parkland** 14

# Strong Financial Foundation

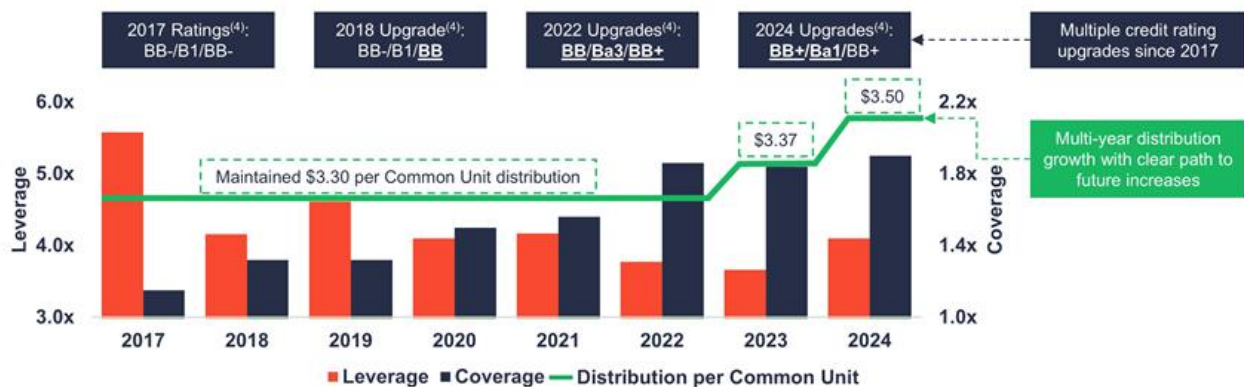
## Sunoco LP (NYSE:SUN)

- Market capitalization: ~\$8 billion<sup>(1)</sup>
- Enterprise value: ~\$15 billion<sup>(1)</sup>
- 2024 Revenue: ~\$22 billion
- 2025E Adjusted EBITDA: ~\$1.925 billion<sup>(2)</sup>
- Distribution yield: ~6%<sup>(1)</sup>
- Ample liquidity under \$1.5 billion unsecured revolving credit facility<sup>(3)</sup>
- Core constituent of the Alerian MLP Index (AMZ) and the Alerian MLP Infrastructure Index (AMZI)

## Balanced Senior Note Maturity Profile



## Multi-Year Distribution Growth While Maintaining a Positive Credit Trajectory



SUNOCO LP

(1) As of April 30, 2025 (2) Midpoint of 2025 Adjusted EBITDA guidance (3) Undrawn as of March 31, 2025

Parkland 15



## Delivered Significant Returns

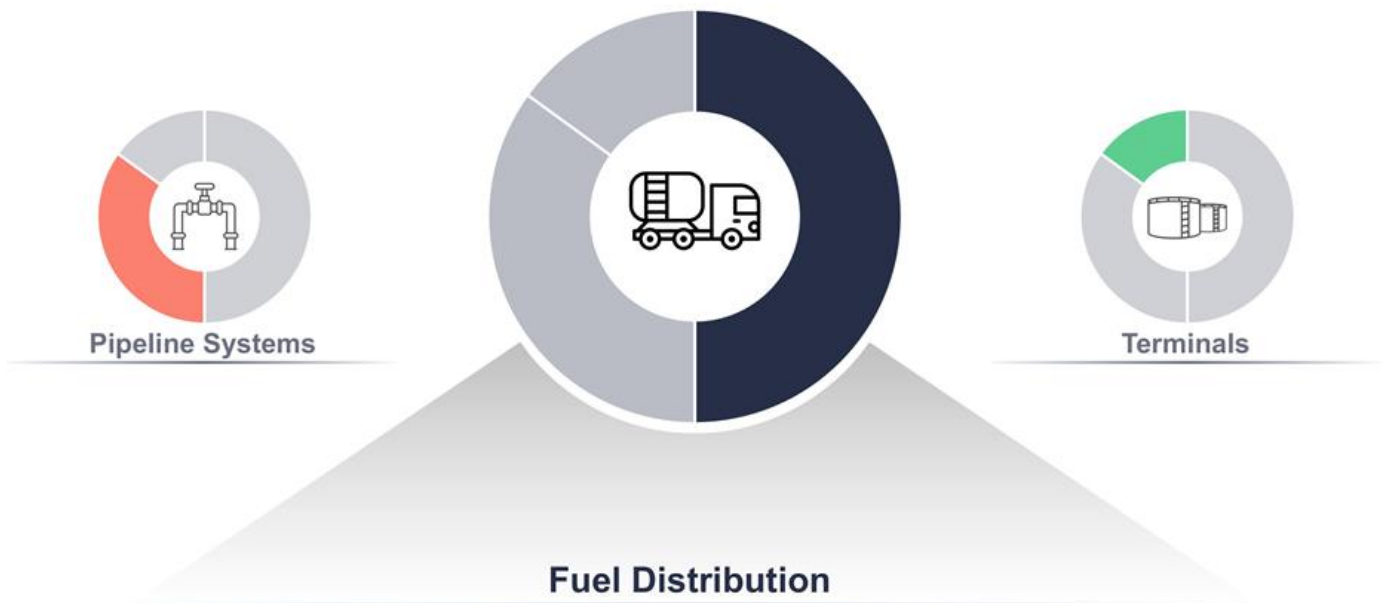


**SUNOCO LP**

(1) As of April 30, 2025. Defined as price appreciation plus reinvestment of dividends/distributions. Source: Bloomberg

**Parkland** 16

## Diverse and Stable Business Segments



- Wholesale margins have normalized higher
- Higher breakeven margins expected to remain
- Scale and proprietary brand enable higher margin capture
- Portfolio optimized for stability and upside

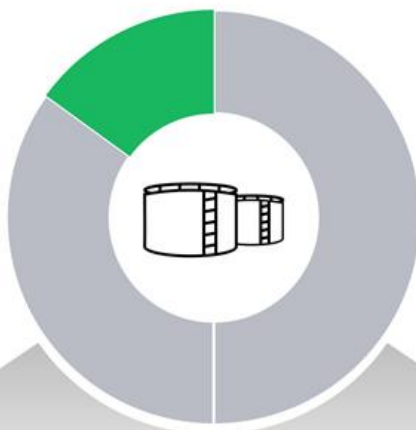
**SUNOCO LP**

**Parkland** 17

## Diverse and Stable Business Segments

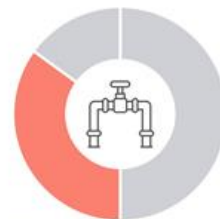


Fuel Distribution



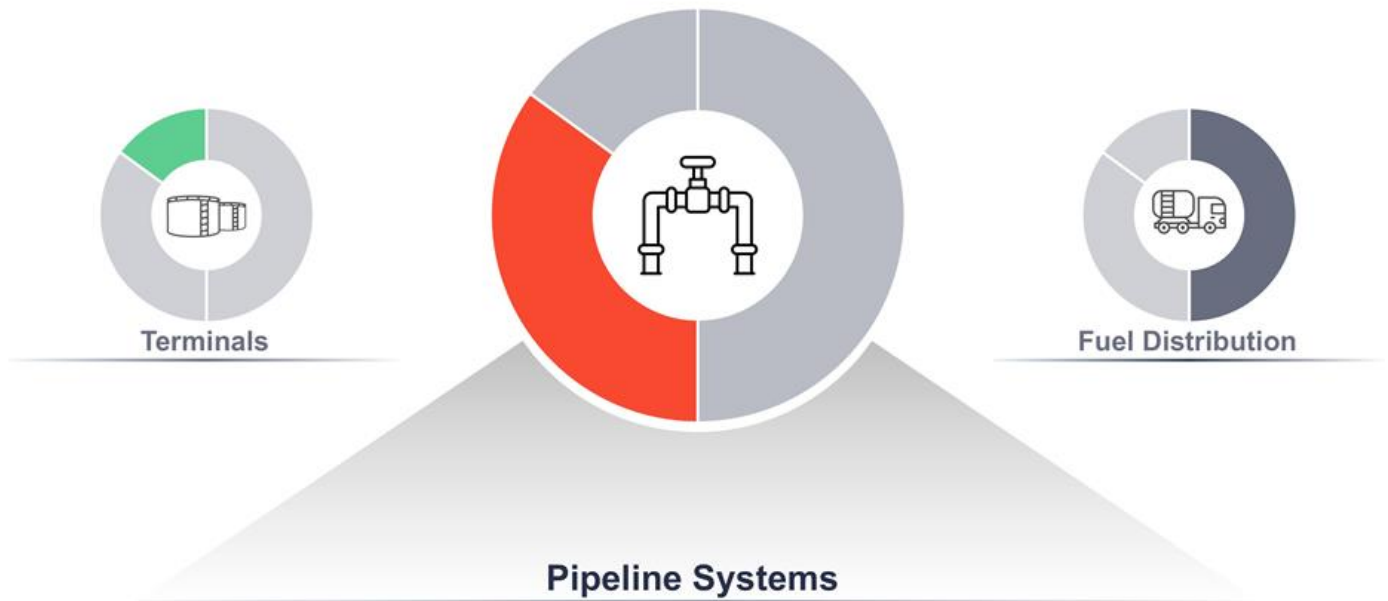
Terminals

- Terminals will remain high-value, critical infrastructure for decades
- Terminal portfolio delivers long-term income stability
- Vertical integration maximizes the value of terminals



Pipeline Systems

## Diverse and Stable Business Segments



- Pipeline systems will remain high-value, critical infrastructure for decades
- Pipeline systems provide long-term income stability
  - Permian Basin joint venture with Energy Transfer
  - Mid-continent refined products system
  - Southwest crude and refined products system
  - Ammonia system

**SUNOCO LP**

**Parkland** 19

# Compelling Long-Term Investment

## Strong Balance Sheet

- Positive credit trajectory resulted in multiple credit rating upgrades since 2018 - with potential to pursue investment grade rating
- Returned to 4.0x leverage<sup>(1)</sup> target five months after closing NuStar acquisition, demonstrating ability to combine material growth with balance sheet management
- Ample liquidity and strong credit profile provide financial flexibility for material growth

## Accretive Growth

- Only AMZI constituent to grow DCF<sup>(2)</sup> per Common Unit for the last eight consecutive years (2017 - 2024)
- Since 2017, deployed over \$9 billion of growth and acquisition capital, increasing DCF<sup>(2)</sup> per Common Unit by approximately 60%
- Acquisition opportunity set and proven evaluation criteria enable ongoing accretive growth

## Secure and Growing Distribution

- One of only six AMZI constituents to not reduce distributions during 2014 - 2024 market cycles (e.g., COVID and geopolitical events)
- Strong coverage ratio and accretive growth have positioned SUN for ongoing distribution increases
- Portfolio of stable income streams with significant operating scale and attractive sector fundamentals support a secure and growing distribution

**SUNOCO LP**

(1) Defined as Net Debt to Adjusted EBITDA. Adjusted EBITDA is a non-GAAP number. For a definition, please see slide 2.  
(2) Distributable Cash Flow, as adjusted is a non-GAAP number. For a definition, please see slide 2.

**Parkland** 20

The logo for SUNOCO LP, featuring the company name in white, italicized, sans-serif capital letters on a red rectangular background.

**SUNOCO LP®**

The logo for Parkland, featuring the word "Parkland" in white, sans-serif capital letters on a blue rectangular background.

**Parkland**

The title for the appendix, "Appendix 2: Parkland Overview", displayed in a bold, black, sans-serif font. The background of the slide features a collage of images: a map of the United States with Texas highlighted in black, a close-up of a Sunoco gas pump, a perspective view of a highway with many lanes, a night-time photograph of a Sunoco convenience store, and an aerial view of an industrial facility with large storage tanks.

**Appendix 2:  
Parkland Overview**



## Parkland Corporation

A Leading Distributor of Fuel and Convenience Products

**C\$11.9 Billion**

Enterprise Value

**C\$5.7 Billion**

Market Capitalization

**4.3%**

Dividend Yield

**~3% CAGR**

Dividend per Share

**7**

Outstanding bonds  
(3 CAD, 4 USD)

**26**

Countries of Operations

**~25 Billion**

Litres of Product Sold (TTM)

**~4,000**

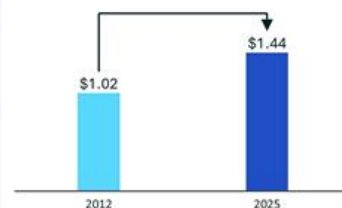
Locations

**BB Stable**

Corporate Credit Rating

**~6,000**

Employees



Nationally Recognized and Locally Relevant Brands



## Resilient Business Model

Customer and Supply Advantages are Competitive Differentiators

### Customer Advantage



Retail



Commercial



Loyal Customers



One Parkland Team



Logistics Assets

Capabilities

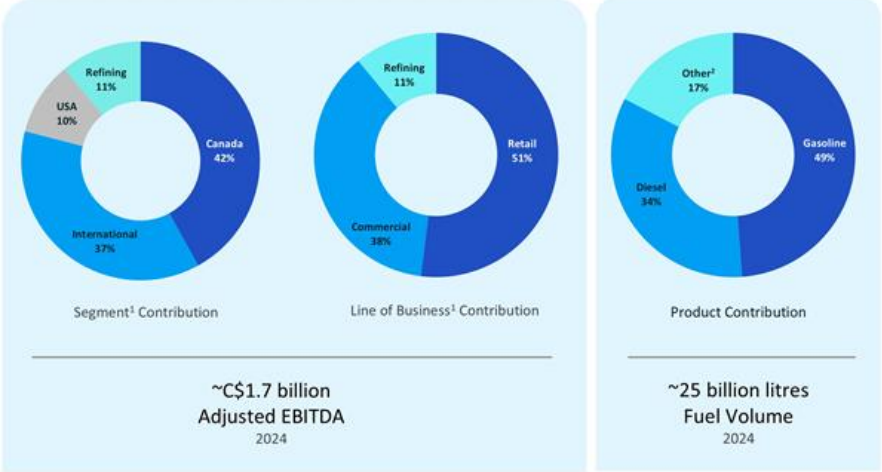
Scale

Lowest cost to serve



# Resilient Business Model

Diversified Products and Geographies



<sup>1</sup> Corporate segment allocated on a proportional basis.  
<sup>2</sup> Other includes crude oil, aviation fuel, asphalt, fuel oils, gas oils, ethanol and biodiesel.

## Resilient Business Model

Approximate Adjusted EBITDA Contribution

|                                                                                   |                     |                         |                      |                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------|---------------------|-------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Retail<br>(50%)     | Company<br>(60%)        | Gasoline<br>(60%)    | <ul style="list-style-type: none"> <li>High-volume company owned sites</li> <li>Retailer and company operated</li> <li>Integrated fuel and convenience margins</li> <li>Parkland controlled branded offer: fuel, convenience, food and loyalty</li> </ul> |
|                                                                                   |                     | Dealer<br>(40%)         | Convenience<br>(40%) |                                                                                                                                                                                                                                                           |
|  | Commercial<br>(35%) | Diesel and Jet<br>(80%) |                      | <ul style="list-style-type: none"> <li>Diversified customer base and product offering</li> <li>Fuel volumes optimize asset utilization</li> <li>Contracted up to 5 years</li> <li>Renewable fuels and lubricants</li> </ul>                               |
|                                                                                   |                     | Lubes & Other<br>(20%)  |                      |                                                                                                                                                                                                                                                           |
|  | Refining<br>(15%)   |                         |                      | <ul style="list-style-type: none"> <li>Advantaged supply to support integrated margins</li> <li>Niche refinery</li> <li>Co-processing: most economic way to B.C. LCFS compliance</li> </ul>                                                               |

## Resilient Business Model

Strategic Geographies Underpinned By Supply Advantage

*In \$C millions unless otherwise noted*

|                                                           | 2023         | 2024 <sup>1</sup> |
|-----------------------------------------------------------|--------------|-------------------|
| Canada                                                    | 713          | 753               |
| International                                             | 678          | 654               |
| USA                                                       | 186          | 168               |
| Refining                                                  | 441          | 198               |
| Corporate                                                 | (105)        | (83)              |
| <b>Adjusted EBITDA</b>                                    | <b>1,913</b> | <b>1,690</b>      |
| <b>Net earnings (loss)</b>                                | <b>471</b>   | <b>127</b>        |
| <i>Net earnings (loss) per share (Basic)</i>              | <i>2.68</i>  | <i>0.73</i>       |
| <b>Cash generated from (used in) operating activities</b> | <b>1,780</b> | <b>1,535</b>      |
| <i>Per share</i>                                          | <i>10.13</i> | <i>8.80</i>       |
| <b>Available cash flow</b>                                | <b>812</b>   | <b>556</b>        |
| <i>Per share</i>                                          | <i>4.61</i>  | <i>3.19</i>       |

1. The Burlingame Refinery experienced an unplanned shutdown during the first quarter of 2024, and safely returned to normal operations on March 29, 2024. Lower refining margins also impacted the year.



## Platform For Growth

Executing on Accretive Organic Initiatives



### Retail

Grow ON the RUN with differentiated food offer

Meet customer energy needs

Enhance digital platform



### Commercial

Grow fuel volumes through multi-product offer

Provide safe and reliable delivery

Expand renewable business



### Supply

Leverage scale to grow purchasing power

Optimize logistics capabilities

Expand supply optionality

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

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

**Date of report (Date of earliest event reported): May 4, 2025**

**Sunoco LP**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**No. 001-35653**  
(Commission  
File Number)

**30-0740483**  
(IRS Employer  
Identification No.)

**8111 Westchester Drive, Suite 400**  
**Dallas, Texas**  
(Address of Principal Executive Offices)

**75225**  
(Zip Code)

**(214) 981-0700**  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities Registered Pursuant to Section 12(b) of the Act:

| <b>Title of Each Class</b>                             | <b>Trading<br/>Symbol(s)</b> | <b>Name Of Each Exchange<br/>On Which Registered</b> |
|--------------------------------------------------------|------------------------------|------------------------------------------------------|
| Common Units Representing Limited Partner<br>Interests | SUN                          | New York Stock Exchange                              |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

**Item 1.01. Entry into a Material Definitive Agreement.**

Effective May 4, 2025, Sunoco LP, a Delaware limited partnership ("Sunoco"), NuStar GP Holdings, LLC, a Delaware limited liability company and wholly-owned subsidiary of Sunoco ("SUNCorp"), 2709716 Alberta Ltd., an Alberta corporation and wholly-owned subsidiary of SUNCorp (the "Purchaser") and, together with Sunoco and SUNCorp, the "Purchaser Parties"), and Parkland Corporation, an Alberta corporation ("Parkland"), entered into an Arrangement Agreement, dated as of May 4, 2025 (the "Arrangement Agreement"), pursuant to which, among other things, and on the terms and subject to the conditions set forth therein, Sunoco will acquire all of the issued and outstanding common shares of Parkland (the "Parkland Shares") by way of an arrangement (the "Arrangement") under the *Business Corporations Act* (Alberta) (the "ABCA") in accordance with the plan of arrangement of Parkland attached to the Arrangement Agreement (the "Plan of Arrangement"). Upon closing of the transaction, (i) Parkland will be an indirect, wholly-owned subsidiary of Sunoco, (ii) SUNCorp will be a publicly traded company that holds only limited partnership interests in Sunoco, and will be controlled by a managing member owned, directly or indirectly, by Energy Transfer LP, and (iii) SUNCorp will hold limited partnership units of Sunoco (the "New Sunoco Common Units") that are economically equivalent to Sunoco's publicly-traded common units on the basis of one New Sunoco Common Unit for each outstanding SUNCorp unit (as defined below).

Pursuant to the Arrangement Agreement and the Plan of Arrangement, and by virtue of the Arrangement, commencing at the effective time of the Arrangement (the "Effective Time") and at the times contemplated in the Plan of Arrangement:

- each Parkland Share that is issued and outstanding immediately prior to the Effective Time (other than any Dissenting Shares (as defined below)) will be transferred to the Purchaser, and in respect of each such Parkland Share, the applicable Parkland shareholder will receive, at such shareholder's election, either, (i) CAD\$19.80 in cash and 0.295 common units representing limited liability company interests in SUNCorp ("SUNCorp Units"), (ii) cash in the amount equal to the quotient obtained by dividing CAD\$19.80 by 45% (the "Cash Elected Consideration") or (iii) a number of SUNCorp Units equal to the quotient obtained dividing 0.295 by 55% (the "Unit Elected Consideration"), subject in the case of the Cash Elected Consideration and Unit Elected Consideration, to the maximum amounts and pro-ratoning set forth in the Plan of Arrangement;
- each Parkland Share in respect of which dissent rights have been properly exercised under the ABCA as modified by the Plan of Arrangement in connection with the Arrangement and not withdrawn ("Dissenting Shares") will be deemed to be transferred to Parkland, and will instead be subject to dissent rights under the ABCA as modified by the Plan of Arrangement and treated in accordance with the Plan of Arrangement;
- each option to purchase Parkland Shares (an "Option") that is outstanding at the Effective Time shall be deemed to be fully vested and be deemed to be surrendered and transferred by the holder of such Option to Parkland, and in respect of such Option, the holder thereof will be entitled to receive, without interest and subject to applicable withholding, (i) if the Option is in-the-money, an amount of cash equal to the amount by which the volume weighted average trading price of the Parkland Shares on the Toronto Stock Exchange for the five trading days on which the Parkland Shares traded immediately preceding the business day prior to the date on which the Arrangement becomes effective (the "Fair Market Value") exceeds the applicable exercise of such Option, and (ii) if the Option is not in-the-money, no consideration;
- each Parkland restricted share unit ("RSU") that is outstanding at the Effective Time, including any fractional RSUs, shall be deemed to be fully vested (in the case of an RSU with vesting conditions based on performance criteria, based on a vesting multiplier of 1.25) and be deemed to be surrendered and transferred by the holder of such RSU to Parkland, and the holder thereof will be entitled to receive cash, without interest and subject to applicable withholding, in an amount equal to the Fair Market Value; and
- each Parkland deferred share unit ("DSU") that is outstanding at the Effective Time, including any fractional DSUs, shall be deemed to be redeemed by and surrendered and transferred by the holder of such DSU to Parkland, and the holder thereof will be entitled to receive cash, without interest and subject to applicable withholding, in an amount equal to the Fair Market Value.

Under the Arrangement Agreement, SUNCorp has agreed to use commercially reasonable efforts to have the SUNCorp Units that will be issued as consideration pursuant to the Arrangement be listed on the New York Stock Exchange in connection with the completion of the Arrangement. The Arrangement Agreement contains customary covenants on the part of Parkland with respect to pursuing and obtaining an interim order of the Court of King's Bench of Alberta (the "Court") providing for the holding of the Parkland shareholder's meeting (the "Parkland Shareholders' Meeting") to vote on a special resolution to approve the Arrangement (the "Arrangement Resolution") and, if the Arrangement Resolution is approved, a final order approving the Arrangement. The Arrangement Agreement also provides that the Purchaser Parties may elect to effect the acquisition of all of the issued and outstanding Parkland Shares by way of a take-over bid instead of pursuant to the Plan of Arrangement, which would require support from Parkland shareholders owning at least 50% of the Parkland Shares, so long as the structure would provide Parkland shareholders with consideration that is no less favorable, from a financial point of view, than the Arrangement. In the event that the Purchaser Parties do elect to effect the acquisition by way of a take-over bid (or other such transaction structure as specified by the Purchaser Parties providing for the acquisition of Parkland Shares pursuant to applicable securities laws) (the "Alternative Structure"), the Arrangement Agreement will be deemed to be modified or adjusted, as necessary, to reflect the structure and, subject to the foregoing, the Purchaser Parties and Parkland will implement the Alternative Structure for the same consideration and on the same other terms and conditions as those set forth in the Arrangement Agreement.

The Arrangement Agreement provides that (i) on the date on which the Arrangement becomes effective (the "Effective Date"), a current member of the board of directors of Parkland, selected by SUNCorp, will be appointed to the board of directors of the managing member of SUNCorp for a twelve month term, (ii) for two years following the Effective Date, Sunoco will indemnify SUNCorp for certain liabilities incurred by SUNCorp prior to the Effective Time and (iii) for a two-year period following the Effective Date, SUNCorp will declare and pay on each SUNCorp Unit a dividend or distribution in an amount equal to 100% of the distributions paid by Sunoco on each common unit of Sunoco for each fiscal quarter. Sunoco has agreed to ensure that, during such two-year period, SUNCorp has sufficient available cash or financial capacity for SUNCorp to make such distributions, as well as to pay when due, for an agreed period, all ordinary course expenses, obligations and liabilities of SUNCorp (other than liabilities for income taxes).

The Arrangement Agreement contains customary representations and warranties of the Purchaser and Parkland. The Arrangement Agreement also contains customary covenants and agreements, including, among others: (i) the conduct of businesses of the Purchaser Parties and Parkland between the date of the signing of the Arrangement Agreement and the Effective Time; (ii) regulatory matters, including the efforts of the Purchaser Parties and Parkland to consummate the transaction and obtain approvals from governmental agencies and regulatory authorities; (iii) Parkland's obligation to use commercially reasonable efforts to solicit proxies to obtain the approval of the Arrangement Resolution at the Parkland Shareholders' Meeting; (iv) employee benefits to be provided to continuing employees of Parkland after the Effective Time; (v) cooperation in connection with Sunoco's debt financing in connection with the transaction; (vi) non-solicitation of third party acquisition proposals by Parkland; and (vii) the right to match superior third party acquisition proposals.

The parties' obligations to consummate the transactions contemplated by the Arrangement Agreement are subject to the satisfaction or waiver of customary conditions set forth in the Arrangement Agreement, including, among others: (i) approval of the Arrangement by Parkland shareholders at the Parkland Shareholders' Meeting; (ii) the approval of the Arrangement by the Court; (iii) the absence of any legal restraint that prohibits or enjoins the completion of the Arrangement; (iv) the receipt of certain required regulatory approvals, including, without limitation, the expiration or termination of the waiting period, and any extension thereof or of any timing agreements, understandings or commitments, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, expiration or termination of the applicable waiting period or receipt of an advance ruling, no action letter or waiver under the *Competition Act* (Canada), and notification of the responsible Minister under the Investment Canada Act as to the Minister's satisfaction that the Arrangement is likely of net benefit to Canada; (v) the SUNCorp Units to be issued in the Arrangement having been approved for listing on the New York Stock Exchange (and, if applicable, any registration statement required to be filed with the U.S. Securities and Exchange Commission (the "SEC") having been declared effective); and (vi) certain other customary conditions relating to the accuracy of the other party's representations and warranties (subject to certain materiality qualifications), and the other party's compliance with its covenants and agreements contained in the Arrangement Agreement.

The Arrangement Agreement also provides for certain termination rights for the parties, including: (i) by mutual written consent; (ii) by either the Purchaser or Parkland if (a) the Effective Time does not occur on or prior to February 4, 2026, or such later date as may be agreed to in writing by the parties (the "Outside Date") (provided that the Outside Date may be extended by either party for 90 days following February 4, 2026 if certain required regulatory approvals have not yet been obtained); (b) any law has been enacted or enforced such that completion of the Arrangement would violate any final and non-appealable legal restraint; or (c) the Arrangement is not approved by Parkland's shareholders at the Parkland Shareholders' Meeting; (iii) by Parkland, if any of the Purchaser Parties have, or by the Purchaser if Parkland has, breached any of its representations and warranties or failed to perform any of its covenants or agreements such that certain conditions to closing would not be satisfied, and such breach is not cured within the prescribed time period or is incapable of cure; (iv) by Sunoco, prior to approval of the Arrangement Resolution by Parkland's shareholders, if the board of directors of Parkland fails to recommend the approval of the Arrangement Resolution, changes its recommendation, approves an acquisition proposal or takes certain other actions as set forth in the Arrangement Agreement (a "Change in Recommendation"); (v) by Sunoco, if Parkland materially breaches certain covenants, including its non-solicitation covenants, or if Parkland materially and willfully breaches certain other covenants; and (vi) by Parkland, prior to approval of the Arrangement Resolution by Parkland's shareholders, in order to accept and enter into an agreement with respect to a Superior Proposal (as defined in the Arrangement Agreement), subject to payment of the termination fee described below.

Parkland will be obligated to pay a termination fee of CAD\$275,000,000 to SUNCorp if the Arrangement Agreement is terminated in certain circumstances, including where the Arrangement Agreement is terminated: (i) by Parkland, prior to receipt of the approval of the Arrangement Resolution, in order to enter into an agreement with respect to a Superior Proposal; (ii) by the Purchaser, due to a Change in Recommendation; (iii) by the Purchaser, if Parkland materially breaches certain covenants, including its non-solicitation covenants, or materially and willfully breaches certain other covenants, including its covenants to hold the Parkland Shareholders' Meeting or seek Court approval of the Arrangement; and (iv) by Parkland or the Purchaser, if the Effective Time has not occurred on or prior to the Outside Date or because of a failure to obtain approval of the Arrangement Resolution, but only if, in each case, (A) prior to such termination, an acquisition proposal for Parkland has been publicly made or announced (and is not withdrawn at least five business days before Parkland Meeting) and (B) within 12 months following the date of such termination, Parkland consummates any acquisition proposal or enters into an agreement for any acquisition proposal, which is subsequently consummated (whether or not within such 12-month period). In addition, if the Arrangement Agreement is terminated by either Parkland or the Purchaser, Parkland will reimburse the Purchaser for all out-of-pocket expenses incurred by the Purchaser Parties in connection with the Arrangement Agreement.

Sunoco will be obligated to pay a termination fee of CAD\$275,000,000 to Parkland if the Arrangement Agreement is terminated by Parkland or the Purchaser if the Effective Time has not occurred on or prior to the Outside Date and, at the time of such termination, the conditions to complete the Arrangement relating to the receipt of certain required regulatory approvals have not been waived or satisfied, and all other conditions precedent to the obligations of the Purchaser Parties have been satisfied or waived (other than those that by their nature are only capable of being satisfied at the Effective Time).

The foregoing description of the Arrangement Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Arrangement Agreement, which is filed as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated herein by reference. The Arrangement Agreement contains representations, warranties and covenants that the respective parties made to each other as of the date of such agreement or other specific dates. The assertions embodied in those representations, warranties and covenants were made for purposes of the contract among the respective parties and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating such agreement. The Arrangement Agreement has been attached to provide investors with information regarding its terms. It is not intended to provide any other factual information about Sunoco, SUNCorp or Parkland or any other party to the Arrangement Agreement or any related agreement. In particular, the representations, warranties, covenants and agreements contained in the Arrangement Agreement, which were made only for purposes of such agreement and as of specific dates, were for the benefit of the parties to the Arrangement Agreement, may be subject to limitations agreed upon by the contracting parties (including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Arrangement Agreement instead of establishing these matters as facts) and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors and security holders. Investors and security holders are not third-party beneficiaries under the Arrangement Agreement and should not rely on the representations, warranties, covenants and agreements, or any descriptions thereof, as characterizations of the actual state of facts or condition of any party to the Arrangement Agreement. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Arrangement Agreement, which subsequent information may or may not be fully reflected in Sunoco's or SUNCorp's public disclosures.

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**Item 3.02. Unregistered Sales of Equity Securities.**

The disclosure set forth above in Item 1.01 of this Current Report on Form 8-K with respect to the Arrangement Agreement and the issuance of New Sunoco Common Units to SUNCorp and SUNCorp Units to Parkland shareholders is incorporated by reference herein.

The New Sunoco Common Units to be issued in connection with the transactions contemplated by the Arrangement Agreement will be issued in reliance on the exemption afforded by Section 4(a)(2) under the Securities Act of 1933, as amended (the “Securities Act”). If the Plan of Arrangement becomes effective, the SUNCorp Units to be issued to Parkland shareholders pursuant to the Arrangement Agreement will be issued in reliance upon the exemption afforded by Section 3(a)(10) of the Securities Act.

**Item 8.01. Other Events.**

In connection with the Arrangement Agreement, effective May 4, 2025, Sunoco entered into certain commitment letters with Barclays Bank PLC (and certain of its affiliates) and Royal Bank of Canada (and certain of its affiliates) (together, the “Lenders”), pursuant to which the Lenders committed to provide to Sunoco, subject to the terms and conditions set forth therein, debt financing commitments in an aggregate principal amount of \$7.55 billion, to be used for, among other things, funding the Purchaser Parties’ payment obligations in respect of the transactions contemplated by the Arrangement Agreement and the refinancing or redemption of certain indebtedness if required in connection with the transaction.

In connection with the Arrangement Agreement, effective May 4, 2025, the Purchaser entered into a voting and support agreement (each, a “Voting Agreement”) with each of the directors and certain senior officers of Parkland (each, a “Securityholder”). Each Voting Agreement provides that the Securityholder will, subject to limited exceptions and termination events, (i) vote their Parkland Shares (a) in favor of the approval of the Arrangement Resolution and the transactions contemplated by the Arrangement Agreement and (b) against any acquisition proposal or any matter that would prevent or materially delay the consummation of the Arrangement, (ii) not sell, transfer, pledge or assign any of their Parkland Shares and (iii) waive all rights of appraisal or dissent.

**Forward Looking Statements**

This current report on Form 8-K contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In this context, forward-looking statements often address future business and financial events, conditions, expectations, plans or ambitions, and often include, but are not limited to, words such as “believe,” “expect,” “may,” “will,” “should,” “could,” “would,” “anticipate,” “estimate,” “intend,” “plan,” “seek,” “see,” “target” or similar expressions, or variations or negatives of these words, but not all forward-looking statements include such words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. All such forward-looking statements are based upon current plans, estimates, expectations and ambitions that are subject to risks, uncertainties and assumptions, many of which are beyond the control of Sunoco and Parkland, that could cause actual results to differ materially from those expressed in such forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: the completion of the proposed transaction on anticipated terms and timing, or at all, including obtaining regulatory approvals, the approval of the listing of the SUNCorp Units on the New York Stock Exchange, and receipt of Parkland shareholder approval; the anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, prospects, business and management strategies for the management, expansion and growth of the combined company’s operations, including the possibility that any of the anticipated benefits of the proposed transaction will not be realized or will not be realized within the expected time period; the ability of Sunoco and Parkland to integrate the business successfully and to achieve anticipated synergies and value creation; potential litigation relating to the proposed transaction that could be instituted against Sunoco, Parkland or their directors; the risk that disruptions from the proposed transaction will harm Sunoco’s or Parkland’s business, including current plans and operations and that management’s time and attention will be diverted on transaction-related issues; potential adverse reactions or changes to business relationships, including with employees, suppliers, customers, competitors or credit rating agencies, resulting from the announcement or completion of the proposed transaction; the potential for modification or adjustment of the Arrangement Agreement; the parties’ ability to satisfy their respective conditions and consummate the transaction; rating agency actions and Sunoco and Parkland’s ability to access short-and long-term debt markets on a timely and affordable basis; potential business uncertainty, including the outcome of commercial negotiations and changes to existing business relationships during the pendency of the proposed transaction that could affect Sunoco’s and/or Parkland’s financial performance and operating results; certain restrictions during the pendency of the merger that may impact Parkland’s ability to pursue certain business opportunities or strategic transactions or otherwise operate its business; dilution caused by Sunoco’s issuance of additional units representing limited partner interests in connection with the proposed transaction; fees, costs and expenses and the possibility that the transaction may be more expensive to complete than anticipated; and those risks described in Item 1A of Sunoco’s Annual Report on Form 10-K, filed with the SEC on February 14, 2025. Those disclosures are incorporated by reference in this communication. While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information, which is as of the date of this communication. Sunoco and Parkland do not intend to update these statements unless required by the securities laws to do so, and Sunoco and Parkland undertake no obligation to publicly release the result of any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this communication.

**Important Information about the Arrangement and Where to Find It**

In connection with the potential transaction between Sunoco and Parkland, SUNCorp intends to file any relevant materials with the SEC, which may include a registration statement under the Securities Act or the Exchange Act, which registration statement, if and when filed under the Securities Act, may contain a preliminary prospectus of SUNCorp. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION



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STATEMENT/PROSPECTUS, IF AND WHEN FILED, AND ANY OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors and security holders will be able to obtain free copies of the registration statement / prospectus (if and when available) and other documents filed with the SEC by Sunoco or SUNCorp through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Sunoco or SUNCorp will also be available free of charge on Sunoco's website at <https://www.sunocolp.com/investors> or by contacting the contact below.

**No Offer or Solicitation**

This current report on Form 8-K is not intended to, and shall not, constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any offer, issuance, exchange, transfer, solicitation or sale of securities in any jurisdiction in which such offer, issuance, exchange, transfer, solicitation or sale would be in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act, or pursuant to an exemption therefrom, or prior to registration or qualification under applicable securities laws.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

2.1\* Arrangement Agreement, dated as of May 4, 2025, by and among Sunoco LP, NuStar GP Holdings, LLC, 2709716 Alberta Ltd. and Parkland Corporation.

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

\* Certain schedules and other similar attachments to this exhibit have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. The Registrant will provide a copy of such omitted documents to the Securities and Exchange Commission upon request.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SUNOCO LP**

By: SUNOCO GP LLC, its general partner

By: /s/ Dylan Bramhall

Name: Dylan Bramhall

Title: Chief Financial Officer

Date: May 5, 2025

Dated May 4, 2025

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NUSTAR GP HOLDINGS, LLC

and

2709716 ALBERTA LTD.

and

SUNOCO LP

and

PARKLAND CORPORATION

ARRANGEMENT AGREEMENT

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THIS ARRANGEMENT AGREEMENT is dated May 4, 2025 and made among:

SUNOCO LP, a Delaware limited partnership (“**Sunoco**”); and

2709716 ALBERTA LTD., an Alberta corporation (the “**Purchaser**”); and

NUSTAR GP HOLDINGS, LLC, a Delaware limited liability company (“**Purchaser Holdco**” and together with the Purchaser and Sunoco, the “**Purchaser Parties**”); and

PARKLAND CORPORATION, a corporation formed under the laws of the Province of Alberta (the “**Company**”).

#### RECITALS:

- (A) The Purchaser proposes to acquire all of the issued and outstanding common shares of the Company by way of an Arrangement, in accordance with the Plan of Arrangement under Section 193 of the ABCA, in exchange for the Consideration for each Company Share, being \$19.80 in cash and 0.295 of a Consideration Unit per Company Share subject to the elections, maximum amounts and pro rationing set forth in the Plan of Arrangement.
- (B) Concurrently with the execution of this Agreement, the Purchaser and each director and officer of the Company, have entered into voting agreements (collectively, the “**Voting Agreements**”) pursuant to which such Persons have agreed, among other things, to vote their Company Shares in favour of the Arrangement Resolution.
- (C) The Company Special Committee has, after receiving advice from its financial advisors and outside legal counsel and having considered all other relevant factors, determined that the Arrangement is fair to the Company Shareholders and is in the best interests of the Company and has recommended that the Company Board recommend that the Company Shareholders vote in favour of the Arrangement Resolution. The Company Board has, after receiving advice from its financial advisors and outside legal counsel and the recommendation of the Company Special Committee and having considered all other relevant factors, determined that the Arrangement is fair to the Company Shareholders and is in the best interests of the Company and has recommended that the Company Shareholders vote in favour of the Arrangement Resolution.

NOW THEREFORE in consideration of the foregoing premises, the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

### Article 1 Interpretation

#### 1.1 Definitions

In this Agreement the following words and expressions have the following meanings:

“**ABCA**” means the *Business Corporations Act* (Alberta).

“**Acquisition Proposal**” means any *bona fide* offer, proposal, expression of interest or inquiry (written or oral) from any Person or group of Persons (other than the Purchaser Parties or any Affiliate of the Purchaser Parties) made after the date of this Agreement relating to any one or more of the following:

- 
- (a) any direct or indirect acquisition, sale, purchase or disposition (or lease, licence, joint venture, long-term supply agreement or other arrangement having the same economic effect), in a single transaction or a series of related transactions, of:
    - (i) assets of the Company or any of its Subsidiaries that individually or in the aggregate constitute 20% or more of the consolidated assets of the Company and its Subsidiaries or which contribute 20% or more of the consolidated revenue of the Company and its Subsidiaries (in each case determined based upon the annual financial statements of the Company most recently filed as part of the Company Filings); or
    - (ii) 20% or more of any class of voting or equity securities (including securities convertible into or exercisable or exchangeable for voting or equity securities) of the Company or any of its Subsidiaries; or
  - (b) any direct or indirect take-over bid, tender offer, exchange offer, plan of arrangement, merger, amalgamation, consolidation, security exchange, business combination, reorganization, recapitalization, liquidation, dissolution, or winding up or other transaction that, if consummated, could result in a Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities (including securities convertible into or exercisable or exchangeable for voting or equity securities) of the Company or any of its Subsidiaries.

“**Adjustment**” has the meaning given to it in 4.18(d).

“**Affiliate**” means, with respect to any Person, any other Person which, directly or indirectly through one or more Persons, Controls, is Controlled by or is under direct or indirect common Control with such first Person, provided that, in the case of the Purchaser Parties, “Affiliate” shall mean such Parties and Persons Controlled by such Parties. For the avoidance of doubt, nothing in this Agreement shall be construed to impose any obligation on Energy Transfer LP and its Affiliates other than the Purchaser Parties and their Subsidiaries.

“**Agreement**” means this arrangement agreement, including the Appendixes attached to it or otherwise forming part of it, all as the same may be amended, restated, replaced or supplemented from time to time in accordance with its terms; and, except where otherwise specified, the words “**Article**” and “**Section**” followed by a number or letter mean and refer to the specified Article or Section of this Agreement.

“**Alternative Structure**” has the meaning given to it in Section 2.14.

“**AML Laws**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), its associated regulations, the *Criminal Code* (Canada) and similar Laws in Canada and other jurisdictions.

“**Anti-Corruption Laws**” means the *Corruption of Public Officials Act* (Canada) and similar Laws in Canada and other jurisdictions.

“**Anti-Spam Laws**” means:

- (a) *an Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-Television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act* (Canada), along with the associated regulations;

- 
- (b) the Electronic Commerce Protection Regulations;
  - (c) the Electronic Commerce Protection Regulations (Industry Canada); and
  - (d) similar Laws in Canada and other jurisdictions.

“**Arrangement**” means an arrangement under Section 193 of the ABCA on the terms set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of this Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser Parties, each acting reasonably.

“**Arrangement Resolution**” means the special resolution of the Company Shareholders approving the Arrangement to be considered and voted on at the Company Meeting, substantially in the form set out in Appendix B.

“**Articles of Arrangement**” means the articles of arrangement of the Company in respect of the Arrangement, required by Section 193(4.1) of the ABCA to be sent to the Registrar after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser Parties, each acting reasonably.

“**associate**” has the meaning given to it under the ABCA, as of the date hereof.

“**Authorization**” means, with respect to any Person, any Order, permit, approval, consent, waiver, licence, registration, recognition, certification, accreditation or other authorization issued, granted or given by a Governmental Authority having jurisdiction over the Person.

“**Breaching Party**” has the meaning given to it in Section 4.9.

“**Business Day**” means a day on which commercial banks are open for business in Calgary, Dallas and New York but excludes:

- (a) a Saturday, Sunday or any other statutory or civic holiday in Calgary, Dallas or New York; and
- (b) any such day on which commercial banks are generally required or authorized to be closed in Calgary, Dallas or New York.

“**Canada Transportation Act**” means the Canada Transportation Act (*Canada*).

“**Canada Transportation Act Approval**” means notification of the Arrangement shall have been provided to the Minister of Transport pursuant to subsection 53.1(1) of the Canada Transportation Act and:

- (a) the Minister of Transport shall have issued notice pursuant to subsection 53.1(4) of the Canada Transportation Act that the Minister of Transport is of the opinion that the Arrangement does not raise issues with respect to the public interest as it relates to national transportation, or
- (b) if the Minister of Transport is of the opinion that the Arrangement does raise issues with respect to the public interest as it relates to national transportation, the Arrangement shall have been approved by the Governor in Council in accordance with subsection 53.2(7) of the Canada Transportation Act.



“**Cash Consideration**” means the consideration in the form of cash to be paid for Company Shares pursuant to the Plan of Arrangement (other than to Dissenting Shareholders).

“**Cash Maximum**” means an amount in dollars equal to the product obtained by multiplying the number of Company Shares issued and outstanding immediately prior to the Effective Time (other than Company Shares held by Dissenting Shareholders) by \$19.80.

“**Certificate of Arrangement**” means the certificate to be issued by the Registrar pursuant to Section 193(11) of the ABCA upon receipt of the Articles of Arrangement.

“**Claim**” has the meaning given to it in Section 4.18(c).

“**Code**” means the United States *Internal Revenue Code of 1986*.

“**Commercial Electronic Message**” means a “commercial electronic message” as defined in the Anti-Spam Laws applicable in Canada.

“**Commissioner**” means the Commissioner of Competition appointed under the Competition Act or any Person authorized to exercise the powers and perform the duties of the Commissioner of Competition and includes the Commissioner’s representatives where the context requires.

“**Company**” means Parkland Corporation, a corporation formed under the laws of the Province of Alberta.

“**Company Board**” means the board of directors of the Company, as constituted from time to time.

“**Company Board Recommendation**” has the meaning given to it in Section 2.3(c).

“**Company Change in Recommendation**” has the meaning given to it in Section 7.2(a)(iv)(B)(III).

“**Company Circular**” means the notice of the Company Meeting and accompanying management proxy circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management proxy circular, to be sent to the Company Shareholders and such other persons as may be required by the Interim Order or by Law in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time.

“**Company Corporate Credit Facility**” means the Fourth Amended and Restated Senior Secured Credit Agreement dated as of April 14, 2022, between the Company, certain other members of the Company Corporate Group party thereto, as borrowers, the lenders from time to time party thereto and Canadian Imperial Bank of Commerce, as Administrative Agent, as amended by Amending Agreement No. 1 dated as of June 9, 2023, Amending Agreement No. 2 dated as of December 19, 2023, and Amending Agreement No. 3 dated as of June 24, 2024.

“**Company Corporate Group**” means the Company and its Subsidiaries, taken as a whole.

“**Company Corporate IT**” has the meaning given to it in Appendix C Section 31.

“**Company Damages Event**” has the meaning given to it in Section 8.2(a).

“**Company Data Room**” means the electronic data room established and maintained by the Company to which the Purchaser Parties and their Representatives have been granted access.

“**Company Disclosure Letter**” means the disclosure letter executed by the Company and delivered to the Purchaser Parties concurrently with the execution of this Agreement.

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“**Company DSU Plan**” means the deferred share unit plan of the Company effective as of January 1, 2011, as amended most recently on August 5, 2022, as amended from time to time.

“**Company DSUs**” means the deferred share units granted pursuant to the Company DSU Plan.

“**Company Employee**” means any full-time or part-time employee of the Company or any of its Subsidiaries including any such employee on disability (long-term or short-term), workplace safety and insurance, pregnancy, parental or other statutory or approved leave.

“**Company Employee Material Contracts**” has the meaning given to it in Appendix C Section 36.

“**Company Employee Pension Plans**” has the meaning given to it in Appendix C Section 37.

“**Company Employee Plans**” has the meaning given to it in Appendix C Section 37.

“**Company ESPP**” means the employee share purchase plan of the Company dated effective November 3, 2017.

“**Company Filings**” means all documents publicly filed under the profile of the Company on SEDAR+, by or on behalf of the Company, since January 1, 2024.

“**Company Incentive Holders**” means the holders of Company Incentives.

“**Company Incentive Plans**” means, collectively, the Company DSU Plan, the Company Stock Option Plan and the Company RSU Plan.

“**Company Incentives**” means, collectively, the Company DSUs, the Company RSUs and the Company Stock Options.

“**Company Leased Real Property**” has the meaning given to it in Appendix C Section 28.

“**Company Material Adverse Effect**” means a Material Adverse Effect in respect of the Company.

“**Company Material Subsidiaries**” means a Subsidiary of the Company, the total assets of which constitute more than 10% of the consolidated assets of the Company and its Subsidiaries, as at December 31, 2024, or the total revenues of which constitute more than 10% of the consolidated revenues of the Company and its Subsidiaries for the year ended December 31, 2024.

“**Company Meeting**” means the special meeting (or annual and special, as applicable) of the Company Shareholders including any adjournment or postponement of such meeting in accordance with the terms of this Agreement, to be called and held to secure approval of the Arrangement Resolution and for any other purpose as may be set out in the Company Circular.

“**Company Owned Real Property**” has the meaning given to it in Appendix C Section 28.

“**Company Project Financing**” means the credit facility established pursuant to the credit agreement dated as of November 15, 2023, among OTR Infrastructure LP, as borrower, OTR Infrastructure GP Inc., as General Partner of the borrower, and the Canada Infrastructure Bank, as lender, as amended, restated, supplemented or otherwise modified prior to the Effective Date.

“**Company Real Property**” has the meaning given to it in Appendix C Section 28.

“**Company Real Property Leases**” has the meaning given to it in Appendix C Section 28.

“**Company Regular Dividends**” means, in respect of the Company Shares, (i) a quarterly dividend of \$ 0.36 per Company Share with a record date set as of June 21, 2025, and (ii) thereafter prior to the Effective Date, regular quarterly dividends declared and paid on the Company Shares in the Ordinary Course (which dividends may have a record date that is the same as the record date set in respect of the Sunoco Regular Dividend in such fiscal quarter, if any), provided that in no circumstance shall the amount of any such quarterly dividend exceed \$0.36 per Company Share.

“**Company RSU Plan**” means the amended and restated restricted share unit plan of the Company effective as of December 31, 2010, as amended most recently on November 1, 2023.

“**Company RSUs**” means the vested and unvested restricted share units granted pursuant to the Company RSU Plan, and includes any fractional restricted share units and any restricted share units that are subject to performance vesting conditions.

“**Company Securityholders**” means, collectively, the Company Shareholders and the Company Incentive Holders.

“**Company Shareholder**” means a registered or beneficial holder of Company Shares, as the context requires.

“**Company Shares**” means the common shares in the capital of the Company.

“**Company Special Committee**” means the special committee of the Company Board that considered the Arrangement.

“**Company Stock Option Plan**” means the amended and restated stock option plan of the Company effective as of December 31, 2010, as amended most recently on November 1, 2023.

“**Company Stock Options**” means the outstanding options to purchase Company Shares granted under the Company Stock Option Plan.

“**Company Termination Fee**” has the meaning given to it in Section 8.2(a).

“**Competition Act**” means the *Competition Act* (Canada).

“**Competition Act Approval**” means, in respect of the transactions contemplated by this Agreement:

- (a) the issuance of an advance ruling certificate pursuant to section 102 of the Competition Act;
- (b) the issuance of a notice from the Commissioner that he does not, at that time, intend to make an application under section 92 of the Competition Act (a “**No Action Letter**”); or
- (c) the expiry or termination of the applicable waiting period under section 123 of the Competition Act or waiver of the obligation to notify and supply information in accordance with Part IX of the Competition Act under paragraph 113(c) of the Competition Act.

“**Compliant**” means, with respect to the Required Financial Information, that (i) such Required Financial Information, taken as a whole, does not contain any untrue statement of a material fact regarding the Company and its Subsidiaries or omit to state any material fact regarding the Company and its Subsidiaries necessary in order to make such Required Financial Information, taken as a whole, not misleading under the circumstances under which it is stated (giving effect to all supplements and updates provided thereto), (ii) no independent auditor shall have withdrawn any audit opinion with respect to any financial statements contained in the Required Financial

Information and (iii) the financial statements and other financial information included in such Required Financial Information would not be deemed stale under the rules of the SEC and are sufficient to permit the Company's independent accountants to issue a customary "comfort" letter to the Debt Financing Sources in connection with any offering of debt securities, including as to customary "negative assurances" and change period comfort (and such accountants have confirmed they are prepared to issue a comfort letter subject to their completion of customary procedures). For the avoidance of doubt, the absence of any Excluded Information from the Required Financial Information shall not be deemed to cause such Required Financial Information to be non-Compliant.

**"Confidentiality Agreement"** means the confidentiality agreement dated April 23, 2025 between Sunoco and the Company.

**"Consent Solicitations"** has the meaning given to it in Section 4.14(b)(ii).

**"Consideration"** means the consideration to be paid and received pursuant to the Plan of Arrangement in respect of each Company Share that is transferred to the Purchaser, consisting of Cash Consideration and/or Unit Consideration.

**"Consideration Units"** means the common units representing limited liability company interests in Purchaser Holdco.

**"Constituting Documents"** means articles of incorporation, amalgamation, or continuation, as applicable, by-laws or other constituting documents and all amendments thereto.

**"Contracts"** means all legally binding agreements, arrangements, understandings, commitments and undertakings (whether written or oral) to which a Person is a party or a beneficiary or pursuant to which any of its property or assets are or may be affected.

**"Control"** (and any derivatives thereof, including **"Controlled"**) means (i) in relation to a Person that is a corporation, the ownership, directly or indirectly, of voting shares of such Person carrying more than 50% of the voting rights attaching to all voting shares of such Person and which are sufficient, if exercised, to elect a majority of its board of directors; and (ii) in relation to a Person that is a partnership, limited partnership, trust or other unincorporated entity (A) the ownership, directly or indirectly, of voting securities of such Person carrying more than 50% of the voting rights attaching to all voting securities of the Person, or (B) the ownership of other interests or the holding of a position (such as general partner of a limited partnership or trustee of a trust) entitling the holder to exercise control and direction over the activities of such Person.

**"Court"** means the Court of King's Bench of Alberta.

**"Debt Commitment Letter"** means, collectively, the executed debt commitment letters from the lender parties thereto as in effect on the date hereof and delivered to the Company and termsheets attached thereto and related fee letters to provide Debt Financing to Sunoco, in each case, as amended, amended and restated, supplemented or otherwise modified from time to time to the extent permitted hereunder.

**"Debt Financing"** means the debt financing contemplated under the Debt Commitment Letter, the Sunoco Existing Credit Facilities or any other financing the proceeds of which are intended to provide the Purchaser, when taken together with available cash, the Required Amount.

**"Debt Financing Parties"** shall mean the Debt Financing Sources, together with their respective Affiliates, and the respective officers, directors, employees, partners, trustees, shareholders, controlling persons, agents and representatives of the foregoing, and their respective successors and assigns.

**“Debt Financing Sources”** means the agents, arrangers, bookrunners, lenders, underwriters and other Persons that have committed or been engaged to provide or arrange (including through soliciting purchasers of, or otherwise placing, notes or other debt) or otherwise entered into agreements in connection with all or any part of the Debt Financing, including the parties to any joinder agreements, indentures or credit agreements entered into in connection therewith.

**“Debt Tender Offer”** has the meaning given to it in Section 4.14(b)(ii).

**“Debt Tender Offer Documents”** has the meaning given to it in Section 4.14(b)(ii).

**“Depository”** means Computershare Trust Company of Canada or such other Person that may be appointed by the Purchaser and the Company for the purpose of receiving deposits of certificates or direct registration system advices formerly representing the Company Shares.

**“Dissent Rights”** means the rights of dissent in respect of the Arrangement as provided for in the Plan of Arrangement.

**“Dissenting Shareholder”** means a registered Company Shareholder who validly exercises its Dissent Rights with respect to the Arrangement Resolution in strict compliance with section 191 of the ABCA, the Interim Order and Article 4 of the Plan of Arrangement, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights as of the Effective Time.

**“EDGAR”** means the Electronic Data Gathering, Analysis and Retrieval system or any system that replaces it.

**“Effective Date”** means the date upon which the Arrangement becomes effective as set out in Section 2.7, being the date shown on the Certificate of Arrangement.

**“Effective Time”** has the meaning given to it in the Plan of Arrangement.

**“Emergency”** means any sudden, unexpected, force majeure or abnormal event which causes, or risks causing, imminent and substantial physical damage to or the endangerment of the safety of any property, imminent and substantial endangerment of health or safety of any person, or death or injury to any person, or imminent and substantial damage to the environment, in each case, whether real or reasonably perceived.

**“Environmental Laws”** means all Laws relating to:

- (a) the protection of human health or the environment, including those relating to pollution, waste, emissions, discharges, or Releases of Hazardous Substances or any other solid, liquid, gas, odour, heat, sound, vibration, or radiation;
- (b) the protection and conservation of natural resources, including climate, air, surface water, groundwater, wetlands, land surface, subsurface strata, wildlife, aquatic, terrestrial, avian or microbial species and vegetation; and
- (c) the manufacture, generation, handling, transport, transfer, labelling, packaging, sale, distribution, import, export, use, processing, treatment, recycling, storage, destruction, or disposal of, or exposure to, Hazardous Substances,

including, in each case, any other criminal, civil, equitable, or common law principle concerning any act or omission relating to the environment or Hazardous Substances.

**“Equalization Period”** has the meaning given to it in Section 4.18(d).

**“Exchange Approval”** means the approval of the New York Stock Exchange to the listing, subject to official notice of issuance, of the Consideration Units necessary to satisfy the aggregate Unit Consideration as provided for in the Plan of Arrangement (other than with respect to Company Shareholders exercising Dissent Rights).

**“Excluded Information”** means:

- (a) any description of post-closing capital structure, including descriptions of indebtedness or equity of the Purchaser or any of its affiliates (including the Company and its Subsidiaries on or after the Effective Date), other than with respect to the **Parkland** Existing Notes and any other indebtedness of the Company and its Subsidiaries that is anticipated to remain outstanding following the Effective Date,
- (b) any description of the Debt Financing (including any such descriptions to be included in liquidity and capital resources disclosure and any “description of notes”),
- (c) any information that would customarily be provided by an underwriter or initial purchaser in a customary offering memorandum for private placements of non-convertible high yield debt securities pursuant to Rule 144A promulgated under the *U.S. Securities Act*,
- (d) any information regarding any post-Effective Date or pro forma cost savings, synergies or other pro forma adjustments, pro forma information (other than pro forma information relating to historical periods, not relating to the transactions contemplated by this Agreement, and not otherwise required to be disclosed by the Company in connection with its public reporting) or projected information,
- (e) risk factors relating to all or any component of the Debt Financing,
- (f) financial statements or information required by Rules 3-09, 3-10 or 3-16 of Regulation S-X, Compensation Discussion and Analysis or other information required by Items 402 and 601 of Regulation S-K, and
- (g) unless disclosed by the Company in connection with its public reporting, “segment” financial information and disclosure, including, without limitation, any required by Item 101(c) of Regulation S-K and Financial Accounting Standards Board Accounting Standards Codification Topic 280.

**“Fairness Opinions”** means the opinions of the Financial Advisors to the effect that, as of the date of such opinions and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Consideration is fair, from a financial point of view, to the Company Shareholders, other than the Purchaser Parties and their Affiliates.

**“Final Order”** means the final order of the Court approving the Arrangement, as such Order may be amended by the Court prior to the Effective Time, provided that any such amendment is acceptable to both the Company and the Purchaser Parties, each acting reasonably, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Purchaser Parties and the Company, each acting reasonably) on appeal.

**“Financial Advisors”** means Goldman Sachs Canada Inc., BofA Securities Inc. and BMO Nesbitt Burns Inc.

**“Financing Materials”** has the meaning given to it in Section 4.14(a)(iii).

**“Foreign Antitrust and Investment Law”** means any competition, antitrust, merger control or foreign investment or national security law, other than in Canada and the United States.

**“Foreign Antitrust and Investment Law Approvals”** means any mandatory approval, clearance or authorization determined by the Parties to be required to consummate the Arrangement under Foreign Antitrust and Investment Laws.

**“Governmental Authority”** means:

- (a) the government of Canada or any other nation, or any political subdivision thereof, whether provincial, territorial, state, regional, municipal or local;
- (b) any department, agency, authority, instrumentality, regulatory body, central bank, court, commission, board, tribunal, bureau, or other entity exercising executive, legislative, regulatory, judicial or administrative powers or functions under, or for the account of, any of the foregoing; and
- (c) any stock exchange.

**“Hazardous Substance”** means any substance, chemical, mixture, or material, whether animate or inanimate, that is or may be harmful or hazardous to human, animal, or plant life, any property, any activity, or to the environment or any natural resources, and includes anything that is regulated under any Laws as a “contaminant”, “source of contaminant”, “pollutant”, “pesticide”, “fuel”, “deleterious substance”, “toxic substance”, “hazardous substance”, “controlled substance”, “designated substance”, “domestic substance”, “non-domestic substance”, “priority substance”, “prohibited substance”, “substance subject to notification or consent”, “restricted substance”, “ozone-depleting substance”, “nuclear substance”, “hazardous product”, “dangerous good”, “waste”, “hazardous waste”, or “hazardous recyclable material”.

**“Heritage Approval”** means, if determined by the Parties, acting reasonably and in good faith, to be required with respect to the Arrangement, the Heritage Minister shall have sent a notice to the Purchaser confirming that the Heritage Minister is satisfied, or is deemed to be satisfied, that the Arrangement is likely to be of net benefit to Canada.

**“Heritage Minister”** means the Minister of Canadian Culture and Identity, including where the context so requires his designates in the Cultural Sector Investment Review division of the Department of Canadian Heritage, including the Director, Trade Negotiations and Investments, or such member of the King’s Privy Council for Canada designated by the Governor General as Minister for the purposes of the Investment Canada Act as they relate to prescribed business activities under paragraph 15(a) thereof.

**“HSR Act”** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

**“HSR Act Approval”** means the expiration or early termination of the waiting period, and any extension thereof, or any timing agreements, understandings or commitments obtained by request or other action of the U.S. Federal Trade Commission and/or the U.S. Department of Justice, as applicable, under the HSR Act.

**“IFRS”** means International Financial Reporting Standards as issued by the International Accounting Standards Board, as incorporated in the CPA Canada Handbook at the relevant time applied on a consistent basis.

**“Indemnified Liability”** means any direct or indirect liability, obligation, loss, Tax, damage, claim, cost, expense, interest award, judgement or penalty that following the Effective Time, is suffered or incurred by, or imposed on, Purchaser Holdco but which resulted from, any fact, condition or circumstance existing, prior to the Effective Time, other than liabilities or obligations under this Agreement or in connection with the issuance of the Consideration Units.

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**“Indemnity Notice”** has the meaning given to it in Section 4.18(c).

**“Information Technology”** means all computer systems, communications systems, software (other than off-the-shelf software) and hardware, whether owned, used or licensed.

**“Intended US Income Tax Treatment”** has the meaning given to it in Section 2.12.

**“Interim Order”** means the interim order of the Court, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court, provided that any such amendment is acceptable to both the Company and the Purchaser Parties, each acting reasonably.

**“Investment Canada Act”** means the *Investment Canada Act* (Canada).

**“Investment Canada Act Approval”** means the Purchaser has received written notification from the responsible Minister under the Investment Canada Act that such Minister is satisfied, or is deemed to be satisfied, that the Arrangement is likely to be of net benefit to Canada.

**“IP Rights”** means:

- (a) all patents, patent applications, patent disclosures and inventions (whether or not patentable and whether or not reduced to practice), and including all provisional applications, substitutions, continuations, continuations-in-part, patents of addition, improvement patents, divisions, renewals, reissues, confirmations, counterparts, re-examinations and extensions thereof;
- (b) all trademarks, service marks, trade dress, trade names, logos, domain names, trade names and corporate names, whether registered or existing at common law;
- (c) all registered and unregistered statutory and common law copyrights and industrial designs;
- (d) all registrations, applications, divisionals and renewals for any of the foregoing;
- (e) all trade secrets, confidential information, ideas, formulae, compositions, know-how, improvements, innovations, discoveries, designs, manufacturing and production processes and techniques; and
- (f) all other intellectual property rights owned, licensed, controlled or used by a Person, in any and all relevant jurisdictions in the world.

**“Key Regulatory Approvals”** means, collectively, the Competition Act Approval, the Canada Transportation Act Approval, the Investment Canada Act Approval, the Heritage Approval, the HSR Act Approval and the Foreign Antitrust and Investment Law Approvals.

**“Law”** means, with respect to any Person, any and all applicable law, including the common law, constitution, treaty, convention, ordinance, code, rule, instrument, regulation, Order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, standards, practices, guidelines and protocols of any Governmental Authority, including, as applicable, the rules and requirements of any stock exchange.



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**“Lien”** means:

- (a) any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), privilege, easement, servitude, prior claim, pre-emptive right or right of first refusal, ownership or title retention agreement, license, occupancy right, restrictive covenant or conditional sale agreement or option, imperfections or defects of title or encroachments relating to Company Real Property; and
- (b) any other encumbrance of any nature or any arrangement or condition which, in substance, secures payment or performance of an obligation.

**“Matching Period”** has the meaning given to it in Section 5.4(a).

**“Material Adverse Effect”** means, in respect of a Party, any change, event, occurrence, effect, fact or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, facts, states of facts or circumstances, is or would reasonably be expected to be material and adverse to the business, operations, results of operations, assets, properties, financial condition or liabilities (contingent or otherwise) of the Party and its Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, fact or circumstances resulting from or arising in connection with:

- (a) any change or development generally affecting the industry in which the Party operates;
- (b) any change, development or condition relating to global, national or regional political conditions (including strikes, lockouts, protests, riots or facility takeover for emergency purposes) or relating to general economic, business, banking, regulatory, political, or market conditions or relating to national or global financial, currency, securities, commodities, or credit markets, or interest rates, rates of inflation or tariff policy;
- (c) any change, development or condition resulting from any act of terrorism or any outbreak of hostilities or declared or undeclared war, or any escalation or worsening of such acts of terrorism, hostilities or war;
- (d) any adoption, proposal, implementation or change in Law (including with respect to Taxes), accounting principles, or in the interpretation, application or non-application of the foregoing by any Governmental Authority;
- (e) any climatic event, natural disaster or epidemic, pandemic, health crisis or disease outbreak or worsening thereof;
- (f) any action taken (or omitted to be taken) by the Party that is required by this Agreement or upon the written request or with the written consent of the other Party;
- (g) any change in the credit rating, market price or trading volume of any securities of the Party (it being understood that the causes underlying such change in credit rating, market price or trading volume may be taken into account in determining whether a Material Adverse Effect has occurred);
- (h) any failure by the Party to meet any internal or published projections, forecasts, guidance or estimate of revenues, earnings or cash flows (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);

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- (i) the execution, announcement or performance of this Agreement or the Plan of Arrangement or the implementation and completion of the Arrangement, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Party with any Governmental Authority or any of its current or prospective employees, customers, security holders, financing sources, vendors, distributors, suppliers, counterparties, partners, licensors or lessors;
  - (j) in respect of the Company, any matter which has been expressly disclosed in the Company Disclosure Letter, and in respect of Sunoco, any matter which has been expressly disclosed in the Purchaser Parties Disclosure Letter; and
  - (k) any change of control of the board of directors of the Company and any management changes resulting therefrom, and provided, however, that:
    - (i) with respect to clauses (a) through to and including (e), only to the extent that such matter does not have a material disproportionate effect on the Party and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industries in which the Party operates; and
    - (ii) references in certain Sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a Material Adverse Effect has occurred.

**“Material Company Real Property Lease”** has the meaning given to it in Appendix C Section 28.

**“Material Contract”** means any Contract (other than any Contract entered in connection with the transactions contemplated by this Agreement):

- (a) that, if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect;
- (b) providing for any indebtedness for borrowed money of the Company or any of its Subsidiaries, whether secured by any asset or not in excess of \$50,000,000, excluding any intercorporate indebtedness owing (i) from the Company to a wholly-owned Subsidiary or (ii) from a wholly-owned Subsidiary of the Company to the Company or to another wholly-owned Subsidiary of the Company;
- (c) restricting the incurrence of indebtedness by the Company or any of its Subsidiaries (including by requiring the granting of an equal and rateable Lien) or the incurrence of any Liens on any properties or assets of the Company or any of its Subsidiaries, or restricting the payment of dividends by the Company, but excluding any Contract that is a guarantee or security agreement in respect of the Company Corporate Credit Facility or the Company Project Financing;
- (d) that provides for a guarantee of indebtedness for borrowed money in excess of \$50,000,000, but excluding any Contract that is a guarantee or security agreement in respect of the Company Corporate Credit Facility or the Company Project Financing;
- (e) restricting the incurrence of indebtedness by the Company or any of its Subsidiaries, other than in the Ordinary Course, but excluding any Contract that is a guarantee or security agreement in respect of the Company Corporate Credit Facility or the Company Project Financing;

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- (f) other than Company Employee Material Contracts, providing termination payments or benefits, change of control payments or benefits, or any other payments or benefits, in each case, that would be triggered solely by the Arrangement in excess of \$5,000,000;
  - (g) relating to any litigation or settlement thereof which does or could have actual or contingent obligations or entitlement of the Company or any of its Subsidiaries in excess of \$10,000,000, after deduction of any amounts paid to the Company or that are otherwise recoverable under any insurance policy of the Company, and which have not been fully satisfied prior to the date of this Agreement;
  - (h) any fuel supply fuel supply agreement under which a Party or any of its Subsidiaries is obligated to purchase at least 100 million litres of fuel on an annual basis;
  - (i) excluding fuel purchase agreements, under which the Company or any of its Subsidiaries is obligated to make or expects to receive payments in excess of \$35,000,000 in any 12 month period;
  - (j) other than a Contract entered in the Ordinary Course, that expressly imposes any material restriction on the right or ability of the Company or any of its Subsidiaries to compete with any other person or acquire or dispose of the securities of any other person or that creates an exclusive dealing arrangement or right of first offer or refusal or most favoured nation status in favour of any other person, provided that any requirement by a branded supplier to exclusively use its fuel at a branded location does not constitute an exclusive dealing arrangement;
  - (k) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds \$50,000,000 individually or in the aggregate (including any of the foregoing where the transaction has closed and the Company or any of its Subsidiaries has any existing indemnification, earn-out or other obligations in relation thereto);
  - (l) that limits or restricts in any material respect:
    - (i) the ability of the Company or any of its Subsidiaries to engage in any line of business or carry on business in any geographic area; or
    - (ii) the scope of Persons to whom the Company or any of its Subsidiaries may sell products;
  - (m) providing for the establishment, investment in, organization or formation of any joint venture, partnership or other revenue sharing arrangements in which the interest of the Company or any of its Subsidiaries;
  - (n) that is a Company Employee Material Contract; or
  - (o) that is a Material Company Real Property Lease.

“**Material Foreign Antitrust and Investment Law Approvals**” means the Foreign Antitrust and Investment Law Approvals listed in Appendix E.

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“**Minister**” means the responsible Minister under the Investment Canada Act and includes any Person designated by the Minister to act on his behalf.

“**Misrepresentation**” means a misrepresentation for the purposes of Securities Laws.

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*.

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*.

“**Non-Continuing Company Individual**” has the meaning given to it in Section 4.12(a).

“**NYSE**” means the New York Stock Exchange.

“**Order**” means any order, writ, judgment, decree, stipulation, determination, award, decision, sanction, ruling or similar action taken or entered by or with or applied by any Governmental Authority, in each case, whether temporary, preliminary or permanent.

“**Ordinary Course**” means, with respect to an action taken by a Person, that such action is or has been taken in the ordinary and usual course of the normal day-to-day operations of the Person or its business, as the case may be.

“**Outside Date**” means the date that is nine (9) months from the date of this Agreement, or such later date as may be agreed to in writing by the Parties, provided that if the Effective Date has not occurred by the date that is nine (9) months from the date of this Agreement as a result of the failure to satisfy the condition set forth in Section 6.1(d) (if the Law giving rise to the failure of such condition to be satisfied relates to any Key Regulatory Approval), then any Party may elect by notice in writing delivered to the other Parties by no later than 5:00 p.m. on a date that is on or prior to such date, to extend the Outside Date by a period of 90 days, provided further that, notwithstanding the foregoing, a Party shall not be permitted to extend the Outside Date if the failure to satisfy such condition is primarily the result of a material breach of such Party’s covenants in this Agreement.

“**Parkland Existing Notes**” means, collectively, (i) the 6.625% Senior Notes due 2032 issued by Parkland pursuant to an Indenture dated as of August 16, 2024, (ii) the 4.625% Senior Notes due 2030 issued by Parkland pursuant to an Indenture dated as of November 23, 2021, (iii) the 4.500% Senior Notes due 2029 issued by Parkland pursuant to an Indenture dated as of April 13, 2021, (iv) the 5.875% Senior Notes due 2027 issued by Parkland pursuant to an Indenture dated as of July 10, 2019, (v) the 4.375% Senior Notes due 2029 issued by Parkland pursuant to an Indenture dated as of March 25, 2021, (vi) 6.000% Senior Notes due 2028 issued by Parkland pursuant to an Indenture dated as of June 23, 2020 and (vii) 3.875% Senior Notes due 2026 issued by Parkland pursuant to an Indenture dated June 16, 2021 (the “**Existing 2026 Notes**”).

“**Parkland Existing Notes Actions**” has the meaning given to it in Section 4.14(b).

“**Parties**” means the Company, the Purchaser, Purchaser Holdco, Sunoco and any other Person who may become a party to this Agreement and except where otherwise stated any reference to “Party” in relation to the Purchaser Parties refers to all of them.

“**Permitted Contest**” means, with respect to any Person, action taken by or on behalf of such Person in good faith by appropriate proceedings diligently pursued to contest a Tax, claim or Lien, provided that the Person to which the Tax, claim or Lien being contested is relevant (or if such Person is a Subsidiary of any Purchaser Party or the Company, such Purchaser Party or the Company, as applicable, on a consolidated basis) has established reasonable reserves therefor if and to the extent required by generally accepted accounting principles, provided that, in the case of Taxes, such contestation effectively postpones collection of any such Taxes.

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**“Permitted Liens”** means as at any particular time with respect to any Person, any of the following

Liens on the property or any part of the property of such Person:

- (a) Liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (b) deemed Liens arising by operation of Law in connection with workers’ compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (c) undetermined or inchoate Liens incidental to construction or current operations which have not at such time been filed pursuant to Law against such Person or registered on title to any Company Real Property or which relate to obligations not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (d) zoning, and building restrictions, survey exceptions, by-laws, regulations and ordinances of Governmental Authorities, easements, rights of way, servitudes, leases, licenses, occupancy rights or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by any other Persons, and which individually or in the aggregate do not materially detract from the value or marketability of the land concerned or materially impair its use or utility in the operation of the business of such Person and its Subsidiaries, taken as a whole, and so long as the same are being complied with by the Company and its Subsidiaries in all material respects;
- (e) any builder’s, mechanic’s, garagemen’s, labourer’s or materialman’s Lien or other similar Lien arising in the Ordinary Course or out of the construction or improvement of any land or arising out of the furnishing of materials or supplies, provided that such Lien secures monies not at the time overdue, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest and in the Ordinary Course;
- (f) in respect of any land, any defects or irregularities in the title to such land which are of a minor nature and which, individually or in the aggregate, will not materially impair the use of such land for the purposes for which such land is held (including the current business operations at the affected Company Real Property) or the marketability or value of such land;
- (g) in respect of any land, any minor encroachments over neighbouring lands which, individually or in the aggregate, will not materially impair the use or utility of such land for the purposes for which such land is held (including the current business operations at the affected Company Real Property) or the marketability or value of such land;
- (h) in respect of the Company only, any Liens encumbering the landlord’s interest in any Company Leased Real Property;
- (i) Liens given by such Person to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of such Person, all in the ordinary course of its business which

individually or in the aggregate do not materially detract from the marketability or value of the asset concerned or materially impair its use or utility in the operation of the business of such Person and its Subsidiaries, taken as a whole, and so long as the same are being complied with by the Company and its Subsidiaries in all material respects;

- (j) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- (k) landlords' Liens or any other rights of distress reserved in or exercisable under any Company Real Property Lease for rent and for compliance with the terms of such Company Real Property Lease;
- (l) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money); or (ii) in respect of the Company only, any Liens encumbering the landlord's interest in any Company Leased Real Property;
- (m) Liens resulting from the deposit of cash or Liens on other assets as security when such Person is required to provide such deposits or security by a Governmental Authority or by normal business practice in connection with contracts, licenses or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same, or to secure workers' compensation, surety or appeal bonds or to secure costs of litigation when required by applicable Law;
- (n) purchase money Liens arising in the ordinary course of business;
- (o) Liens granted by the Company and its Subsidiaries in respect of the Company Corporate Credit Facility and in respect of the Company Project Financing; and
- (p) in respect of the Company only, those Liens listed and described at Section 1.1 of the Company Disclosure Letter.

**"Person"** means a natural person, partnership, limited partnership, limited liability partnership, syndicate, sole proprietorship, corporation or company (with or without share capital), limited liability company, stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority.

**"Personal Information"** means information about an identifiable individual other than such individual's business contact information where such business contact information is collected, used or disclosed for the purposes of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose.

**"Plan of Arrangement"** means the plan of arrangement of the Company attached hereto as Appendix A and any amendments or variations thereto made in accordance with this Agreement or made at the direction of the Court in the Interim Order or the Final Order and acceptable to both the Company and the Purchaser Parties, each acting reasonably.

**"Privacy Laws"** means the *Personal Information Protection and Electronic Documents Act* (Canada) and any similar Laws relating to the collection, use, disclosure or storage of Personal Information.

**"Proceeding"** means any suit, claim, action, charge, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, examination or known investigation commenced, brought, conducted or heard by or before any Governmental Authority.

“**Purchaser**” means 2709716 Alberta Ltd., a corporation existing under the laws of the Province of Alberta.

“**Purchaser Corporate Group**” means the Purchaser Parties and their Subsidiaries, taken as a whole.

“**Purchaser Damages Event**” has the meaning given to it in Section 8.1.

“**Purchaser Holdco Reorganization**” means the transactions set out in Schedule 1.1 to the Purchaser Parties Disclosure Letter.

“**Purchaser Holdco Units**” means the common units of membership interest of the Purchaser Holdco.

“**Purchaser Material Adverse Effect**” means a Material Adverse Effect in respect of Sunoco.

“**Purchaser Material Subsidiaries**” means a Subsidiary of Sunoco that constitutes a “significant subsidiary” as defined in Rule 1.02(w) of Regulation S-X promulgated under the United States Securities Act of 1933, as amended.

“**Purchaser Midco**” has the meaning given to it in the Plan of Arrangement.

“**Purchaser Midco Shares**” has the meaning given to it in the Plan of Arrangement.

“**Purchaser Parties**” means, collectively, the Purchaser, Purchaser Holdco and Sunoco.

“**Purchaser Parties Disclosure Letter**” means the disclosure letter executed by the Purchaser Parties and delivered to the Company concurrently with the execution of this Agreement.

“**Purchaser Reimbursement Payment**” has the meaning given to it in Section 8.1(c).

“**Purchaser Shares**” means the common shares of the Purchaser.

“**Purchaser Termination Fee**” has the meaning given to it in Section 8.1.

“**Registered IP**” has the meaning given to it in Appendix C in Section 30(a).

“**Registrar**” means the registrar under the ABCA.

“**Regulatory Approval**” means:

- (a) any consent, waiver, permit, license, certificate, exemption, review, Order, decision or approval of, or any registration and filing with, any Governmental Authority;
- (b) any third party consent required under any of the Authorizations held by the Company or any of its Subsidiaries; or
- (c) the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Authority, in each case in connection with the Arrangement.

“**Release**” means any emission, addition, discharge, release, deposit, spraying, injection, abandonment, leeching, migration, pumping, escape, spill, leak, seepage, disposal, or exhausting of a Hazardous Substance and when used as a verb has a like meaning.

“**Representative**” means, in respect of any Person and, as applicable, any officer, director, trustee, partner, employee, representative (including any financial, legal or other advisor) or agent of such Person or of any of its Subsidiaries.

“**Required Amount**” has the meaning given to it in Appendix D Section 28.

“**Required Financial Information**” means:

- (a) the Company historical financial statements as required by paragraph (e) of Annex III of the Debt Commitment Letter and including, without limitation, the most recent financial statements filed (or required to be filed) by the Company on SEDAR+;
- (b) all other financial statements, financial data, audit reports and other information regarding the Company and its Subsidiaries of the type and form that would be required by Regulation S-X promulgated by the SEC and Regulation S-K promulgated by the SEC for a registered public offering of debt securities on a registration statement on Form S-1 under the *U.S. Securities Act*; and
- (c) such other pertinent and customary information regarding the Company and its Subsidiaries (including, to the extent necessary and ascertainable or determinable by the Company, customary “flash” financial information) as may be reasonably requested by the Purchaser or Sunoco (or the Debt Financing Sources) to the extent that such information is (i) required in connection with the Debt Financing contemplated by the Debt Commitment Letter or of the type and form customarily included in (A) marketing documents used to syndicate credit facilities of the type contemplated by the Debt Commitment Letter, including to allow the Purchaser or Sunoco to prepare pro forma financial statements and any pro forma operating data included in such marketing materials or (B) an offering memorandum for private placements of non-convertible high yield debt securities pursuant to Rule 144A promulgated under the *U.S. Securities Act* or (ii) as otherwise necessary to receive from the Company’s independent public accountants (and any other accountant to the extent that financial statements audited or reviewed by such accountants are or would be included in such offering memorandum) customary “comfort” (including negative assurance and customary change period comfort), together with drafts of customary comfort letters that such independent public accountants are prepared to deliver upon the “pricing” of any debt securities being issued in connection with the Debt Financing, with respect to the financial information to be included in such offering memorandum;

provided that the Company shall not be required to provide any Excluded Information.

“**Rights Plan**” means the restated shareholder rights plan agreement between the Company and Computershare Trust Company of Canada dated March 18, 2014, as amended on May 3, 2017, May 7, 2020, and May 4, 2023.

“**Sanctioned Person**” means any Person who is a designated target of Sanctions or is otherwise a subject of Sanctions, including as a result of being:

- (a) owned or controlled directly or indirectly by any Person which is a designated target of Sanctions; or
- (b) organized under the laws of any country that is subject to general or country-wide Sanctions, or any Person that is a “designated person”, “politically exposed foreign person” or “terrorist group” as described in any Laws relating to Sanctions.

“**Sanctions**” means any economic or trade sanctions or restrictive measures enacted, administered, imposed or enforced by the Parliament of Canada, Global Affairs Canada, the United



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States Department of the Treasury's Office of Foreign Assets Control, the United States Department of State, the United Nations Security Council, the European Union or any present or future member state thereof, the United Kingdom's His Majesty's Treasury or any other relevant sanctions authority.

**"Sarbanes-Oxley Act"** has the meaning given to it in Appendix D Section 10.

**"SEC"** means the U.S. Securities and Exchange Commission.

**"Securities Laws"** means the *Securities Act* (Alberta) and any other applicable Canadian provincial and territorial rules, orders, notices, promulgations and regulations and published policies thereunder and, where applicable, applicable securities laws and regulations of other jurisdictions.

**"Securities Regulatory Authorities"** means the Alberta Securities Commission, the U.S. Securities and Exchange Commission and any other applicable securities commissions or securities regulatory authority of a province or territory of Canada or any other jurisdiction with authority in respect of the Company and/or its Subsidiaries or, as applicable, any of the Purchaser Parties.

**"SEDAR+"** means the System for Electronic Data Analysis and Retrieval + or any system that replaces it.

**"Specified Change in Recommendation"** has the meaning given to it in Section 5.5(b).

**"Sunoco"** means Sunoco LP, a limited partnership existing under the laws of Delaware.

**"Sunoco Certifications"** has the meaning given to it in Appendix D Section 10.

**"Sunoco Class C Units"** means the Class C units representing limited partner interests in Sunoco.

**"Sunoco Class D Common Units"** means a new class of Class D Common Units of Sunoco representing limited partnership interests in Sunoco to be formed prior to the Effective Time that will be economically equivalent to the Sunoco Common Units, including, subject to Section 4.18(d), as to timing and quantum of distributions.

**"Sunoco Common Units"** means the common units representing limited partnership interests in Sunoco.

**"Sunoco Equity Plans"** means the employee and director equity plans of Sunoco.

**"Sunoco Existing Credit Facilities"** means Third Amended and Restated Credit Agreement, dated as of May 3, 2024, by and among Sunoco LP, as borrower, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent, swingline lender and an LC issuer, as may be amended from time to time.

**"Sunoco Filings"** means all documents publicly filed under the profile of Sunoco on EDGAR since January 1, 2024 and before the date hereof.

**"Sunoco GP"** means Sunoco GP LLC, a limited liability company existing under the laws of Delaware.

**"Sunoco GP Board"** means the board of directors of Sunoco GP, as constituted from time to time.

**"Sunoco Incentive Distribution Rights"** means Incentive Distribution Rights, as such term is defined in the Sunoco Partnership Agreement (together with the amendments thereto).

“**Sunoco Partnership Agreement**” means the second amended and restated agreement of limited partnership of Sunoco effective February 12, 2025 and any amendments thereto.

“**Sunoco Phantom Units**” means the phantom units representing the right to receive, following vesting and settlement, Sunoco Common Units.

“**Sunoco Regular Dividends**” means, (i) in respect of the Sunoco Common Units, the quarterly dividends declared and paid on the Sunoco Common Units in the Ordinary Course, and (ii) any Sunoco Incentive Distribution Rights payable with respect to the distributions contemplated by clause (i).

“**Subsidiary**” means a Person that is Controlled directly or indirectly by another Person and includes a Subsidiary of that Subsidiary.

“**Superior Proposal**” means any written Acquisition Proposal made after the date of this Agreement from a Person or group of Persons (other than the Purchaser Parties) to purchase or otherwise acquire all or substantially all of the outstanding Company Shares (other than Company Shares beneficially owned by such Person or Persons and provided that, for further clarity, any Company Shares held by a Company Employee subject to a rollover or similar agreement having customary conditions will be considered acquired for this purpose) or all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis:

- (a) that complies in all material respects with Securities Laws;
- (b) that did not result from a breach of Article 5;
- (c) that the Company Board and the Company Special Committee determine, in their good faith judgment, after receiving the advice of their outside legal counsel and financial advisors and, in the case of the Company Board, upon the recommendation of the Company Special Committee, is reasonably capable of being completed at the time and on the terms proposed, without undue delay, relative to the Arrangement, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the Person or group of Persons making such Acquisition Proposal and their respective Affiliates;
- (d) that is not subject to a financing condition;
- (e) that is not subject to any due diligence condition or, other than a provision that is no less favourable to the Company than Section 4.7, access condition;
- (f) in respect of which it has been demonstrated to the satisfaction of the Company Board, acting in good faith after consultation with its financial advisor(s) and external legal counsel, that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal; and
- (g) that the Company Board and the Company Special Committee determine, in their good-faith judgment, after receiving the advice of their outside legal counsel and financial advisors and, in the case of the Company Board, upon the recommendation of the Company Special Committee, after taking into account all terms and conditions (including transaction structure) of the Acquisition Proposal, including legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person or group of Persons making such Acquisition Proposal and their Affiliates, would, if consummated in accordance with its terms, and taking into account the risk of non-completion, result in a transaction that is more favourable, from a financial point of view, to the Company Shareholders than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser Parties pursuant to Section 5.4).

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“**Tax Act**” means the *Income Tax Act* (Canada).

“**Tax Authority**” means the Canada Revenue Agency, the Internal Revenue Service and any other Governmental Authority having taxing authority and their respective successors, if any.

“**Tax Returns**” means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in written, electronic or other form) and any amendments, schedules, attachments, supplements, appendices and exhibits thereto, which have been prepared or filed or are required to be prepared or filed in respect of Taxes.

“**Taxes**” includes:

- (a) any taxes, duties, assessments, imposts, fees, withholdings, levies and other charges of any nature imposed by any Tax Authority including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, property, occupancy, vacancy, environmental, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervailing and anti-dumping and all employment insurance, health insurance and Canada, Québec and other government pension plan and other employer plan premiums, contributions or withholdings;
- (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Tax Authority on or in respect of amounts of the type described in clause (a) above or this clause (b); and
- (c) any liability for the payment of any amounts of the type described in clause (a) or (b) above by contract, as a result of any express or implied obligation to indemnify any other Person, or as a result of being a member of an affiliated, consolidated, combined or unitary group for any period or as a result of being a transferee or successor in interest to any party.

“**Terminating Party**” has the meaning given to it in Section 4.9.

“**Termination Notice**” has the meaning given to it in Section 4.9.

“**Transaction Personal Information**” means Personal Information in the possession, custody or control of the Company or any of its Subsidiaries, including Personal Information about Company Employees, contractors, suppliers, customers, directors, officers, shareholders or other securityholders that is or will be:

- (a) disclosed to any of the Purchaser Parties prior to the Effective Time by the Company; or
- (b) collected by any of the Purchaser Parties prior to the Effective Time from the Company, in either case in connection with the Arrangement.

“**TSX**” means the Toronto Stock Exchange.

“**Unit Consideration**” means the consideration in the form of Consideration Units to be paid for Company Shares pursuant to the Plan of Arrangement.

“**Unit Maximum**” means such number of Consideration Units as is equal to the product obtained by multiplying the number of Company Shares issued and outstanding immediately prior to the Effective Time (other than Company Shares held by Dissenting Shareholders) by 0.295.

“**U.S. Exchange Act**” means the United States *Securities Exchange Act of 1934*.

“**U.S. Securities Act**” means the United States *Securities Act of 1933*.

“**U.S. Securities Laws**” means the *U.S. Securities Act*, the *U.S. Exchange Act*, and any applicable securities, “blue sky” or other similar laws of any state of the United States of America.

“**Voting Agreements**” has the meaning given to it in the recitals of this Agreement, and “**Voting Agreement**” means any one of them.

“**wilful breach**” means a material breach that is a consequence of an act undertaken or a failure to act undertaken by the breaching Party with the actual knowledge that such act or failure to act would, or would be reasonably be expected to, cause a breach of this Agreement.

## 1.2 Gender and Number

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, words importing the singular number only (including defined terms) include the plural and vice versa and words importing a gender include all genders and, in each case, the rest of any sentence including such words is to be construed as if the necessary grammatical changes had been made.

## 1.3 Certain Phrases and Calculation of Time

- (a) In this Agreement:
  - (i) the words “including” and “includes” mean “including (or includes) without limitation”; and
  - (ii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”. If the last day of any such period is not a Business Day, such period will end on the next Business Day.
- (b) When calculating the period of time “within” which or “following” which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is to be excluded from the calculation. If the last day of any such period is not a Business Day, such period will end on the next Business Day.
- (c) Without limiting the generality of the foregoing, whenever payments are to be made or an action taken on a day which is not a Business Day, such payment will be made or such action taken on the next Business Day.

## 1.4 Other Terms

In this Agreement:

- (a) the phrases “the aggregate of”, “the total of” and “the sum of” and phrases of similar meaning mean “the aggregate (or total or sum), without duplication, of”;

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- (b) the words “hereof”, “herein”, “hereunder” and “hereto” and similar expressions refer to this Agreement as a whole;
  - (c) the word “or” is not exclusive;
  - (d) the words “delivered”, “made available” and “furnished” and similar expressions mean that the information, document or materials referred to have been physically or electronically delivered to the relevant Parties; and
  - (e) the words “executed” and “signed” include electronic signatures and execution thereby, and an electronic signature shall have the same legal effect, and be as valid and enforceable, as a manually executed signature.

#### **1.5 Headings, etc.**

The inclusion of a table of contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect or be used in the construction or interpretation of this Agreement.

#### **1.6 Currency**

All monetary amounts in this Agreement, unless otherwise specified, are stated in Canadian currency.

#### **1.7 Knowledge**

Where any representation or warranty in this Agreement is expressly qualified by reference to the knowledge of:

- (a) the Company, it is deemed to refer to the knowledge that the Company’s Chief Executive Officer or the Company’s Chief Financial Officer either has, or would have obtained, after having made or caused to be made reasonable inquiries necessary to obtain informed knowledge; and
- (b) the Purchaser, it is deemed to refer to the knowledge that Sunoco’s Chief Executive Officer or Sunoco’s Chief Financial Officer either has, or would have obtained, after having made or caused to be made reasonable inquiries necessary to obtain informed knowledge.

#### **1.8 Statutory References**

Except as otherwise specifically provided in this Agreement, any reference to a statute in this Agreement refers to that statute and the rules, regulations and ministerial orders made under that statute and in effect on the date of this Agreement and on the Effective Date, as the same may, from time to time, be amended, re-enacted or replaced on or prior to the Effective Date.

#### **1.9 Time References**

References to time are to local time, Calgary, Alberta.

#### **1.10 No Presumption**

The Parties and their counsel have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if drafted jointly by the Parties. No presumption or burden of proof should arise in favour of any Party by virtue of the authorship of any provision of this Agreement.

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### **1.11 Governing Law and Forum**

- (a) This Agreement is governed by and is to be interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (b) The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of Alberta in any Proceeding arising out of, or relating to, this Agreement. Each of the Parties waives objection to the venue of any Proceeding in such court or any argument that such court provides an inconvenient forum.
- (c) Each of the Parties irrevocably waives any and all rights to trial by jury in any legal Proceeding arising out of, or related to, this Agreement.
- (d) The foregoing shall not limit the agreements set forth in Section 4.15.

### **1.12 Schedules**

The appendices attached to this Agreement, the Company Disclosure Letter and the Purchaser Parties Disclosure Letter form an integral part of this Agreement for all purposes of it.

## **Article 2 The Arrangement**

### **2.1 The Arrangement**

The Parties agree that the Arrangement shall be implemented in accordance with and subject to the terms and on the conditions contained in this Agreement and the Plan of Arrangement.

### **2.2 Interim Order**

As soon as is practicable following the execution of this Agreement and, subject to the availability of the Court, in any event in sufficient time to hold the Company Meeting in accordance with Section 2.4, the Company shall apply to the Court in a manner acceptable to the Purchaser Parties, acting reasonably, for the Interim Order, which must provide, subject to the Court, among other things:

- (a) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting, and for the manner in which such notice is to be provided;
- (b) that the securities of the Company for which holders as at the record date established for the Company Meeting will be entitled to vote on the Arrangement Resolution shall be the Company Shares;
- (c) that the required level of approval for the Arrangement Resolution shall be at least two-thirds of the votes cast on the Arrangement Resolution by Company Shareholders present in person or represented by proxy at the Company Meeting; and, if required under Securities Laws by a simple majority of the votes cast on the Arrangement Resolution by Company Shareholders present in person or represented by proxy at the Company Meeting, excluding for this purpose any votes attached to Company Shares held by Persons described in items (a) through (d) of section 8.1(2) of MI 61-101;
- (d) that the Company Meeting may be held as a virtual or hybrid shareholder meeting and that Company Shareholders who participate in the Company Meeting by virtual means will be deemed to be present at the Company Meeting;

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- (e) that, in all respects, other than as ordered by the Court, the terms, restrictions and conditions of the Constatng Documents of the Company, including quorum requirements and all other matters, shall apply in respect of the Company Meeting;
  - (f) for the grant of the Dissent Rights to those Company Shareholders who are registered Company Shareholders, as contemplated in the Plan of Arrangement;
  - (g) that the deadline for submission of proxies by Company Shareholders for the Company Meeting shall be 48 hours (excluding Saturdays, Sundays and statutory holidays in Calgary) prior to the Company Meeting;
  - (h) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
  - (i) that the Company Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement or as otherwise agreed to by the Parties without the need for additional approval of the Court;
  - (j) confirmation of the record date for the purposes of determining the Company Shareholders entitled to receive notice of and to vote at the Company Meeting in accordance with the Interim Order;
  - (k) that the record date for Company Shareholders entitled to notice of and to vote at the Company Meeting will not change as a result of any adjournment or postponement of the Company Meeting, unless required by Securities Laws or the Court;
  - (l) that it is the Purchaser Holdco's intention to rely upon the exemption from registration provided by Section 3(a)(10) of the *U.S. Securities Act* with respect to the issuance of the Unit Consideration pursuant to the Arrangement, based on the Court's approval of the Arrangement; and
  - (m) for such other matters as a Party may reasonably require, subject to obtaining the prior consent of the other Parties, such consent not to be unreasonably, withheld, conditioned or delayed, and subject to the approval of the Court.

### **2.3 The Company Circular**

- (a) The Company shall, as promptly as reasonably practicable, prepare and complete, in consultation with the Purchaser Parties, the Company Circular, together with any other documents required by Law in connection with the Company Meeting, and the Company shall, as promptly as reasonably practicable after obtaining the Interim Order, cause the Company Circular and such documents to be filed with the Securities Regulatory Authorities and sent to each Company Shareholder and each other Person who is entitled to receive the Company Circular and such documents pursuant to the Interim Order or Law, in each case so as to permit the Company Meeting to be held in accordance with Section 2.4.
- (b) The Company shall, subject to compliance by the Purchaser Parties with their obligations under this Section 2.3 and subject to the Purchaser Parties obtaining the consents contemplated in Section 2.3(d), ensure that the Company Circular:
  - (i) complies with Law and does not contain a Misrepresentation; and

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- (ii) provides the Company Shareholders with sufficient information to permit them to form a reasoned judgment concerning the matters to be placed before the Company Meeting.
  - (c) Without limiting the generality of Section 2.3(b)(ii), the Company Circular must include:
    - (i) a summary and a copy of the Fairness Opinions;
    - (ii) a statement that the Company Special Committee has received the Fairness Opinions and has, after receiving advice from its financial advisors and outside legal counsel and having considered all other relevant factors, determined that the Arrangement is fair to the Company Shareholders and is in the best interests of the Company and has recommended that the Company Board recommend that the Company Shareholders vote in favour of the Arrangement Resolution; and
    - (iii) a statement that the Company Board has received the Fairness Opinions and has, after receiving advice from its financial advisors and outside legal counsel and upon the recommendation of the Company Special Committee and having considered all other relevant factors determined that the Arrangement is fair to the Company Shareholders and is in the best interests of the Company and recommends that the Company Shareholders vote in favour of the Arrangement Resolution (the “**Company Board Recommendation**”);
    - (iv) a statement that each director and officer of the Company has entered into a Voting Agreement pursuant to which each such Person has agreed to vote all their Company Shares in favour of the Arrangement Resolution in accordance with the terms of such Voting Agreements;
    - (v) if applicable, disclosure of how to access the Company Meeting electronically, any minimum technology requirements to do so, and a method of seeking help in the event Company Shareholders are having difficulty logging into the Company Meeting;
    - (vi) if applicable, include information on how Company Shareholders and proxyholders can vote electronically at the Company Meeting and any limitations on the ability to ask questions; and
    - (vii) a statement that the Purchaser Parties may, on behalf of the management of the Company, directly or through a proxy solicitation services firm of its choice, actively solicit proxies, on behalf of management of the Company, in favour of the approval of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement in compliance with Law.
  - (d) The Purchaser Parties shall provide to the Company all necessary information concerning the Purchaser Parties and the Consideration Units that is required by Law to be included in the Company Circular or other related documents and ensure that such information (including with respect to information incorporated by reference) does not contain a Misrepresentation concerning the Purchaser Parties or the Consideration Units. The Purchaser Parties shall use commercially reasonable efforts to obtain any necessary consents from any of their auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Company Circular and to the identification in the Company Circular of each such advisor.



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- (e) The Purchaser Parties shall jointly and severally indemnify and save harmless the Company, its Subsidiaries and its and their Representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which the Company, its Subsidiaries and its and their Representatives may be subject to or may suffer, arising directly or indirectly out of or in consequence of:
    - (i) any Misrepresentation in any information included in the Company Circular that was provided by the Purchaser Parties pursuant to paragraph 2.3(d); and
    - (ii) any Order made or Proceeding taken by a Securities Regulatory Authority or other Governmental Authority, to the extent based on any Misrepresentation or alleged Misrepresentation in any information relating solely to any of the Purchaser Parties or to the Consideration Units included in the Company Circular that was provided by the Purchaser Parties pursuant to paragraph 2.3(d).
  - (f) The Company shall indemnify and save harmless the Purchaser Parties and their respective Representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which the Purchaser Parties and their respective Representatives may be subject to or may suffer, arising directly or indirectly out of or in consequence of:
    - (i) any Misrepresentation in any information included in the Company Circular (other than information that was provided by the Purchaser Parties pursuant to paragraph 2.3(d)); and
    - (ii) any Order made or Proceeding taken by a Securities Regulatory Authority or other Governmental Authority, to the extent based on any Misrepresentation or alleged Misrepresentation in any information included in the Company Circular (other than information that was provided by the Purchaser Parties pursuant to paragraph 2.3(d)).
  - (g) The Company shall allow the Purchaser Parties and their outside legal counsel a reasonable opportunity to review and comment on drafts of the Company Circular and other related documents and shall give reasonable consideration to any comments made by the Purchaser Parties and their outside legal counsel and agrees that all information relating solely to the Purchaser Parties or the Consideration Units that is furnished by or on behalf of the Purchaser Parties for inclusion in the Company Circular or other related documents must be in a form and content satisfactory to the Purchaser Parties in their sole discretion acting reasonably. The Company shall provide the Purchaser Parties with final copies of the Company Circular prior to its mailing to the Company Shareholders.
  - (h) The Company and the Purchaser Parties shall each promptly notify the other if at any time before the Effective Date any of them becomes aware that the Company Circular contains a Misrepresentation, or otherwise requires an amendment or supplement. The Company and the Purchaser Parties shall each co-operate in the preparation of any such amendment or supplement as required or appropriate, and the Company shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Company Shareholders and any other Person who is entitled to receipt of same, and, if required by the Court or by Law, file the same with the Securities Regulatory Authorities or any other Governmental Authority.
  - (i) Other than in connection with obtaining the Key Regulatory Approvals which are governed by Section 4.5:
    - (i) the Company shall promptly:

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- (A) notify the Purchaser Parties upon the receipt of any correspondence with respect to the Company Circular, the Company Meeting or the Arrangement, whether written or oral, from any Securities Regulatory Authority or the staff of a Securities Regulatory Authority or any request from any Securities Regulatory Authority or the staff of a Securities Regulatory Authority for information related to the Company Circular, the Company Meeting or the Arrangement or amendments or supplements to the Company Circular; and
  - (B) provide the Purchaser Parties with copies of all correspondence between the Company and its Representatives, on the one hand, and any Securities Regulatory Authority or the staff of a Securities Regulatory Authority, on the other hand with respect to such correspondence; and
- (ii) the Company shall respond as promptly as reasonably practicable to any correspondence with respect to the Company Circular, the Company Meeting or the Arrangement from any Securities Regulatory Authority or the staff of a Securities Regulatory Authority and shall give the Purchaser Parties and their legal counsel a reasonable opportunity to review and comment on any such response prior to submitting it to any Securities Regulatory Authority or the staff of a Securities Regulatory Authority, and shall give reasonable consideration to any comments made thereon by the Purchaser Parties and their legal counsel; and
  - (iii) if legally permissible, each of the Company and the Purchaser Parties shall provide the other and their respective outside legal counsel and other Representatives a reasonable opportunity to participate in any discussions or meetings with any Securities Regulatory Authority or the staff of a Securities Regulatory Authority regarding the Company Circular, the Company Meeting or the Arrangement.

#### **2.4 Company Meeting**

- (a) The Company shall cancel its currently scheduled 2025 annual meeting of Company Shareholders to permit the Company Meeting to be held with its 2025 annual meeting and hold its 2025 annual meeting with the Company Meeting, and make all applications and filings required by Securities Regulatory Authorities, stock exchanges and the Court in respect of the foregoing.
- (b) Subject to the receipt of the Interim Order and the terms of this Agreement and the Interim Order, the Company shall:
  - (i) subject to compliance by the Purchaser Parties with their obligations pursuant to Section 2.3, convene and conduct the Company Meeting (and cause the Arrangement Resolution to be voted on at the Company Meeting) in accordance with the Interim Order, the Company's Constatng Documents (except as varied by the Interim Order), and Law as soon as practicable and, subject to Court availability in respect of obtaining the Interim Order, delivery of the Company Circular to Company Shareholders as promptly as practicable thereafter and the minimum period of time between such date and the date of the Company Meeting prescribed by applicable Law, in any event on or before July 31, 2025;
  - (ii) not adjourn, postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the Company Meeting without the prior written consent of the Purchaser Parties, such consent not to be unreasonably withheld, conditioned or delayed, except as:

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- (A) required or permitted under Section 4.9(d) or 5.4(e);
  - (B) required for quorum purposes (in which case, the Company Meeting shall be adjourned and not postponed or cancelled); or
  - (C) required by Law or a Governmental Authority;
- (iii) unless the Company Board makes a Company Change in Recommendation, use commercially reasonable efforts to solicit proxies in favour of the approval of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, if so requested by the Purchaser Parties, acting reasonably, using established proxy solicitation services firms and co-operating with any Persons engaged by the Purchaser Parties to solicit proxies in favour of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution;
  - (iv) permit the Purchaser Parties to, at their expense, on behalf of the management of the Company, directly or through a proxy solicitation services firm of their choice, actively solicit proxies, on behalf of management of the Company, in favour of the approval of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement in compliance with Law;
  - (v) promptly provide the Purchaser Parties with copies of or access to information regarding the Company Meeting generated by the Company's transfer agent or any proxy solicitation services firm retained by the Company, as reasonably requested from time to time by the Purchaser Parties;
  - (vi) consult with the Purchaser Parties in fixing the date of the Company Meeting and the record date for the purpose of determining the Persons entitled to receive notice of and vote at the Company Meeting, give notice to the Purchaser Parties of the Company Meeting, and allow the Representatives and outside legal counsel of the Purchaser Parties to attend the Company Meeting;
  - (vii) promptly advise the Purchaser Parties, at such times as the Purchaser Parties may reasonably request and on a daily basis on each of the last ten Business Days prior to the date of the Company Meeting, as to the aggregate tally of proxies (for greater certainty, specifying votes "for" and votes "against" the Arrangement Resolution) received by the Company in respect of the Arrangement Resolution;
  - (viii) promptly advise the Purchaser Parties of any communication (written or oral) received from, or Proceedings brought by (or, to the knowledge of the Company, threatened by), any Person in opposition to the Arrangement, including any such communication received from a proxy advisory firm recommending or proposing to recommend that Company Shareholders vote against the Arrangement Resolution, any written notice of dissent or purported exercise of Dissent Rights received by the Company in relation to the Arrangement and any withdrawal of Dissent Rights received by the Company and, subject to Law, provide the Purchaser Parties with a reasonable opportunity to review and comment upon any written communication sent by or on behalf of the Company to any such Person and to participate in any discussions or negotiations with or including any such Person;

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- (ix) not, without the prior written consent of the Purchaser Parties, waive the deadline for the submission of proxies by Company Shareholders for the Company Meeting, other than for the purposes of attempting to solicit proxies to obtain approval of the Arrangement Resolution;
  - (x) promptly notify the Purchaser Parties if the Company becomes aware of any beneficial holder of Company Shares that becomes a registered holder of Company Shares by withdrawing such holder's Company Shares from the book-based system;
  - (xi) not settle, compromise or make any payment with respect to, or agree to settle, compromise or make any payment with respect to, any exercise or purported exercise of Dissent Rights without the prior written consent of the Purchaser Parties, which consent may be withheld for any or no reason;
  - (xii) not, without the prior written consent of the Purchaser Parties, which consent shall not be unreasonably withheld, conditioned or delayed, change the record date for the purpose of determining the Persons entitled to receive notice of and to vote at the Company Meeting (including in connection with any adjournment or postponement of the Company Meeting) unless required by Law; and
  - (xiii) at the reasonable request of the Purchaser Parties from time to time, provide the Purchaser Parties with a list of the:
    - (A) registered Company Shareholders, together with their addresses and respective holdings of the Company Shares;
    - (B) names, addresses and holdings of all Persons owning securities that entitle the holder to subscribe for or otherwise acquire Company Shares; and
    - (C) participants and book-based nominee registrants, such as CDS & Co., CEDE & Co. and DTC, and non-objecting beneficial owners of the Company Shares, together with their addresses and respective holdings of the Company Shares,all as of a date that is as close as reasonably practicable to the date of delivery of such lists, and shall from time to time require that its registrar and transfer agent furnish the Purchaser Parties with such additional information, including updated or additional lists of the Company Shareholders and lists of securities positions and other assistance as the Purchaser Parties may reasonably request.

## **2.5 Final Order**

If the Interim Order is obtained and the Arrangement Resolution is passed at the Company Meeting as provided for in the Interim Order, the Company shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order, as soon as reasonably practicable and, in any event, within five Business Days following the approval of the Arrangement Resolution at the Company Meeting, subject to Court availability.

## **2.6 Court Proceedings**

In connection with all Proceedings relating to obtaining the Interim Order and the Final Order, the Company shall:

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- (a) diligently pursue, and co-operate with the Purchaser Parties in diligently pursuing, the Interim Order and the Final Order;
  - (b) provide the Purchaser Parties and their outside legal counsel with a reasonable opportunity to review and comment upon drafts of all material to be filed with, or submitted to, the Court or the Registrar in connection with the Arrangement and give due consideration to all such comments of the Purchaser Parties and their outside legal counsel; provided that, all information relating to the Purchaser Parties included in such materials shall be in a form and substance satisfactory to the Purchaser Parties, acting reasonably;
  - (c) provide to the Purchaser Parties and their outside legal counsel, on a timely basis, copies of any notice of appearance, evidence or other documents served on the Company or its outside legal counsel in respect of the application for the Interim Order or the Final Order, or any appeal from them and any notice, written or oral, indicating the intention of any Person to oppose the granting of, or appeal, the Interim Order or the Final Order;
  - (d) ensure that all material filed with the Court in connection with the Arrangement is consistent in all respects with the terms of this Agreement and the Plan of Arrangement;
  - (e) not file any material with the Court in connection with the Arrangement or serve any such material, or agree to modify or amend any material so filed or served, except as contemplated by this Agreement or with the prior written consent of the Purchaser Parties, such consent not to be unreasonably withheld, conditioned or delayed; provided that, the Purchaser Parties shall not be required to agree or consent to any increase in or variation in the form of the Consideration or other modification or amendment to such filed or served materials that expands or increases the obligations of the Purchaser Parties, or diminishes or limits the rights of the Purchaser Parties as may be set forth in any such filed or served materials or under this Agreement, the Arrangement, the Plan of Arrangement or the Voting Agreements;
  - (f) oppose any proposal from any Person that the Final Order contain any provision inconsistent with this Agreement;
  - (g) return to Court with respect to the Final Order, if required by the terms of the Final Order or by Law to do so, only after notice to, and in consultation and co-operation with, the Purchaser Parties; and
  - (h) permit outside legal counsel to the Purchaser Parties to make such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate; provided that, the Purchaser Parties advise the Company of the nature of any submissions prior to the hearing and such submissions are consistent in all respects with this Agreement and the Plan of Arrangement.

## **2.7 Articles of Arrangement and Effective Date**

- (a) The closing of the Arrangement, including the filing of the Articles of Arrangement with the Registrar, shall occur as soon as reasonably practicable (and in any event no later than the fifth (5<sup>th</sup>) Business Day) after the satisfaction or, where not prohibited, waiver by the applicable Party or Parties in whose favour the condition is stipulated, of the conditions contained in Article 6 (excluding conditions that, by their terms, are to be satisfied on the Effective Date, but subject to the satisfaction, or where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is stipulated, of those conditions) or such other date as the parties may agree in writing (the “**Effective Date**”).

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- (b) If on the date the Company would otherwise be required to file the Articles of Arrangement pursuant to Section 2.7(a), a Party has delivered a Termination Notice pursuant to Section 4.9(c), the Company shall not file the Articles of Arrangement until the Breaching Party has cured the breaches of covenants, representations and warranties or other matters specified in the Termination Notice.
  - (c) The closing of the Arrangement will take place remotely by exchange of documents and signatures (or their electronic counterparts) unless another place is agreed to in writing by the Parties.

## **2.8 Payment of Consideration**

The Purchaser Parties shall, following receipt of the Final Order and prior to the filing by the Company of the Articles of Arrangement with the Registrar, deposit, or cause to be deposited, with the Depositary the Cash Maximum to be held in escrow and an irrevocable direction for the issuance of a sufficient number of Consideration Units equal to the Unit Maximum as provided for in the Plan of Arrangement.

## **2.9 Treatment of Company Incentives**

- (a) Notwithstanding the terms of any Company Incentives, any resolutions of the Company Board or any agreement, certificate or other instrument granting or confirming the grant of any Company Incentives, each Company Incentive, whether vested or unvested, which has not been exercised, surrendered or redeemed, as applicable, prior to the Effective Time shall be, and shall be deemed to be, without any further action by or on behalf of the applicable Company Incentive Holder, fully and unconditionally vested and exercisable, and shall be surrendered or redeemed in consideration for cash in accordance with the Plan of Arrangement. For the purposes of Company RSUs with vesting conditions based on the satisfaction of specified performance criteria, the multiplier to be applied shall be 1.25. Such cash payments in respect of the Company Incentives shall be intended to comply with or be exempt from Section 409A of the Code and shall be interpreted and implemented in accordance with such intent.
- (b) No deduction will be claimed by the Company or any Person not dealing at arm's length with the Company in respect of any amounts payable to a holder of a Company Stock Option that is subject to section 7 of the Tax Act and that is eligible for a deduction under paragraph 110(1)(d) of the Tax Act, and the Company will, and the Purchaser Parties will cause the Company to, elect in the prescribed form, and do all such things as required to make the election, under subsection 110(1.1) of the Tax Act that neither the Company, nor any Person who does not deal at arm's length with Company, will deduct, in computing income for the purposes of the Tax Act, any amount in respect of any such consideration payable to a holder of a Company Stock Option that is subject to section 7 of the Tax Act and that is eligible for a deduction under paragraph 110(1)(d) of the Tax Act, as contemplated by this Agreement and the Plan of Arrangement. The Company will, and the Purchaser Parties will cause the Company to, provide such Company Incentive Holders with evidence in writing of such election under subsection 110(1.1) of the Tax Act.
- (c) The Company Incentive Plans and the Company Incentives shall be terminated in accordance with the Plan of Arrangement.
- (d) Notwithstanding any provision herein to the contrary, at or prior to the Effective Time, the Company or the Company Board, as applicable, shall adopt any resolutions and take all actions that are necessary to effectuate the provisions of this Agreement and the Plan of Arrangement related to Company Incentives.

## 2.10 U.S. Securities Laws

The Arrangement will be carried out with the intention that all Consideration Units issued to Company Shareholders will be issued and exchanged by Purchaser Holdco upon completion of the Arrangement in reliance on the exemption from the registration requirements of the *U.S. Securities Act* provided by Section 3(a)(10) thereunder. In Order to ensure the availability of the exemption under Section 3(a)(10) of the *U.S. Securities Act*, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) the Court will be advised as to the intention of the Parties to rely on the exemption under Section 3(a)(10) of the *U.S. Securities Act* prior to the hearing required to issue the Interim Order;
- (c) the Court will be required to satisfy itself as to the substantive and procedural fairness of the terms and conditions of the Arrangement to the Company Shareholders;
- (d) the Company shall ensure that each Person entitled to receive Consideration Units on completion of the Arrangement is given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (e) each Person entitled to receive Consideration Units shall be advised that such securities, as applicable, issued pursuant to the Arrangement have not been registered under the *U.S. Securities Act* and will be issued by Purchaser Holdco in reliance on the exemption under Section 3(a)(10) of the *U.S. Securities Act*;
- (f) each Company Shareholder shall be advised that with respect to securities issued to Persons who are “affiliates” (as such term is defined under Rule 144 under the *U.S. Securities Act*) of Purchaser Holdco or Persons who have been “affiliates” of Purchaser Holdco within 90 days prior to the Effective Date, such securities will be subject to restrictions on resale under U.S. Securities Laws, including Rule 144 under the *U.S. Securities Act*;
- (g) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the Company Shareholders;
- (h) the Interim Order approving the Company Meeting will specify that each Company Shareholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as they enter an appearance within a reasonable time; and
- (i) the Company shall request that the Final Order include a statement to substantially the following effect:

“This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the *United States Securities Act of 1933*, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of Purchaser Holdco, pursuant to the Plan of Arrangement.”

## 2.11 Withholdings

Each of the Company, the Purchaser Parties or the Depositary shall be entitled to deduct and withhold from the amounts otherwise payable to any Person under the Plan of Arrangement or any amount contemplated herein, such amounts as it is required, or reasonably believes it is required, to deduct and withhold with respect to such payment under the Tax Act or any provision of any Law (including any proposed change of Law and any applicable assessing practices or administrative policies of a Tax Authority) and remit such deduction and withholding amount to the appropriate Tax Authority. To the extent that amounts are so properly deducted, withheld and remitted, such deducted, withheld and remitted amounts shall be treated for all purposes of this Agreement and the Arrangement as having been paid to such Person in respect of which such deduction and withholding and remittance was made.

## 2.12 Intended US Income Tax Treatment

For U.S. federal and applicable state income tax purposes, the Company and the Purchaser Parties intend and agree that the transactions contemplated by this Agreement and the Plan of Arrangement shall be treated as follows (collectively, the “**Intended US Income Tax Treatment**”):

- (a) Purchaser Holdco and Purchaser Midco shall each be treated as a corporation from and after the effective date set forth in the Internal Revenue Service Form 8832 filed by Purchaser Holdco and Purchaser Midco, respectively, which effective date shall be, in each case, no later than one day prior to the Effective Date. As of the Effective Date, Purchaser shall be disregarded as separate from Purchaser Midco and all actions undertaken by Purchaser pursuant to the Plan of Arrangement shall be treated as actions of [Purchaser Midco for U.S. federal income tax purposes.
- (b) Purchaser’s acquisition of the Company Shares from the Company Shareholders in exchange for the Consideration shall be treated as a taxable purchase of Company Shares by Purchaser Midco from the Company Shareholders, and Purchaser Midco shall be treated as (i) acquiring the Consideration Units from Purchaser Holdco and transferring the Consideration Units to the Company Shareholders in accordance with Section 1032 of the Code and U.S. Treasury Regulations Section 1.1032-3(c) and (ii) receiving the Cash Consideration from Purchaser Holdco and transferring the Cash Consideration to the Company Shareholders.
- (c) The transfer of all of the Purchaser Midco Shares by Purchaser Holdco to Sunoco shall be treated as (i) in part, a contribution of Purchaser Midco Shares to Sunoco in exchange for Sunoco Class D Common Units in a transaction governed by Section 721(a) of the Code and (ii) in part, as a sale by Purchaser Holdco of Purchaser Midco Shares to Sunoco in exchange for cash consideration in a transaction governed by Section 707(a)(2)(B) of the Code.

The Parties shall cooperate and each use its reasonable best efforts to cause the transactions contemplated by this Agreement and the Plan of Arrangement to qualify for the Intended US Income Tax Treatment, including by not taking or failing to take any action which action or failure to act such party knows is reasonably likely to prevent such qualification. The Parties will prepare and file all Tax Returns consistent with the Intended US Income Tax Treatment except to the extent otherwise required pursuant to a “determination” within the meaning of Section 1313(a) of the Code.

## 2.13 Adjustments to Consideration

If, between the date of this Agreement and the Effective Time, the Company sets a record date, or otherwise declares, sets aside or pays any dividend or distribution (other than the Company Regular Dividends), then: (a) to the extent that the amount of such dividends or distributions per



Company Share does not exceed the Consideration, the Consideration shall be reduced by the per Company Share amount of such dividends or distributions, and (b) to the extent that the amount of such dividends or distributions per Company Share exceeds the Consideration, the Consideration shall be reduced to zero and such excess amount shall be placed in escrow for the account of the Purchaser or another Person designated by the Purchaser Parties.

#### **2.14 Alternate Transaction Structure**

At the written request of the Purchaser Parties delivered to the Company prior to the Company Meeting, the Company shall use its best efforts to fully assist and support the Purchaser Parties' implementation and completion of the transactions contemplated hereby by way of a take-over bid for the Company Shares or such other transaction structure as specified by the Purchaser Parties providing for the acquisition of the Company Shares pursuant to applicable Securities Laws (the "**Alternative Structure**") instead of pursuant to an arrangement applied for by the Company under the ABCA as provided for herein so long as such Alternative Structure would provide the Company Shareholders with Consideration that is no less favourable from a financial point of view than the Arrangement. In the event that the transaction structure is modified pursuant to this Section 2.14, the Parties shall implement and effect the Alternative Structure for the same Consideration and on the same other terms and conditions as those set forth herein and the relevant provisions of this Agreement shall be modified as necessary in order that they shall apply with full force and effect, mutatis mutandis, except with the adjustments necessary to reflect the Alternative Structure. Without limiting the generality of the foregoing, in connection with any Alternative Structure, the Company shall reduce the minimum deposit or tender period to the shortest period required by Law, provide to the Purchaser Parties all required information, statements and consents and apply for any exemptive relief requested by the Purchaser Parties. For the avoidance of doubt, any Alternative Structure that is a takeover bid for the Company Shares shall have a minimum tender condition specified by the Purchaser in its sole discretion. The Parties agree to, on a timely basis, enter into all agreements and complete and file all required documents, including a U.S. registration statement, a take-over bid circular and a directors' circular recommending approval of the offer or similar documentation, and to take all actions and steps as are required or desirable by the Parties to proceed with and complete the transactions contemplated hereby pursuant to the Alternative Structure. The Company agrees to support the completion of the Alternative Structure in the same manner as the Arrangement and the Parties shall otherwise provide or fulfill their respective representations, warranties and covenants contained in this Agreement in respect of the Alternative Structure. The Parties shall publicly announce the change to the Alternative Structure, if, as and when made, as required by applicable Laws and stock exchange rules and in accordance with the terms of this Agreement.

### **Article 3 Representations and Warranties**

#### **3.1 Representations and Warranties of the Company**

- (a) The Company represents and warrants to the Purchaser Parties as set forth in Appendix C, and acknowledges and agrees that the Purchaser Parties are relying upon such representations and warranties in connection with the entering into of this Agreement.
- (b) Except for the representations and warranties set forth in Appendix C, neither the Company nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Company.
- (c) The representations and warranties of the Company set out in Appendix C shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated.

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### 3.2 Representations and Warranties of the Purchaser Parties

- (a) The Purchaser Parties represent and warrant to the Company, on a joint and several basis, as set forth in Appendix D, and acknowledge and agree that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement.
- (b) Except for the representations and warranties set forth in Appendix D, neither the Purchaser Parties nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Purchaser Parties.
- (c) The representations and warranties of the Purchaser Parties set out in Appendix D shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated.

## Article 4 Covenants

### 4.1 Conduct of Business of the Company

- (a) Nothing in this Agreement shall result in the Purchaser Parties exercising material influence over the business or operations of the Company or its Subsidiaries prior to the Effective Date. For greater certainty, prior to the Effective Date, the Company will exercise, consistent with the terms of this Agreement, complete control and supervision over its and its Subsidiaries' business and operations.
- (b) During the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated, except:
  - (i) with the written consent of the Purchaser, not to be unreasonably withheld, conditioned or delayed;
  - (ii) any action taken (or omitted) in connection with any Emergency that the Company reasonably determines is necessary or prudent to take in connection with such Emergency with any such determination being made with prior good faith consultation with the Purchaser where practicable;
  - (iii) as expressly required or permitted by this Agreement;
  - (iv) as set forth in Section 4.1(b) of the Company Disclosure Letter; or
  - (v) as may be required by Law or a Governmental Authority,

the Company shall, and shall cause its Subsidiaries to, conduct the Company Corporate Group's business in the Ordinary Course in all material respects, and the Company shall, and shall cause its Subsidiaries to, use commercially reasonable efforts to maintain and preserve the Company Corporate Group's business organization, assets, properties, goodwill and business relationships with customers, suppliers, distributors, licensors, partners and other Persons with which the Company Corporate Group has business relations, in each case in all material respects. Notwithstanding the foregoing provisions of this Section 4.1(b), the Company shall be deemed not to have failed to satisfy the obligations under this Section 4.1(b) to the extent such failure resulted from the Company's failure to take any action prohibited by this Section 4.1(b) or Section 4.1(c).

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- (c) Except as set out in Section 4.1(c) of the Company Disclosure Letter, without limiting the generality of Section 4.1(b), during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated, except:
- (i) with the written consent of the Purchaser, not to be unreasonably withheld, conditioned or delayed;
  - (ii) as expressly required or permitted by this Agreement; or
  - (iii) as may be required by Law or a Governmental Authority;
- the Company shall not directly or indirectly subject to the occurrence of any Emergency:
- (A) amend its Constatting Documents;
  - (B) adjust, split, combine, reclassify or amend the terms of any securities of the Company;
  - (C) make, declare, set aside or pay any non-cash dividend or other non-cash distribution or payment in shares or property (or any combination of the foregoing) on any class of securities of the Company;
  - (D) redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any securities of the Company or any of its Subsidiaries, except any such redemption, repurchase or other acquisition that may occur in the Ordinary Course pursuant to the exercise or settlement of Company Incentives in accordance with their terms;
  - (E) other than as described in Section 4.1(c)(iii)(E) of the Company Disclosure Letter, issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance of any, securities, or any options, warrants or similar rights exercisable or exchangeable for or convertible into securities of the Company or any of its Subsidiaries, except any such issuance, grant, or delivery that may occur in the Ordinary Course pursuant to (a) the exercise or settlement of outstanding Company Incentives, (b) as may be required to be credited as dividend equivalents on outstanding Company Incentives under the terms of the Company Incentive Plans, or (c) as may be required to be awarded in respect of a Participant's Automatic DSU Retainer or DSU Eligible Retainer (in accordance with, and each as defined in, the Company DSU Plan). For the avoidance of doubt, other than as described in the preceding clauses (b) and (c), no new Company Incentives will be issued, granted or delivered prior to the Effective Time;
  - (F) enter into any new line of business that is material to the Company and is materially different from the businesses of the Company and its Subsidiaries as of entry into this Agreement;
  - (G) acquire any Person, business, line of business (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions, or make any investment having a fair market value that exceeds \$10,000,000 in a Person, directly or indirectly, in one transaction or a series of related transactions, either by purchase of shares or securities, contributions or capital, loan or advance, property transfer or purchase of any property or assets of any Person;

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- (H) grant or commit to grant an exclusive licence or otherwise transfer any material IP Rights of the Company Corporate Group;
  - (I) sell, assign, transfer, lease, exclusively license, abandon or permit to lapse, transfer or otherwise dispose of any material IP Rights of the Company Corporate Group, other than the expiration of any IP Right at the end of its term;
  - (J) reorganize, restructure, recapitalize, amalgamate or merge the Company or any of the Company Material Subsidiaries;
  - (K) reduce the stated capital of any class or series of the shares of the Company or any of its Subsidiaries;
  - (L) adopt a plan of liquidation or pass resolutions providing for the liquidation or dissolution of the Company or any of the Company Material Subsidiaries;
  - (M) enter into, or resolve to enter into, any agreement that has the effect of creating a joint venture or partnership in which the interest of the Company or any of its Subsidiaries individually or in the aggregate exceeds \$10,000,000;
  - (N) other than in the Ordinary Course, enter into any agreement or arrangement that limits or otherwise restricts in any respect the Company or any of its Subsidiaries or affiliates or any successors thereto, or that would, after the Effective Time, limit or restrict the Company or any of its Subsidiaries or affiliates from competing in any respect, or that creates an exclusive dealing arrangement (provided that any requirement by a branded supplier to exclusively use its fuel at a branded location does not constitute an exclusive dealing arrangement), a right of first offer or refusal or most favoured nation status in favour of any other Person;
  - (O) make any capital expenditure or commitment to do so which individually or in the aggregate exceeds \$20,000,000;
  - (P) (a) take any action inconsistent with past practice relating to the preparation and filing of any Tax Return, (b) make any Tax election (excluding elections made in the ordinary course of preparing and filing Tax Returns) or designation (excluding designations of dividends as “eligible dividends” within the meaning of the Tax Act), (c) settle or compromise (or offer to settle or compromise) any Tax claim, assessment, reassessment, liability or claim for indemnification with respect to Taxes in excess of an amount of \$5,000,000 individually or \$10,000,000 in aggregate, (d) amend any Tax Return, (e) enter into any agreement with a Governmental Authority with respect to Taxes, (f) enter into or change any Tax sharing, Tax advance pricing agreement, Tax allocation or Tax indemnification agreement the primary purpose of which relates to Tax, (g) surrender any right to claim a Tax abatement, reduction, deduction, exemption, credit or refund in excess of an amount of \$5,000,000 individually or \$10,000,000 in aggregate, or (h) consent to the extension or waiver of the limitation period applicable to any Tax matter in

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excess of an amount of \$5,000,000 individually or \$10,000,000 in aggregate, (i) enter into any “reportable transaction” or “notifiable transaction” (within the meaning of subsections 237.3(1) and 237.4(1) of the Tax Act, respectively), (j) enter into, or voluntarily approach a Tax Authority for the purpose of entering into, a “voluntary disclosure” agreement with a Tax Authority, or (k) other than in the Ordinary Course, make any “investment” (within the meaning of subsection 212.3(10) of the Tax Act) in a corporation that is not resident in Canada (within the meaning of the Tax Act);

- (Q) prepay any long-term indebtedness before its scheduled maturity other than repayments of indebtedness in the Ordinary Course; provided that, no material breakage or other costs or penalties are payable in connection with any such prepayment;
- (R) create, incur, assume or otherwise become liable, in one transaction or in a series of related transactions, with respect to any indebtedness for borrowed money or guarantees thereof in an amount, on a per transaction or series of related transactions basis, in excess of \$50,000,000 other than indebtedness in the form of revolving borrowings or letters of credit under the Company Corporate Credit Facility and borrowings under the Company Project Financing; provided that, the amounts available thereunder on the date hereof may not be increased;
- (S) enter into, amend, modify, terminate or cancel any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts or similar financial instruments which individually or in the aggregate exceeds \$10,000,000;
- (T) incur any obligation to make any bonus or profit sharing distribution, other than in the Ordinary Course to make any bonus payment or comparable payment to any Company Employee, director of the Company or any of its Subsidiaries, independent contractor or consultant;
- (U) adopt any new Company Employee Plan or any amendment or modification of an existing Company Employee Plan or any benefits thereunder;
- (V) (a) unless expressly required by the terms of any existing written employment agreement, increase any severance, change of control or termination pay of (or amend any existing arrangement in relation thereto with) any Company Employee or any director of the Company or any of its Subsidiaries, (b) unless expressly required by the terms of any written existing employment agreement, increase compensation (including wages, salary and fees), retention or incentive compensation or other benefits payable to any Company Employee, director of the Company or any of its Subsidiaries, independent contractor or consultant, other than base compensation in the Ordinary Course, (c) unless expressly required by the terms of any existing written employment agreement, make any bonus payment or comparable payment to any Company Employee, director of the Company or any of its Subsidiaries, independent contractor or consultant, other than annual short-term incentive payments in the Ordinary Course, (d) loan or advance money or other property to any Company Employee or any director of the Company or any of its Subsidiaries, (e) terminate any Company Employee Plan or any benefits thereunder (or any plan, agreement, program, policy, trust, fund or other

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arrangement that would be a Company Employee Plan if it were in existence on the date hereof) or increase or accelerate the timing of any funding obligation, funding contribution or payment of any compensation or benefits under any Company Employee Plan, (f) grant any equity-based awards, (g) hire, or engage any individual unless necessary to fill an existing vacancy, or (h) terminate (for any reason) any Company Employee, unless such termination is for just cause, or enter into any severance or termination or other similar agreement (or amend any such existing agreement) with any Company Employee;

- (W) except as required by Law, enter into, amend or modify any union recognition agreement, collective agreement or similar agreement with any trade union or representative body;
- (X) make any material change in the Company's methods of accounting, except as required by concurrent changes in IFRS;
- (Y) commence, waive, release, assign, settle or compromise any Proceeding, or pay administrative fines, in excess of an amount of \$10,000,000 individually, or which would reasonably be expected to prevent, materially delay or otherwise impede the completion of the Arrangement or the other transactions contemplated by this Agreement;
- (Z) vary the payment or collection practices of the Company Corporate Group in any material respect from past practices;
- (AA) amend, modify, terminate, cancel or let lapse any material insurance (or re-insurance) policy of the Company or any of its Subsidiaries in effect on the date of this Agreement, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect;
- (BB) abandon or fail to diligently pursue any application for any material Authorization;
- (CC) terminate, amend, renew, extend, surrender or transfer its interest in any of the Material Company Real Property Leases other than in the Ordinary Course;
- (DD) lease, sublease, license, or similarly occupy, any real property, or grant a right to any other party to lease, sublease, license or similarly occupy, any part of the Company Real Property, and/or enter into any oral or written Contracts, letters of intent or similar arrangements to lease, sublease, license, or similarly occupy, any real property, including to grant a right to any other party to lease, sublease, license, or similarly occupy, any part of the Company Real Property other than in the Ordinary Course and provided, in each case, the purchase price or proposed purchase price does not exceed \$20,000,000;
- (EE) purchase or acquire, or enter into any oral or written Contracts, letters of intent or similar arrangements to purchase or acquire, any real property other than in the Ordinary Course and provided that, in each case, the purchase price or proposed purchase price does not exceed \$20,000,000;

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- (FF) sell or dispose of, or enter into any oral or written Contracts, letters of intent or similar arrangements to sell or dispose of, any interest of the Company in the Company Owned Real Property other than in the Ordinary Course and provided that, in each case, the purchase price or proposed purchase price does not exceed \$10,000,000;
  - (GG) grant, cause or permit any Liens (other than Permitted Liens), work orders, building permits, undertakings, notices of deficiency, non-compliance or violations, or other similar notices to be placed on record on the Company Real Property;
  - (HH) make any capital expenditure in respect of a Company Real Property or commitment to do so which, individually or in the aggregate, exceeds \$10,000,000, except for any capital expenditure which the Company has on the Effective Date already committed or engaged any Person(s) to undertake, which is reasonably required to be incurred as a result of any emergency or which the Company is required to undertake under any Contract and which, in each case, would be in the Ordinary Course;
  - (II) other than in the Ordinary Course, and except for any of the following which the Company has on the Effective Date already commenced or engaged any Person(s) to undertake, which is reasonably required to be incurred as a result of any emergency or which the Company is required to undertake under any Contract, commence, initiate, launch, consent to or otherwise undertake (a) any demolition, construction, material alteration or other similar activity in respect of any Company Real Property or enter into any commitment or agreement in respect of the same, (b) any development, redevelopment or rezoning of any Company Real Property or enter into any commitment or agreement in respect of the same, or (c) the making of applications for any official plan amendments, zoning bylaws amendments or minor variances or any material change to any approved site plan, development permit, special use permit or other land use entitlement affecting any Company Real Property; or
  - (JJ) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

#### **4.2 Conduct of Business of the Purchaser Parties**

- (a) Nothing in this Agreement shall result in the Company exercising material influence over the business or operations of the Purchaser Parties prior to the Effective Date. For greater certainty, prior to the Effective Date, the Purchaser Parties will exercise, consistent with the terms of this Agreement, complete control and supervision over their and their Subsidiaries' business and operations.
- (b) During the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated, except:
  - (i) with the written consent of the Company, not to be unreasonably withheld, conditioned or delayed;
  - (ii) as expressly required or permitted by this Agreement;

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- (iii) for any action taken (or omitted) in connection with any Emergency that the Purchaser Parties reasonably determine is necessary or prudent to take in connection with such Emergency with any such determination being made with prior good faith consultation with the Company where practicable;
  - (iv) as set forth in Section 4.2(b) of the Purchaser Parties Disclosure Letter;
  - (v) for any action taken in connection with the Purchaser Holdco Reorganization; or
  - (vi) as may be required by Law or a Governmental Authority,
- the Purchaser Parties shall, and shall cause their Subsidiaries to, conduct the Purchaser Corporate Group's business in the Ordinary Course in all material respects, and the Purchaser Parties shall, and shall cause their Subsidiaries to, use commercially reasonable efforts to maintain and preserve the Purchaser Corporate Group's business organization, assets, properties, goodwill and business relationships with customers, suppliers, distributors, licensors, partners and other Persons with which the Purchaser Parties and their Subsidiaries have business relations, in each case in all material respects. Notwithstanding the foregoing provisions of this Section 4.2(b), the Purchaser Parties shall be deemed not to have failed to satisfy the obligations under this Section 4.2(b) to the extent such failure resulted from the Purchaser's failure to take any action prohibited by this Section 4.2(b) or Section 4.2(c).
- (c) Except as set out in Section 4.2(b) of the Purchaser Parties Disclosure Letter, without limiting the generality of Section 4.2(b), during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated, except:
    - (i) with the written consent of the Company, not to be unreasonably withheld, conditioned or delayed;
    - (ii) for any action taken in connection with the Purchaser Holdco Reorganization;
    - (iii) as expressly required or permitted by this Agreement; or
    - (iv) as may be required by Law or a Governmental Authority;
- the Purchaser Parties shall not directly or indirectly subject to the occurrence of any Emergency:
- (A) amend the Constatng Documents of the Purchaser Parties;
  - (B) adjust, split, combine, reclassify or amend the terms of any securities of the Purchaser Parties;
  - (C) other than Sunoco Regular Dividends, make, declare, set aside or pay any dividend or other distribution or payment in shares or property (or any combination of the foregoing) on any class of securities of the Purchaser Parties;
  - (D) redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any securities of the Purchaser Parties except any such redemption, repurchase or other acquisition that may occur in the Ordinary Course pursuant to the exercise or settlement of Sunoco's equity incentives in accordance with their terms;



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- (E) other than in the Ordinary Course, issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance of any, securities, or any options, warrants or similar rights exercisable or exchangeable for or convertible into securities of any Purchaser Party;
  - (F) enter into any new line of business that is material to the Purchaser Parties and is materially different from the businesses of the Purchaser Parties and its Subsidiaries as of entry into this Agreement;
  - (G) reorganize, restructure, recapitalize, amalgamate or merge any Purchaser Party;
  - (H) adopt a plan of liquidation or pass resolutions providing for the liquidation or dissolution of any Purchaser Party or any Purchaser Material Subsidiaries;
  - (I) in the case of Purchaser Holdco, conduct any business other than as required under the Arrangement or otherwise incidental thereto; or
  - (J) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

#### **4.3 Covenants of the Company Regarding the Arrangement**

- (a) The Company shall perform, and shall cause its Subsidiaries to perform, all obligations required to be performed by the Company under this Agreement, co-operate with the Purchaser Parties in connection therewith, and do all such other acts and things, consistent with the terms of this Agreement and the Plan of Arrangement, as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and the Plan of Arrangement and, without limiting the generality of the foregoing, the Company shall and, where appropriate, shall cause each of its Subsidiaries to:
  - (i) other than in connection with the Regulatory Approvals, which shall be governed by Section 4.5, use commercially reasonable efforts to satisfy the conditions precedent to its obligations of this Agreement (to the extent the satisfaction of same is within the control of the Company), and take all steps set forth in the Interim Order and Final Order applicable to it and comply promptly with all requirements imposed by Law on it or any of its Subsidiaries with respect to this Agreement, the Plan of Arrangement or the Arrangement;
  - (ii) use its commercially reasonable efforts to provide, obtain and maintain all third party or other notices, consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are required or reasonably requested by the Purchaser Parties in connection with the transactions contemplated by this Agreement, in each case, on terms that are satisfactory to the Purchaser Parties, acting reasonably and without paying, and without committing itself or the Purchaser Parties to pay, any consideration or incurring any liability or obligation without the prior written consent of the Purchaser Parties (it being expressly agreed by the Purchaser that no such consent, waiver, permit, exemption, order, approval, agreement, amendment or confirmation shall be a condition to the closing of the Arrangement, except to the extent provided for in Article 6);

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- (iii) use reasonable best efforts to take, or cause to be taken, all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under applicable Law to enable the delisting of the Company Shares from the TSX promptly after the Effective Time, and in any event no more than 10 days after the Effective Time;
  - (iv) effect all necessary registrations, filings and submissions of information required by the Governmental Authorities from the Company or any of its Subsidiaries relating to the Arrangement;
  - (v) other than in connection with the Regulatory Approvals, which shall be governed by Section 4.5, upon reasonable consultation with the Purchaser, appeal, oppose, lift or rescind any Order seeking to restrain, enjoin or otherwise prohibit or adversely affect the completion of the Arrangement and defend, or cause to be defended, any Proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement, this Agreement or the transactions contemplated under this Agreement; provided that, the Company shall not and none of its Subsidiaries shall consent to the entry of any judgment or settlement with respect to any such Proceeding without the prior written approval of the Purchaser, not to be unreasonably withheld, conditioned or delayed;
  - (vi) other than in connection with the Regulatory Approvals, which shall be governed by Section 4.5, not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the completion of the Arrangement or the other transactions contemplated by this Agreement and the Plan of Arrangement; and
  - (vii) use commercially reasonable efforts to assist the Purchaser in obtaining the resignations and mutual releases (in a form satisfactory to the Purchaser, acting reasonably) of the directors of the Company Board designated in writing by the Purchaser prior to the Effective Time and causing them to be replaced by Persons nominated by the Purchaser effective as of the Effective Time.
- (b) The Company shall promptly (but in no event later than two Business Days following any of the events described below) notify the Purchaser Parties in writing of:
- (i) any Company Material Adverse Effect or any change, event, occurrence, effect, fact or circumstance that, individually or in the aggregate, would reasonably be expected to have or develop into a Company Material Adverse Effect;
  - (ii) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, Order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement, the Plan of Arrangement or the Arrangement;
  - (iii) unless prohibited by Law, any notice or other communication from (A) any proxy advisory service in connection with, or (B) any Person objecting to, indicating an intention to oppose or pursuing or threatening to pursue a position adverse to the completion of, the transactions contemplated by this Agreement (and the Company shall contemporaneously provide a copy of any such written notice or communication to the Purchaser Parties), other than in respect of Regulatory Approvals which are governed by Section 4.5; or

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- (iv) any Proceeding commenced or, to the Company's knowledge, threatened against, relating to or involving, or otherwise affecting the Arrangement, this Agreement or any of the transactions contemplated by this Agreement.
  - (c) The receipt of information by the Purchaser Parties pursuant to Section 4.3(b) or otherwise shall not operate as a waiver or otherwise diminish the scope of or otherwise affect any representation, warranty or covenant of the Company.

#### **4.4 Covenants of the Purchaser Parties Regarding the Arrangement**

- (a) Other than in connection with the Regulatory Approvals, which shall be governed by Section 4.5, the Purchaser Parties shall perform all obligations required or desirable to be performed by them under this Agreement, co-operate with the Company in connection therewith, and do all such other acts and things, consistent with the terms of this Agreement and the Plan of Arrangement, as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and the Plan of Arrangement and, without limiting the generality of the foregoing, each of the Purchaser Parties shall:
  - (i) do or cause to be done all acts and things to be done by the Purchaser Parties as set forth in the Plan of Arrangement, including the payment of cash and the issuance of securities;
  - (ii) use commercially reasonable efforts to satisfy the conditions precedent to their obligations of this Agreement (to the extent the satisfaction of same is within the control of the Purchaser Parties), and take all steps set forth in the Interim Order and Final Order applicable to it and comply promptly with all requirements imposed by Law on it with respect to this Agreement, the Plan of Arrangement or the Arrangement;
  - (iii) use its commercially reasonable efforts to provide, obtain and maintain all third party or other notices, consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are required or reasonably requested by the Company in connection with the transactions contemplated by this Agreement, in each case, on terms that are satisfactory to the Company, acting reasonably and without paying or guaranteeing, and without committing themselves or the Company to pay or guarantee, any consideration or incurring any liability or obligation of the Company without the prior written consent of the Company (it being expressly agreed by the Company that no such consent, waiver, permit, exemption, order, approval, agreement, amendment or confirmation shall be a condition to the closing of the Arrangement, except to the extent provided for in Article 6);
  - (iv) effect all necessary registrations, filings and submissions of information required by the Governmental Authorities from the Purchaser Parties relating to the Arrangement;
  - (v) upon reasonable consultation with the Company, appeal, oppose, lift or rescind any Order seeking to restrain, enjoin or otherwise prohibit or adversely affect the completion of the Arrangement and defend, or cause to be defended, any Proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement, this Agreement or the transactions contemplated under this Agreement; provided that, the Purchaser Parties shall not consent to the entry of any judgment or settlement with respect to any such Proceeding without the prior written approval of the Company, not to be unreasonably withheld, conditioned or delayed; and

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- (vi) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the completion of the Arrangement or the other transactions contemplated by this Agreement and the Plan of Arrangement.
  - (b) The Purchaser shall promptly (but in no event later than two Business Days following any of the events described below) notify the Company in writing of:
    - (i) any Purchaser Material Adverse Effect or any change, event, occurrence, effect, fact or circumstance that, individually or in the aggregate, would reasonably be expected to have or develop into a Purchaser Material Adverse Effect;
    - (ii) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, Order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement, the Plan of Arrangement or the Arrangement;
    - (iii) unless prohibited by Law, any notice or other communication from (A) any proxy advisory service in connection with, or (B) any Person objecting to, indicating an intention to oppose or pursuing or threatening to pursue a position adverse to the completion of, the transactions contemplated by this Agreement (and the Purchaser Parties shall contemporaneously provide a copy of any such written notice or communication to the Company), other than in respect of Regulatory Approvals which are governed by Section 4.5;
    - (iv) any Proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the Arrangement, this Agreement or any of the transactions contemplated in this Agreement.
  - (c) The receipt of information by the Company pursuant to Section 4.4(b) or otherwise shall not operate as a waiver or otherwise diminish the scope of or otherwise affect any representation, warranty or covenant of the Purchaser Parties.

#### **4.5 Regulatory Approvals**

- (a) Subject to the specific obligations and limitations set out in Section 4.5(i) in relation to the Key Regulatory Approvals specified therein, the Parties shall cooperate with and assist each other and shall use their reasonable best efforts, to: (i) prepare and file as promptly as reasonably practicable all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information and applications required by any Governmental Authority in connection with the Arrangement; and (ii) obtain and maintain all Regulatory Approvals that are necessary to consummate the transactions contemplated by this Agreement.
- (b) Other than with respect to the filing requirements and timelines in respect of the Key Regulatory Approvals which filing requirements and timelines shall be governed by the provisions of Section 4.5(c), the Party responsible at Law for obtaining a Regulatory Approval shall be the Party to make the filing to obtain such approval (or any remedy or change thereto) but will do so only once each Party has reviewed any filing and has had the opportunity to provide comment on it. Any statement in any application that creates an obligation on a Party must have the consent of that Party before it is included in the application.

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- (c) In furtherance of and without limiting Section 4.5(a), in respect of the transactions contemplated by this Agreement:
- (i) as soon as practicable and in any event no later than 25 Business Days from the date of this Agreement, the Purchaser Parties shall file an application for review pursuant to section 17 of the Investment Canada Act to the Minister and contemporaneously therewith or within 15 days thereafter, shall submit proposed written undertakings to His Majesty in right of Canada in a form and with the content that is customary for transactions of this nature;
  - (ii) as soon as practicable and in any event no later than 25 Business Days from the date of this Agreement, the Purchaser Parties shall file an application for review pursuant to section 17 of the Investment Canada Act to the Heritage Minister, and within 15 days after receiving a request from the Heritage Minister for undertakings, shall submit proposed written undertakings to His Majesty in right of Canada in a form and with the content that is customary for transactions of this nature;
  - (iii) the Purchaser Parties shall as soon as practicable and in any event no later than 25 Business Days from the date of this Agreement, file with the Commissioner a request for an advance ruling certificate under section 102 of the Competition Act or, in the alternative, a No Action Letter; and, unless otherwise mutually agreed in writing by the Parties, the Purchaser Parties and the Company shall each file with the Commissioner of Competition a notification under Part IX of the Competition Act as soon as reasonably practicable thereafter;
  - (iv) immediately after filing a request for an advance ruling certificate under section 102 of the Competition Act or, in the alternative, a No Action Letter, the Purchaser Parties shall give notice of the Arrangement to the Minister of Transport and file with the Minister of Transport a submission with respect to the public interest as it relates to national transportation, all in accordance with subsection 53.1(1) of the Canada Transportation Act;
  - (v) as promptly as practicable and in any event no later than 30 Business Days from the date of this Agreement, the Parties shall file any required notification and report forms under the HSR Act with the United States Federal Trade Commission and the United States Department of Justice; and
  - (vi) as promptly as practicable from the date of this Agreement, the Parties shall make any required filings in connection with the Foreign Antitrust and Investment Law Approvals.
- (d) The Parties will coordinate and cooperate in exchanging information and supplying assistance that is reasonably requested in connection with this Section 4.5 in respect of the Arrangement, this Agreement and the transactions contemplated by this Agreement, and each Party shall and shall cause its controlled Affiliates to:
- (i) regularly review with each other the progress of any applications, notifications or filings and keep each other promptly and fully informed of the status of discussions relating thereto and promptly inform each other of any communication received by any of them from a Governmental Authority;
  - (ii) respond promptly to any inquiry, request or notice from any Governmental Authority requiring any Party to supply additional information;

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- (iii) certify substantial compliance with (A) any request under subsection 114(2) of the Competition Act (also known as a “supplementary information request” or “SIR”) within 90 days of receipt of such request and (B) any request for additional information and documentary material under the HSR Act (also known as a “second request”) that they receive;
  - (iv) not make any proposed applications, notices, filings, submissions, correspondence and communications of any nature (including responses to requests for information and inquiries from any Governmental Authority) unless it (A) permits the other Parties to review them in advance and provides the other Parties a reasonable opportunity to comment thereon and (B) considers those comments in good faith;
  - (v) promptly provide each other with any applications, notices, filings, submissions, correspondence and communications of any nature (including responses to requests for information and inquiries from any Governmental Authority) that were submitted to a Governmental Authority; and
  - (vi) not participate in any meeting or discussion (whether in person, by telephone, video conference or otherwise) with a Governmental Authority unless it consults with the other Parties in advance and gives the other Parties the opportunity to attend and participate thereat, unless such Governmental Authority requests otherwise.
- (e) Notwithstanding any other requirement in this Agreement, where any of the Purchaser Parties or the Company (a “**Disclosing Party**”) is required under this Section 4.5 to provide information to one or more of the other Parties (a “**Receiving Party**”) that the Disclosing Party, acting reasonably, considers to be privileged or competitively sensitive, the Disclosing Party may redact such privileged or competitively sensitive information as necessary before sharing with the Receiving Party, provided that the Disclosing Party also provides a non-redacted version to external legal counsel to the Receiving Party on the basis that the redacted information will not be shared with its client.
- (f) All filing fees incurred in connection with filings under this Section 4.5 shall be payable by the Purchaser.
- (g) The Company and the Purchaser Parties shall not, and shall cause their respective controlled Affiliates not to: (i) enter into any transaction that would reasonably be expected to prevent, materially delay or otherwise impede the obtaining of, or materially increase the risk of not obtaining, a Key Regulatory Approval prior to the Outside Date; or (ii) discuss or agree with any Governmental Authority to extend any applicable waiting period or to otherwise delay the Effective Time or to enter into any agreement, arrangement or understanding with any Governmental Authority not to consummate the Arrangement, without the prior written consent of the Company and the Purchaser, not to be unreasonably withheld. Without limiting the generality of the foregoing, no Party may withdraw a filing regarding a Key Regulatory Approval without the prior consent of the other Parties.
- (h) If any objection is asserted with respect to the transactions contemplated by or related to this Agreement under any applicable Law, or if any proceeding is instituted or threatened by any Governmental Authority challenging or which could lead to a challenge of any of the transactions contemplated by or related to this Agreement as a violation of or not in compliance with the requirements of any applicable Law, the Purchaser Parties shall use their reasonable best efforts to resolve such objection or proceeding, including by using its reasonable best efforts to avoid, oppose or seek to have lifted or rescinded any decree, Order, application or judgment that would restrain, prevent or delay the Effective Time and

defending any lawsuit or other legal proceedings, whether judicial or administrative, challenging or delaying this Agreement or the consummation of the Arrangement so as to allow the Effective Time to occur prior to the Outside Date, provided however that such reasonable best efforts shall not require the Purchaser to propose, negotiate, agree to or effect remedial actions beyond those that are described in Section 4.5(i), below.

- (i) In respect of the Key Regulatory Approvals, notwithstanding anything else in this Agreement, the Purchaser Parties shall, and shall cause their controlled Affiliates to, use their reasonable best efforts to take, promptly and expeditiously, any and all actions and steps necessary in order to obtain, or cause to be obtained, the Key Regulatory Approvals as soon as possible so as to permit the Effective Time to occur prior to the Outside Date, which reasonable best efforts, in relation to the remedial matters, commitments and undertakings described in (i) and (ii), below, shall mean:
  - (i) in connection with the Key Regulatory Approvals, other than the Investment Canada Act Approval and the Heritage Approval, proposing, negotiating, agreeing to and effecting, by undertaking, commitment, consent agreement, consent decree, trust, hold separate agreement, Contract, Order or otherwise (and execute and deliver any additional instruments necessary to allow the consummation of the Arrangement) (A) the sale, divestiture, licensing, holding separate or disposition of all or any part of the businesses or assets of the Purchaser Parties or the Company or any of their respective Subsidiaries or controlled Affiliates; (B) the termination of any existing contractual rights, relationships and obligations, or entry into or amendment of any licensing arrangements or other contractual relationships; and (C) commitments imposing any other conditions, restrictions, limitations, undertakings, forfeitures, or agreements affecting the Purchaser Parties and their controlled Affiliates' full rights or ownership of its properties, operations or businesses or the properties, operations or businesses of the Company and its Subsidiaries; provided, however, that any such action is conditioned upon the consummation of the Arrangement and provided, however, that the Purchaser Parties shall not be required to undertake any of the actions listed under items (A) through (C) of this paragraph to obtain the Key Regulatory Approvals if such actions would individually or in the aggregate materially impair or materially reduce the benefits expected to be realized by the Purchaser Parties from the Arrangement; and
  - (ii) in connection with the Investment Canada Act Approval and the Heritage Approval, proposing, negotiating and offering undertakings that are customary or commercially reasonable to obtain the Investment Canada Act Approval and the Heritage Approval, provided that Purchaser shall not be required to propose, negotiate, offer or accept any undertakings that would individually or in the aggregate materially impair or materially reduce the benefits expected to be realized by the Purchaser Parties from the Arrangement.

#### **4.6 Exchange Approval**

- (a) Purchaser Holdco shall use its commercially reasonable efforts to obtain the Exchange Approval as soon as reasonably practicable but, in any event, prior to the Effective Time.
- (b) Purchaser Holdco shall be responsible for and pay, or cause to be paid, all filing fees in connection with obtaining the Exchange Approval.
- (c) Prior to filing the listing application or notification form or responding to any comments of the New York Stock Exchange with respect to the Exchange Approval, Purchaser Holdco shall provide the Company with a reasonable opportunity to review and comment on that document or response.

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#### 4.7 Access to Information/Confidentiality

- (a) From the date hereof until the earlier of the Effective Time and the termination of this Agreement, in accordance with its terms, subject to Law and the terms of any existing Contracts (including the Confidentiality Agreement), for the sole purpose of facilitating integration planning, the Company shall, and shall cause its Subsidiaries to, in each case upon reasonable notice:
  - (i) give to the Representatives of the Purchaser Parties reasonable access to the offices, properties, officers, books and records of the Company and its Subsidiaries during normal business hours; and
  - (ii) furnish to the Purchaser Parties and their Representatives such financial, Tax and operating data and other filings, reports and information as such Persons may reasonably request; and make available to the Purchaser Parties and their Representatives such senior officers and employees of the Company or any of its Subsidiaries as the Purchaser Parties may reasonably request; provided that the Company's compliance with any such request under this Section 4.7(a) shall not unduly interfere with the conduct of the business of the Company and its Subsidiaries.
- (b) All information provided under this Section 4.7 that is Confidential Information as defined in the Confidentiality Agreement shall be subject to the terms of the Confidentiality Agreement notwithstanding any termination of this Agreement.
- (c) Investigations made by or on behalf of the Purchaser Parties, whether under this Section 4.7 or otherwise, will not waive, diminish the scope of or otherwise affect any representation or warranty made by the Company in this Agreement.

#### 4.8 Public Communications

- (a) The Parties agree to jointly issue a press release with respect to this Agreement as soon as practicable after its due execution. The Parties shall co-operate in the preparation of presentations, if any, to the holders of any securities of the Parties.
- (b) A Party may not issue any press release or make any other public statement or disclosure with respect to this Agreement, the Plan of Arrangement or the Arrangement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, conditioned or delayed. Each Party must use commercially reasonable efforts to give the other Parties prior oral or written notice and a reasonable opportunity for the other Parties and their outside counsel to review and comment on all such news releases and other disclosure. The Party making such disclosure shall give reasonable consideration to any comments made by the other Parties or their outside counsel.
- (c) This Section 4.8 is subject to each Party's overriding obligation to make disclosure in accordance with applicable Securities Laws or the rules and requirements of any stock exchange and, if such disclosure is required and the other Parties have not reviewed or commented on the disclosure, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Parties and, if such prior notice is not permitted by applicable Law, shall give such notice immediately following the making of such disclosure. For the avoidance of doubt, none of the foregoing shall prevent, materially delay or otherwise impede the Company or the Purchaser Parties from making: (i) internal announcements to employees or having discussions with shareholders, financial analysts and other stakeholders; or (ii) public announcements in the Ordinary Course that do not relate specifically to this Agreement or the Arrangement, in each case, so long as such announcements and discussions are consistent in all material respects with the recent press releases, public disclosures or public statements made by such Person.



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#### 4.9 Notice and Cure Provisions

- (a) During the period commencing on the date of this Agreement and continuing until the earlier of the Effective Time and the time that this Agreement is terminated, each Party shall promptly notify the other Parties of the occurrence, or failure to occur, of any event or fact which occurrence or failure would, or would be reasonably likely to:
  - (i) cause any of the representations or warranties of such Party contained in this Agreement to be untrue or inaccurate in any respect at any time from the date of this Agreement to the Effective Time if such failure to be true or correct would cause any condition in Section 6.2(a) or Section 6.3(a), as applicable, to not be satisfied; or
  - (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under this Agreement if such failure to comply would cause any condition in Section 6.2(b) or Section 6.3(b), as applicable, to not be satisfied.
- (b) Notifications provided under this Section 4.9 will not diminish the scope of the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.
- (c) The Purchaser may not elect to exercise its right to terminate this Agreement pursuant to subsection 7.2(a)(iv)(A) and the Company may not elect to exercise its right to terminate this Agreement pursuant to subsection 7.2(a)(iii)(A) unless the Party seeking to terminate this Agreement (the “**Terminating Party**”) has delivered a written notice (“**Termination Notice**”) to the other Party specifying in reasonable detail all breaches by a Party (the “**Breaching Party**”) of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of:
  - (i) the Outside Date; and
  - (ii) the date that is 20 Business Days following receipt of such Termination Notice by the other Party, if such matter has not been cured by such date.
- (d) If the Terminating Party delivers a Termination Notice within 20 Business Days prior to the date of the Company Meeting, unless the Parties agree otherwise, the Company shall postpone or adjourn the Company Meeting to the earlier of:
  - (i) 10 Business Days prior to the Outside Date; and
  - (ii) the date that is 20 Business Days following receipt of such Termination Notice by the other Party.

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#### 4.10 Insurance and Indemnification

- (a) Prior to the Effective Time, the Company shall obtain from a reputable third-party insurance carrier with the same or better credit rating as the Company's current insurance carriers with respect to directors' and officers' liability insurance, and fully pay the necessary premium for, customary "tail" policies of directors' and officers' liability insurance for the benefit of the existing directors and officers of the Company and its Subsidiaries providing protection for a claims reporting or discovery period beginning at the Effective Time and continuing for not less than six years from and after the Effective Date and with terms and conditions (including retentions and limits of liability) that are no less favourable in the aggregate to the protection provided by the policies maintained by the Company and its Subsidiaries that are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events that occurred on or prior to the Effective Date.
- (b) From and after the Effective Time, Sunoco shall cause the Company and each of its Subsidiaries to, honour all rights in any existing indemnification provisions or agreements with the Company and any of its Subsidiaries, to the extent that they are:
  - (i) included in the Constatng Documents of the Company and any of its Subsidiaries; or
  - (ii) provided for by Law; or
  - (iii) included in any existing agreements with the Company or its Subsidiaries,and the Purchaser Parties acknowledge that such rights shall survive the Effective Time and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.
- (c) If Sunoco, the Company or any of its Subsidiaries or any of their respective successors or assigns:
  - (i) consolidates with, amalgamates or merges into any other Person; or
  - (ii) transfers all or substantially all of its properties and assets to any Person,Sunoco shall ensure that any resulting entity or assign assumes all of the obligations set forth in this Section 4.10 and acknowledge that such rights shall survive the Effective Time and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.

#### 4.11 Transaction Personal Information

- (a) Each Party shall comply with all applicable Privacy Laws in the course of collecting, disclosing and using Transaction Personal Information. Subject to the foregoing, the Parties may collect, use and disclose Transaction Personal Information for purposes related to the Arrangement. Prior to The Effective Time, the Purchaser Parties shall not disclose Transaction Personal Information to any Person other than its Representatives, including its counsel, who are evaluating and advising on the Arrangement.
- (b) The Purchaser Parties shall use commercially reasonable efforts to protect and safeguard Transaction Personal Information against unauthorized use or disclosure and shall cause their Representatives to observe the terms of this Section 4.11 and protect and safeguard Transaction Personal Information in their possession. If this Agreement is terminated prior

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to the Effective Time, each of the Purchaser Parties shall promptly deliver to the Company, or permanently delete, all Transaction Personal Information in its possession or in the possession of any of its Representatives, including all copies, reproductions, summaries and extracts thereof.

- (c) Except to the extent permitted or required under applicable Privacy Law, after the Effective Time, the Purchaser Parties shall not, without the consent of the individuals to whom such Personal Information relates, use or disclose Transaction Personal Information:
  - (i) for purposes other than those for which such Transaction Personal Information was collected prior to the Effective Time; or
  - (ii) which does not relate to the carrying on of the business of the Company or its Subsidiaries or to the carrying out of the purposes for which the Arrangement was implemented.

#### 4.12 Employee and Company Board Matters

- (a) The Parties acknowledge that the employment of each of the executive officers of the Company who remains employed by the Company immediately prior to the Effective Time will be terminated on completion of the Arrangement (each, a “**Non-Continuing Company Individual**”) and the payments owing to each Non-Continuing Company Individual as a result thereof (as disclosed in Section 4.12(a) of the Company Disclosure Letter) shall, subject to execution and delivery by each Non-Continuing Company Individual of a resignation and mutual release, in a form acceptable to Sunoco, acting reasonably, be paid by the Company to each Non-Continuing Company Individual at or prior to the Effective Time.
- (b) Until the first anniversary of the Effective Time, Sunoco shall or shall cause the Company to provide (i) the Company Employees with base compensation (i.e. annual salary or base hourly rate) that is not less than the base compensation paid to such Company Employees immediately prior to the Effective Time, and (ii) notice or severance for without cause termination consistent with generally accepted practices under applicable statutory provisions or common law; provided that, nothing in this Section 4.12(b) shall (A) give any Company Employee any right to continued employment, (B) affect or otherwise increase the severance, post-termination benefits or other termination entitlements of any Company Employees, (C) impair in any way the right of the Company to terminate the employment of any Company Employee or amend or terminate any of the Company Employee Plans in accordance with their terms or (D) otherwise impact a Person’s applicable legal and contractual rights.
- (c) Prior to the Effective Time, the Company ESPP shall be terminated in accordance with its terms. The Company Board (or, if appropriate, the committee administering the Company ESPP) will pass such resolutions and take all actions reasonably necessary with respect to the Company ESPP to provide from and after the date hereof, no new participants will be permitted to participate in the Company ESPP and participants will not be permitted to increase their payroll deductions or purchase elections from those in effect on date of this Agreement. Notwithstanding the foregoing (i) the termination of the Company ESPP does not otherwise alter or extinguish any rights of existing participants and (ii) any legal or contractual rights of participants pursuant to the Company ESPP will be handled in accordance with the terms of the Company ESPP.
- (d) Until the Effective Time:

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- (i) the Company shall not, without the prior written consent of the Purchaser Parties, acting reasonably, increase the size of the Company Board or fill any vacancy on the Company Board; and
  - (ii) promptly advise the Purchaser Parties of any communication (written or oral) received from, or Proceedings brought by (or, to the knowledge of the Company, threatened by), any Person with respect to the composition of the Company Board, and provide the Purchaser Parties with a reasonable opportunity to review and comment upon any written communication sent by or on behalf of the Company to any such Person and to participate in any discussions or negotiations with or including any such Person.

#### 4.13 Financings

- (a) The Purchaser Parties shall use their reasonable best efforts to take, or cause to be taken, all actions as are necessary, proper or advisable to consummate the Debt Financing at or prior to the Effective Time, including using reasonable best efforts in: (i) maintaining in effect the Debt Commitment Letter and the Sunoco Existing Credit Facilities (except to the extent replaced by the financing contemplated in the Debt Commitment Letter) and, once entered into prior to the Effective Date (if at all), the Financing Documents (as defined below) in accordance with their respective terms, (except for such amendments, supplements, modifications, replacements or waivers permitted pursuant to this Section 4.13); (ii) negotiating and entering into definitive documentation with respect to the Debt Financing in accordance with the Debt Commitment Letter on the terms and conditions (including the ‘market flex’ provisions) contained in the Debt Commitment Letter or on other terms in accordance with this Section 4.13; (iii) satisfying or obtaining on a timely basis the waiver of all conditions to funding within the control of the Purchaser Parties in the Debt Commitment Letter (and in any definitive documentation entered into with respect to the Debt Financing prior to the Effective Time (the “**Financing Documents**”)); and (iv) enforcing its rights under the Debt Commitment Letter in the event of a breach by the Debt Financing Sources (or any of them) that would reasonably be expected to prevent, materially delay or otherwise materially impede the consummation of the transactions contemplated by the Arrangement (it being agreed that any delay to a date that would be later than the Outside Date is a material delay).
- (b) The Purchaser Parties shall not permit, without the prior written consent of the Company (not to be unreasonably withheld, delayed or conditioned, provided that it shall not be unreasonable for the Company to withhold consent to any amendment or modification that would reasonably be expected to cause closing of the Arrangement to occur after the Outside Date), any amendment or modification to be made to, any replacement or termination of, or any waiver or release of any provision or remedy to be made under, the Debt Commitment Letter or any Financing Document (it being understood that the exercise of any “market flex” provisions shall not be deemed to be an amendment, modification, waiver or release) if such amendment, modification, replacement, termination, waiver or release expands or modifies the conditions precedent to the availability of the Debt Financing or imposes new or additional conditions precedent thereto, reduces the amount of the commitments thereunder to any amount less than the Required Amount or would otherwise reasonably be expected to prevent, materially delay or otherwise materially impede the consummation of the Debt Financing or the timely consummation of the transactions contemplated by this Agreement; provided, that, for the avoidance of doubt, (i) the Purchaser Parties shall be permitted to amend the Debt Commitment Letter to add lenders (and re-allocate commitments as a consequence of the addition of lenders), arrangers, bookrunners, syndication and documentation agents or similar entities who have not executed the Debt Commitment Letter as of the date hereof, (ii) the termination of commitments as contemplated under the Debt Commitment Letter (for example, as a result of non-ordinary course liquidity events) or in the Sunoco Existing Credit Facilities as

of the date hereof shall not be deemed to violate this Section 4.13(b) so long as, after giving effect to such termination, the net proceeds contemplated from the remaining commitments in respect of the Debt Financing, together with the Purchaser's available cash, is not less than the Required Amount and (iii) the amendment or replacement of the Sunoco Existing Credit Facilities in accordance with the Debt Commitment Letter are expressly acknowledged as permitted.

- (c) The Purchaser Parties shall keep the Company reasonably informed on a current basis of the status of its efforts to arrange and finalize the Debt Financing, and, upon reasonable request by the Company, the Purchaser Parties will provide the Company with information, in reasonable detail, with respect to the current status of all material activity concerning arranging and obtaining the Debt Financing. Without limiting the generality of the foregoing, the Purchaser Parties shall give the Company notice as soon as reasonably practicable: (i) of any actual breach or default by any party to the Debt Commitment Letter, any Financing Documents or the Sunoco Existing Credit Facilities of which the Purchaser Parties (or any of them) becomes aware; (ii) of the receipt of any written notice or other communication from any Debt Financing Source with respect to any actual breach, default, termination or repudiation by any party to the Debt Commitment Letter, any Financing Documents or the Sunoco Existing Credit Facilities; (iii) if for any reason the Purchaser Parties believe in good faith that they will not be able to obtain all or any portion of the Debt Financing; (iv) if the Debt Commitment Letter, any Financing Documents or the Sunoco Existing Credit Facilities expires or is terminated for any reason; and (v) if the Debt Commitment Letter, any Financing Documents or the Sunoco Existing Credit Facilities is amended, supplemented, replaced or terminated or if any waiver is granted in respect thereof, together with the applicable amendment, supplement, replacement or waiver (it being understood that (x) any fee letter (or amendment, supplement, replacement or waiver thereof) will be redacted on the same basis as contemplated by paragraph 28(a) of Appendix D and (y) public filing of such amendment, supplement, replacement or waiver with the SEC shall constitute delivery thereof). As soon as reasonably practicable after the date the Company delivers to any Purchaser Party a written request, the Purchaser Parties shall provide any information reasonably requested by the Company relating to any circumstance referred to in clause (i), (ii), (iii), (iv) or (v) of the immediately preceding sentence. The Purchaser Parties shall not be required to make a disclosure under this Section 4.13(c) to the extent that any such disclosure would be prohibited under applicable Laws or could reasonably be expected to result in a waiver of solicitor-client privilege.
- (d) If any portion of the Debt Financings becomes unavailable on the terms and conditions (including any applicable "market flex" provisions) contemplated by the Debt Commitment Letter or the Sunoco Existing Credit Facilities (unless such portion of the Debt Financings is not required to timely consummate the transactions contemplated by this Agreement and the Plan of Arrangement), the Purchaser Parties shall use their reasonable best efforts to arrange and obtain, as promptly as practicable, alternative financing from alternative sources which alternative financing shall: (i) provide for an aggregate commitment amount (for the avoidance of doubt, inclusive of the remaining commitment amount under the Debt Commitment Letter) that is sufficient to provide the Purchaser Parties, when taken together with available cash and available borrowings under the Sunoco Existing Credit Facilities, the Required Amount; and (ii) be subject to such terms and conditions as would not reasonably be expected to prevent, materially delay or otherwise materially impede the consummation of the Arrangement or the transactions contemplated hereby; provided that nothing contained in this Section 4.13(d) shall require, and in no event shall the reasonable best efforts of the Purchaser Parties be deemed or construed to require, the Purchaser Parties (or any of them) to pay any fees or any interest rates applicable to the Debt Financing in excess of those contemplated by the Debt Commitment Letters (after giving effect to the "market flex" provisions), or agree to terms, taken as a whole, materially less favorable to the Purchaser Corporate Group or the Company Corporate Group than the terms contained in or contemplated by the Debt Commitment Letters as of the date hereof.

The Purchaser Parties shall deliver to the Company true, correct and complete copies of such alternative commitments (including related term sheets and fee letters) when available; provided that any fee letter will be redacted on the same basis as contemplated by paragraph 28(a) of Appendix D. For the avoidance of doubt, the Purchaser Parties' arranging and obtaining, in replacement of the Debt Financing, new or replacement financing in accordance with this Section 4.13(d) shall not modify or affect in any way any of the Company's or the Purchaser Parties' rights or obligations pursuant to this Agreement. In the event any alternative financing is obtained, all references herein to the "Debt Financing" or the "Sunoco Existing Credit Facilities", as applicable, shall be deemed to include such alternative financing and all references herein to the "Debt Commitment Letter" or the "Sunoco Existing Credit Facilities", as applicable, shall be deemed to include the applicable credit agreement(s), commitment letter(s) and any related fee letter(s) for the alternative financing.

- (e) The Purchaser Parties acknowledge and agree that the Purchaser Parties' obtaining financing is not a condition to any of their respective obligations hereunder, regardless of the reasons why financing is not obtained or whether such reasons are within or beyond the control of the Purchaser Parties. For the avoidance of doubt, if any financing referred to in this Section 4.13 is not obtained, the Purchaser Parties will continue to be obligated to consummate the Arrangement, subject to and on the terms contemplated by this Agreement, subject to the applicable conditions set forth in Article 6.

#### **4.14 Financing Assistance**

- (a) The Company shall use reasonable best efforts to provide and to cause its Subsidiaries (and to use reasonable best efforts to cause its and their Representatives) to provide such customary and timely cooperation to the Purchaser Parties as the Purchaser Parties may reasonably request in connection with the arrangements by the Purchaser Parties to obtain the Debt Financings (provided that (i) such cooperation does not unreasonably interfere with the ongoing business operations of the Company or its Subsidiaries; (ii) other than any customary authorization letters and comfort letters described below, the Company shall not be required to execute or enter into, or cause any of its Subsidiaries or its or their Representatives to execute or enter into, any binding commitment or agreement which becomes effective prior to the Effective Time or which is not conditional on the completion of the Arrangement and does not terminate without liability to the Company or its Subsidiaries upon the termination of this Agreement; (iii) neither the Company Board nor any of the boards of directors (or equivalent bodies) of the Company's Subsidiaries shall be required to approve or adopt any Debt Financing or Contracts related thereto (for the avoidance of doubt, excluding any customary authorization letters or comfort letters described below to the extent applicable) that would take effect prior to, or are not otherwise contingent upon the occurrence of, the Effective Time (and no such directors that shall not be continuing directors shall be required to take such action); (iv) no employee, officer or director of the Company or any of its Subsidiaries shall be required to take any action which would result in such Person incurring any personal liability (as opposed to liability in his or her capacity as an officer) with respect to any matters related to the Debt Financing (including the matters set forth below in items (i) through (x)); and (v) any actions taken as described in the following clauses shall be, and shall be deemed to be, a use of reasonable best efforts under this Section 4.14(a)), including:
  - (i) making available to the Purchaser Parties, their Representatives and the Debt Financing Sources and their respective agents and advisors, (a) Required Financial Information that is Compliant; provided that (A) in the case of Required Financial Information contemplated in clause (a) of the definition thereof, such Required Financial Information shall be provided when it becomes available and shall not otherwise be qualified by "reasonable best efforts" as set forth in this Section 4.14(a) and (B) in the case of Required Financial Information contemplated

in clause (b) or (c) of the definition thereof, such Required Financial Information shall be provided as soon as reasonably practicable following a written request by the Purchaser Parties with reasonable detail as to the Required Financial Information then requested, updating such Required Financial Information provided to the Purchasers and the Debt Financing Sources as may be necessary for such Required Financial Information to remain Compliant until completion of the Debt Financing and (b) customary authorization letters to the Debt Financing Sources authorizing the distribution of information to prospective lenders and other financing sources (without limiting the confidentiality restrictions noted below) and containing customary representations, including with respect to the presence or absence of material non-public information about the Company and regarding the accuracy of the information provided by, or with respect to, the Company;

- (ii) participating (and using reasonable best efforts to cause members of senior management of the Company with appropriate seniority and expertise to participate) in a reasonable number of meetings, conference calls, presentations, sessions, road shows, with the Debt Financing Sources and prospective lenders or investors, due diligence sessions and sessions with ratings agencies;
- (iii) reasonably assisting with the preparation of appropriate and customary materials for rating agency presentations, offering and syndication documents (including lender and investor presentations, offering memoranda, bank information memoranda and similar documents) and other customary marketing documents required in connection with the Debt Financing (“**Financing Materials**”);
- (iv) cooperating and providing information reasonably required by or for the benefit of the Debt Financing Sources in the context of due diligence and verification, in compliance with applicable requirements or customary practice;
- (v) providing the Purchaser Parties, the Debt Financing Sources and their respective Representatives reasonably timely and customary access, upon reasonable request and notice, to conduct site visits and inspections;
- (vi) as soon as practicable following request and at least four (4) Business Days prior to the Effective Date (provided the request is at least nine (9) Business Days prior to such time), providing the Purchaser Parties and any of the Debt Financing Sources with all documentation and other information required under applicable anti-money laundering laws, rules and regulations and know-your-client processes, including without limitation, the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* of 2001, and with respect to beneficial ownership;
- (vii) cooperating in the discharge of existing indebtedness and Liens of the Company and its Subsidiaries (which discharge for clarity shall not be required to take effect before, and may be subject to, closing of the Arrangement), including, without limitation, (A) obtaining customary debt pay-off letter(s) with respect to the Company Corporate Credit Facility and, unless the consent referred to in clause (viii) below has been obtained, the Company Project Financing, and appropriate documentation to release, discharge and terminate the guarantees and Liens of the Company and its Subsidiaries providing credit support under the Company Corporate Credit Facility and the Company Project Financing (if applicable) and delivering drafts of such pay-off letter(s) and release documentation to the Purchaser Parties for comment and review at least five (5) Business Days prior to the Effective Time and executed forms of such pay-off letters to the Purchaser Parties at least two (2) Business Days prior to the Effective Time, it being understood that such pay-off letters and release, discharge and termination

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- documentation shall be reasonably satisfactory to the Purchaser Parties, (B) giving (by the date required under the Company Corporate Credit Facility or Company Project Financing, as applicable) any necessary notices (including notices of prepayment and commitment termination) to allow for the prepayment, payoff, discharge and termination in full of such credit facilities at the Effective Time and (C) cooperating with the Purchaser Parties and its lenders to arrange for the cash collateralization, backstop or other arrangements with respect to issued and outstanding letters of credit under the Company Corporate Credit Facility;
- (viii) at the request of the Purchaser Parties, use reasonable best efforts to obtain, subject to and with effect from the closing of the Arrangement, such consents, waivers or amendments as may be necessary or reasonably requested in order to allow the Company Project Financing to remain outstanding after the Effective Time without default or other breach resulting thereunder as a result of the consummation of the transactions contemplated by this Agreement or the go-forward operations of the Purchaser Corporate Group (including the Company and its Subsidiaries) following the Effective Time;
  - (ix) cooperating with the preparation and negotiation of and entry into (which may be subject to and with effect from the closing of the Arrangement) and sending of definitive and ancillary documentation in connection with, and which may be subject to and with effect from the closing of the Arrangement, the Debt Financings, including the delivery (after the Effective Time or conditional upon the closing of the Arrangement) of any certificate, opinion or other document required to be delivered to the trustees of the indentures relating to the Parkland Existing Notes that will remain outstanding following the Effective Time in connection with the transactions contemplated by this Agreement; and
  - (x) obtain from the Company's registered public accounting firm that has audited the Company's most recent audited financial statements, customary comfort letters and consents required in connection with any Debt Financing with respect to the financial statements and information described in Required Financial Information that is included in any offering document for which such comfort is customarily required, including customary confirmations (in customary form and scope and delivered at such customary times) of such accountants that they are prepared to issue any such comfort letter or consent subject to the completion of its customary procedures relating thereto and request that such attend accounting due diligence sessions and drafting sessions.
- (b) Without limiting the generality of the foregoing cooperation described in Section 4.14(a), with respect to the Parkland Existing Notes (the actions described below, "**Parkland Existing Notes Actions**"):
- (i) Within five (5) Business Days of receiving written notice from the Purchaser instructing the Company to (A) issue or cause to be issued a notice of optional redemption with respect to any series of the Parkland Existing Notes, which notice shall be conditioned upon the consummation of the transactions contemplated under this Agreement, the Company shall issue such conditional notice of redemption in respect of such series of the Parkland Existing Notes; provided that the Purchaser Parties and the Company agree that such notice shall be delivered in accordance with the requirements of, and only to the extent permitted by, the applicable indenture governing such series of the Parkland Existing Notes, including with respect to timing requirements relative to the redemption date and the conditionality of such notice; provided further that, within three (3) Business Days of receiving written notice from the Purchaser Parties instructing the Company to delay the redemption date in respect of a series of the Parkland



Existing Notes to a subsequent redemption date, the Company shall (in accordance with the terms of, and only to the extent permitted by, the applicable indenture) amend or otherwise modify the applicable redemption notice setting forth such new subsequent redemption date in respect of such series of the Parkland Existing Notes, (B) make a Change of Control Offer (as defined, or such similar term is defined, in the applicable indenture governing such series of the Parkland Existing Notes) with respect to any series of the Parkland Existing Notes in accordance with the requirements of the applicable indenture governing such series of the Parkland Existing Notes and conditioned upon the consummation of a Change of Control Triggering Event (as defined, or such similar term is defined, in the applicable indenture governing such series of the Parkland Existing Notes) occurring as a result of the consummation of the Arrangement, or (C) take any actions reasonably requested by the Purchaser, subject in each case to compliance with the terms of each applicable indenture governing the Parkland Existing Notes, to facilitate the satisfaction and/or the discharge of such Parkland Existing Notes by the Company on or following the Effective Time pursuant to the indentures governing such Parkland Existing Notes. Subject to the terms and conditions of this Agreement and the occurrence of the Effective Time, on the date that the Effective Time occurs, the Purchaser shall fund or cause to be funded, or as directed by the Company, an amount sufficient to satisfy in full all amounts due in connection with the redemption of any such series of the Parkland Existing Notes to be redeemed on such date pursuant to a conditional notice of redemption or Change of Control Offer, in each case, in accordance with the terms of the applicable indenture governing such series of the Parkland Existing Notes or such other arrangements (including pursuant to escrow agreements) as are reasonably satisfactory to the Purchaser Parties, the Company and the applicable trustee. To the extent the Company delivers a conditional notice of redemption or makes a Change of Control Offer in accordance with this Section 4.14(b) with respect to any series of the Parkland Existing Notes, the Company shall take such actions that are reasonably necessary to facilitate the redemption of each such series of the Parkland Existing Notes (or tendered portion thereof) pursuant to the terms of the applicable indenture, including the delivery of customary legal opinions and officer's certificates to the trustee for such series of the Parkland Existing Notes, and, subject to Purchaser Parties' satisfaction of its obligations under this Section 4.14(b), the Company shall redeem each such series of the Parkland Existing Notes (or tendered portion thereof) in accordance with the terms of the applicable indenture.

- (ii) As soon as reasonably practicable after the receipt of any written request by the Purchaser Parties to do so, and, in any event, subject to applicable Law and compliance with the terms of each applicable indenture governing the Parkland Existing Notes, the Company shall commence (and shall commence together with the applicable Purchaser Parties where such Purchaser Parties shall be offerors) offers to purchase or exchange all or a portion of the Parkland Existing Notes for securities of the Purchaser Parties, and/or consent solicitations to amend, eliminate or waive certain sections of any indenture governing a series of the Parkland Existing Notes as specified by the Purchaser Parties (the "**Consent Solicitations**"), on such terms and conditions, including pricing terms, that are specified and instructed by the Purchaser Parties (each a "**Debt Tender Offer**" and collectively, including the Consent Solicitations, the "**Debt Tender Offers**") and the Purchaser Parties shall assist the Company in all material respects in connection therewith; provided, however, that the Company shall not be required to commence any Debt Tender Offer until the Purchaser shall have prepared and provided the Company with the necessary offer to purchase, related letter of transmittal, consent solicitation statement, supplemental indenture and other related documents in connection with such Debt Tender Offer (the "**Debt Tender**

**Offer Documents**"); provided, further, that the Purchaser Parties will consult with the Company regarding and afford the Company a reasonable time to review and comment on (A) the timing and commencement of the Debt Tender Offers and any early tender or early consent deadlines for the Debt Tender Offers in light of the regular financial reporting schedule of the Company (and the Purchaser Parties, as applicable) and (B) the Debt Tender Offer Documents and the material terms and conditions of the Debt Tender Offers and the Purchaser Parties shall give reasonable and good faith consideration to any comments made by the Company. The Company shall amend the terms of any Debt Tender Offer or waive any of the conditions relating to any Debt Tender Offer to be made by the Company as may be reasonably requested by the Purchaser Parties in writing and shall not, without the written consent of the Purchaser Parties, waive any condition to any such Consent Solicitation or make any changes to any such Consent Solicitation other than as consented to or approved by the Purchaser Parties. The terms and conditions specified by the Purchaser Parties for the Debt Tender Offers (or waiver or amendment thereof) shall be in compliance in all material respects with applicable law and the terms of the applicable indenture. The closing of each Debt Tender Offer shall be expressly conditioned on the occurrence of the Effective Time (and shall occur after the Effective Time), and the parties hereto shall use their reasonable best efforts to cause each Debt Tender Offer to close as promptly as practicable after the Effective Time and none of the Parkland Existing Notes shall be required to be purchased until after the Effective Time; provided, however, that if the Purchaser Parties (1) requests in writing that one or more Debt Tender Offers be consummated at or prior to the Effective Time and (2) agrees to irrevocably and unconditionally pay for such Debt Tender Offers as contemplated by this Section 4.14(b)(ii) and by Section 4.14(f) upon such consummation, then the parties shall use their reasonable best efforts to cause such Debt Tender Offers to be consummated as of the time so requested by the Purchaser Parties. The Company shall provide and shall use its reasonable best efforts to cause its Representatives to provide all cooperation reasonably requested by the Purchaser Parties in connection with the Debt Tender Offers, including assistance with the preparation by the Purchaser Parties of one or more offering memoranda, offers to purchase and consent solicitation statements, letters of transmittal and consents (if required), press releases, purchase agreements, dealer manager agreements and other documentation customary to transactions similar to a Debt Tender Offer. Subject to the terms and conditions of this Agreement and the occurrence of the Effective Time, the Purchaser Parties shall pay any consent fee payable in connection with such Debt Tender Offer and/or fund or cause to be funded to, or as directed by the Company, an amount sufficient to satisfy in full all amounts due in connection with the redemption of any such series of the Parkland Existing Notes to be redeemed, exchanged or otherwise retired on such date as a result of such Debt Tender Offer in accordance with the terms of the applicable indenture governing such series of the Parkland Existing Notes or enter into such other arrangements (including pursuant to escrow agreements) as are reasonably satisfactory to the Purchaser Parties, the Company and the applicable trustee.

- (c) The Company acknowledges that, in connection with the Debt Financings and Parkland Existing Notes Actions, the Purchaser Parties may have confidential discussions concerning this Agreement or the Arrangement with the Debt Financing Sources, rating agencies, prospective lenders, prospective or existing investors and trustees and each of their agents and advisors during syndication of the Debt Financings (including any replacement or alternative financing) and/or the pendency of such Parkland Existing Notes Actions and that confidential or otherwise non-public information may be provided to the Debt Financing Sources, rating agencies, prospective lenders, prospective or existing investors and trustees and each of their agents and advisors, and the Company consents to the Purchaser Parties and its Affiliates and Representatives having such discussions

and providing such information provided that such Debt Financing Sources, rating agencies, prospective lenders, prospective or existing investors and trustees and each of their respective agents and advisors agree to keep any applicable confidential information concerning the Company or its Subsidiaries confidential including through 'click through' confidentiality agreements and confidentiality provisions contained in customary bank books.

- (d) Without limiting the generality of the foregoing, the Company consents to the use of all logos of the Company and its Subsidiaries in any Financing Materials used in connection with the Debt Financings and any similar materials used in connection with any Parkland Existing Notes Actions; *provided*, that such logos are: (i) used (A) solely in a manner that is not intended, or reasonably likely, to harm or disparage the Company or its Subsidiaries or the reputation or goodwill of the Company or its Subsidiaries, and (B) solely in connection with a description of the Company, its business and products or the transactions contemplated by this Agreement (including the Debt Financings); or (ii) used in any other manner as may be approved by the Company from time to time.
- (e) None of the Company or its Subsidiaries shall be required to: (i) pay any commitment, consent or other similar fee, incur any liability, or provide or agree to provide any indemnity in connection with the Debt Financings or the Parkland Existing Notes Actions prior to the Effective Time that is not indemnified or reimbursed pursuant to Section 4.14(f); (ii) take any action or do anything that would: (A) contravene any applicable Laws or its organizational or constating documents in effect as of the date of this Agreement; (B) materially breach or would result in a default under any Material Contract to which the Company or its Subsidiaries is party (provided that such Material Contract is not entered into solely for the purpose of circumventing the cooperation contemplated herein); (C) cause any breach of this Agreement that would provide the Purchaser Parties with the right to terminate this Agreement or seek indemnity, reimbursement of expenses or the payment of the Purchaser Termination Fee under the terms hereof; or (D) reasonably be expected to prevent, materially delay or otherwise materially impede the consummation of the Arrangement or the transactions contemplated hereby; (iii) disclose any information that would result in the disclosure of any trade secrets or similar information or violate any obligations of the Company or its Subsidiaries with respect to confidentiality that are owed to any third party; provided, the Company shall, and shall cause its Subsidiaries to, notify the Purchaser Parties if any documentation and information is being so withheld and provide a general description of such withheld documentation or information, in each case, to the extent permitted under the applicable obligation of confidentiality; or (iv) waive or amend any terms of this Agreement. Nothing in this Agreement will require any Representative of the Company or any of its Subsidiaries to deliver any certificate or opinion or take any other action pursuant to this Section 4.14 that would or would reasonably be expected to result in personal liability to such Representative.
- (f) The Purchaser Parties shall, promptly upon request by the Company (and in any event following termination of this Agreement): (i) reimburse the Company or its Subsidiaries for all reasonable and documented out-of-pocket costs (including reasonable and documented out-of-pocket legal and accounting fees) incurred by the Company or its Subsidiaries in connection with any of the actions contemplated by this Section 4.14; and (ii) shall indemnify and hold harmless the Company or its Subsidiaries and their respective Representatives from and against any and all losses, damages, claims, costs or expenses suffered or incurred by any of them in connection with the cooperation of the Company and its Subsidiaries contemplated by this Section 4.14 or in connection with the Debt Financings or the Parkland Existing Notes Actions, in each case, other than in connection with any information supplied by or on behalf of the Company or any of its Subsidiaries (or which relates to the Company or any of its Subsidiaries which is approved in writing by the Company or any Subsidiary (including by email)) or to the extent resulting from the Company's or any of its Subsidiaries' fraud, gross negligence or willful misconduct.

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- (g) For the avoidance of doubt, the Purchaser Parties may, to most effectively access the financing markets, request the cooperation of the Company and its Subsidiaries under this Section 4.14 at any time, and from time to time on multiple occasions, between the date hereof and the Effective Time.
  - (h) The Parties agree that subject to the Company's compliance with Section 2.14, (i) a breach by the Company of its obligations under this Section 4.14 (other than as required by Section 4.14(a)(i), Section 4.14(a)(vi), Section 4.14(a)(vii), Section 4.14(a)(x) or Section 4.14(b)(i) with respect to the satisfaction and discharge or redemption in full of the Existing 2026 Notes upon the Effective Time) shall not constitute a breach of this Agreement for purposes of Section 6.2(b) unless such breach is a material breach and directly results in the Debt Financing not being available to the Purchaser Parties prior to or at the Effective Time, and (ii) a breach by the Company or its Subsidiaries of their obligations under Section 4.14(a)(i), Section 4.14(a)(vi), Section 4.14(a)(vii), Section 4.14(a)(x) or Section 4.14(b)(i) with respect to the satisfaction and discharge or redemption in full of the Existing 2026 Notes upon the Effective Time shall not constitute a breach of this Agreement for purposes of Section 6.2(b) unless such breach results in the Debt Financing not being available to Purchaser Parties prior to or at the Effective Time.

#### 4.15 Debt Financing Sources

Notwithstanding anything in this Agreement to the contrary, each of the Parties to this Agreement on behalf of itself, its Affiliates and their respective directors, officers, employees, controlling persons, agents or other Representatives, hereby:

- (a) agrees, without limiting the Purchaser Parties' rights and remedies against the Debt Financing Sources under the Debt Commitment Letters, that:
  - (i) no Debt Financing Party will have any obligation or liability (whether in contract or in tort, in law or in equity or otherwise) to the Company or any of its Affiliates relating to or arising out of this Agreement, the Debt Financings or any of the transactions contemplated hereby or thereby or the performance of any services thereunder; and
  - (ii) this Agreement may only be enforced against, and any claim, action or other proceeding that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement may only be made against the Persons that are expressly identified as the Parties to this Agreement;
- (b) agrees that it will not bring or support any action, cause of action, claim, cross-claim or third-party claim of any kind or description, whether at law or in equity, whether in contract or in tort or otherwise, against any Debt Financing Party in any way relating to this Agreement or any of the transactions contemplated by this Agreement, including but not limited to any dispute arising out of or relating in any way to the Debt Financing or the performance thereof or the transactions contemplated thereby, in any forum other than exclusively in the Supreme Court of the State of New York, County of New York, or, if under applicable Law exclusive jurisdiction is vested in the federal courts, the United States District Court for the Southern District of New York (and appellate courts thereof);
- (c) submits for itself and its property with respect to any such action to the exclusive jurisdiction of such courts referred to in Section 4.15(b);
- (d) agrees that service of process, summons, notice or document by registered mail addressed to it at its address provided in Section 9.1 shall be effective service of process against it for any such action brought in any such court referred to in Section 4.15(b);

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- (e) irrevocably waives, to the fullest extent permitted by Law, any objection which it may now or hereafter have to the laying of venue of, and the defense of an inconvenient forum to the maintenance of, any such action in any such court referred to in Section 4.15(b);
  - (f) agrees that a final judgment in any such action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law;
  - (g) agrees that any claim, controversy or dispute of any kind or nature (whether based upon contract, tort or otherwise) involving a Debt Financing Party that is in any way related to this Agreement, the Arrangement or any of the transactions contemplated by this Agreement, including but not limited to any dispute arising out of or relating in any way to the Debt Financing shall be governed by, and construed in accordance with, the Laws of the State of New York without regard to conflict of law principles (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law);
  - (h) IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM AGAINST ANY DEBT FINANCING PARTY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR ARISING OUT OF OR RELATING TO THE DEBT FINANCING OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREBY; and
  - (i) agrees that no amendment or waiver of this Section 4.15, Section 8.2(d) Section 9.10(a) or Section 9.10(d)(i) (or the definitions used herein or therein) shall be effective to the extent such amendment or waiver is adverse to the Debt Financing Parties without the prior written consent of the Debt Financing Sources party to the Debt Commitment Letter as of such date.

#### 4.16 Pre-Acquisition Reorganization

- (a) Subject to Section 4.16(b), the Company agrees that, upon request of the Purchaser Parties, the Company shall use commercially reasonable efforts to: (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as the Purchaser Parties may request, acting reasonably (each a “**Pre-Acquisition Reorganization**”), (ii) cooperate with the Purchaser Parties and their advisors to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken; and (iii) cooperate with the Purchaser Parties and their advisors to seek to obtain consents or waivers which might be required, including, if applicable, from the Company’s or its Subsidiaries’ lenders under existing debt documentation in connection with any Pre-Acquisition Reorganization, provided that such consents or waivers have been set out in the notice delivered to the Company pursuant to Section 4.16(c).
- (b) The Company will not be obligated to participate in any Pre-Acquisition Reorganization under Section 4.16(a) unless such Pre-Acquisition Reorganization:
  - (i) can be completed as close as reasonably practicable to the Effective Date, and can be reversed or unwound, without incurring any costs or expenses that are not subject to reimbursement or indemnification pursuant to Section 4.16(d) and without adversely affecting the Company, any of its Subsidiaries or the Company Securityholders, in the event the Arrangement is not completed;
  - (ii) is not prejudicial to the Company or Company Securityholders;

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- (iii) does not require the Company to obtain the approval of Company Securityholders;
  - (iv) does not reduce or change the amount or form of the Consideration provided for under the Arrangement;
  - (v) does not prevent or impair the ability of the Company or the Purchaser Parties to complete, and will not delay the completion of, the Arrangement;
  - (vi) does not require the Company or any of its Subsidiaries to take any action that could reasonably be expected to result in Taxes being imposed on, or any adverse Tax or other consequences to, Company Securityholders incrementally greater than the Taxes or other consequences to such party in connection with the completion of the Arrangement in the absence of action being taken pursuant to Section 4.16(a);
  - (vii) does not result in any breach by the Company or any of its Subsidiaries of any Material Contract (unless the counterparty to such Material Contract has pre-emptively waived any such breach) or any breach by the Company or any of its Subsidiaries of their respective Constatting Documents, organizational documents or Law or require any consents or waivers (including, if applicable from the counterparties to such Material Contracts or from the Company's or its Subsidiaries' lenders, trustees or noteholders under existing debt documentation) that have not been obtained;
  - (viii) does not, in the opinion of the Company, acting reasonably and in good faith, interfere with the ongoing operations of the Company or any of its Subsidiaries;
  - (ix) does not require the directors, officers, employees or agents of the Company or its Subsidiaries to take any action in any capacity other than as a director, officer, employee or agent or that would reasonably be expected to result in any such director, officer, employee or agent incurring personal liability;
  - (x) does not result in the withdrawal or material modification of the Fairness Opinions; and
  - (xi) other than with the consent of the Company (not to be unreasonably withheld, conditioned or delayed), shall not become effective unless the Purchaser Parties have waived or confirmed in writing the satisfaction of all conditions in their favour under this Agreement and shall have confirmed in writing that they are prepared, and able to promptly and without condition proceed, to effect the Arrangement.
- (c) The Purchaser Parties must provide written notice to the Company of any proposed Pre-Acquisition Reorganization at least fifteen (15) Business Days prior to the Effective Date. Upon receipt of such notice, the Company and the Purchaser Parties shall work cooperatively and use their commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization, including any amendment to this Agreement or the Plan of Arrangement (provided that such amendments do not require the Company to obtain approval of the Company Securityholders).
- (d) The Purchaser Parties shall: (i) forthwith reimburse the Company for all out-of-pocket costs and expenses incurred in connection with any proposed Pre-Acquisition Reorganization, including any costs incurred by the Company to restore the organizational structure of the Company to an identical structure of the Company as of immediately prior to the implementation of any Pre-Acquisition Reorganization including in connection with or as a

result of restoring the organizational structure of the Company to an identical structure of the Company as of immediately prior to the implementation of any Pre-Acquisition Reorganization and legal fees of legal counsel to the Company or any of its Subsidiaries; and (ii) indemnify the Company, any of its Subsidiaries and their Representatives, on an after-Tax basis, for all direct and indirect liabilities, losses, Taxes, damages, claims, costs, expenses, interest awards, judgements and penalties suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization (other than those costs and expenses reimbursed in accordance with the foregoing clause (i)). The indemnification obligations contained in this Section 4.16(d) shall survive indefinitely notwithstanding the termination of this Agreement.

- (e) The Purchaser Parties agree that any Pre-Acquisition Reorganization will not be considered in determining whether a representation, warranty, covenant or agreement of the Company under this Agreement has been breached (including where any such Pre-Acquisition Reorganization requires the consent of any third party under a Contract).

#### **4.17 Title Insurance**

The Purchaser may prior to the Effective Time, elect to acquire owner's and/or lender's title insurance policies with respect to any Company Owned Real Property at the Purchaser's sole cost and expense. The Company shall provide, or cause the applicable Subsidiary to provide, copies of any existing title insurance policies to the extent in the Company's possession or control in respect of any of the Company Owned Real Property promptly upon request by the Purchaser.

#### **4.18 Purchaser Parties Organizational Matters**

##### *Purchaser Holdco Board Representation*

- (a) On the Effective Date, a current member of the Company Board selected by Purchaser Holdco shall be appointed to the board of directors of the managing member of Purchaser Holdco for a 12 month term.

##### *Indemnification of Purchaser Holdco for Certain Liabilities*

- (b) From and after the Effective Time, Sunoco hereby agrees to indemnify and save harmless, on an after-Tax basis, Purchaser Holdco from all actual losses suffered or incurred by the Purchaser Holdco as a result of an Indemnified Liability; provided that Sunoco shall have no liability hereunder in respect of any Claims unless Purchaser Holdco shall have delivered an Indemnity Notice in respect of such Claim following the Effective Date and within two (2) years from the Effective Date (in the case of any Claim that does not relate to Taxes) or within the period ending six (6) months after the end of the statutory assessment or reassessment period applicable to the Tax period in respect of which the Claim relates (in the case of any Claim that relates to Taxes).
- (c) If any claim, proceeding or other matter (a "**Claim**") is made against Purchaser Holdco by a third party for which Purchaser Holdco may be entitled to indemnification under Section 4.18(b), Purchaser Holdco shall give notice (the "**Indemnity Notice**") to Sunoco specifying the particulars of such Claim within 20 days after it receives notification of the Claim. Sunoco shall have the right to participate in any negotiations or proceedings with respect to such Claim. Purchaser Holdco shall not settle or compromise any such Claim without the prior written consent of Sunoco, such consent not to be unreasonably withheld or delayed. If Sunoco has not, within 20 Business Days after the giving of the Indemnity Notice, given notice to Purchaser Holdco that Sunoco wishes to dispute such Claim, then Purchaser Holdco may assume the defence of such Claim. If Sunoco does give such a notice, Sunoco shall have the right to assume the defence of such Claim and to defend such Claim in the name of Purchaser Holdco. Purchaser Holdco shall provide to Sunoco all files, books, records and other information in its possession or control which may be relevant to the defense of such Claim.

The indemnification obligations contained in this Section 4.18(b) and Section 4.18(c) shall survive the termination of this Agreement.

*Post-Closing Distribution Equivalency*

- (d) (i) For the two year period following the Effective Date (the “**Equalization Period**”), Purchaser Holdco shall, each time that Sunoco declares and pays a distribution on Sunoco Common Units, declare and pay, with a corresponding record date and payment date, on each Purchaser Holdco Unit an amount or other consideration equal to 100% of the distributions paid by Sunoco on each Sunoco Common Unit ; (ii) for the Equalization Period, Sunoco shall ensure that Purchaser Holdco shall at all applicable times have sufficient cash available necessary to pay the distributions contemplated by clause (i) above; and (iii) Sunoco shall ensure that Purchaser Holdco shall have sufficient cash or financial capacity necessary to pay when due all expenses, obligations and liabilities of Purchaser Holdco (other than income Taxes) arising in the Ordinary Course incurred in or attributable to the period starting on the Effective Date and ending on the earlier of the end of the Equalization Period and a customarily defined “trigger event”, as of the date that such expenses, obligations and liabilities become due and payable, regardless of when payable (without duplication of the operation of the foregoing clause (ii)) with no liability of Purchaser Holdco to Sunoco for such cash and, for greater certainty, without the issuance by Purchaser Holdco of any of its securities for such cash. During the Equalization Period, in the event of: (x) any subdivision, redivision, stock split or other similar change resulting in each Sunoco Common Unit representing or being exchanged for a greater number of Sunoco Common Units; (y) any consolidation, reverse stock split or other similar change resulting in each Sunoco Common Unit representing or being exchanged for a smaller number of Sunoco Common Units (each, an “**Adjustment**”) is made in the Equalization Period, corresponding adjustments to the Purchaser Holdco Units shall be made and/or distributions on the Purchaser Holdco Units shall be adjusted in order to provide for equalization of the distributions referred to in clause (i) above on the Sunoco Common Units and the Purchaser Holdco Units taking into account the Adjustment. For the avoidance of doubt, expenses will not be deemed in the Ordinary Course to the extent they relate to any activities engaged in by Purchaser Holdco other than Purchaser Holdco’s business of becoming and continuing as a publicly traded entity that owns, directly and indirectly, interests in Sunoco and managing Sunoco’s business and affairs and activities incidental thereto (which unrelated activities will include any investments in any Person other than Sunoco and its Subsidiaries and any financing activities the proceeds of which are not contributed to Sunoco for the benefit of the Sunoco business). The provisions of this Section 4.18(d) shall survive the termination of this Agreement.

*Purchaser Holdco Reorganization*

- (e) Sunoco shall forthwith following the Effective Time reimburse the Purchaser Holdco for all out-of-pocket costs and expenses incurred in connection with the Purchaser Holdco Reorganization to the extent incurred but not paid prior to the Effective Time.
- (f) The Purchaser Parties shall implement the Purchaser Holdco Reorganization on or prior to the Effective Date.



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**Article 5**  
**Additional Covenants Regarding Non-Solicitation**

**5.1 Non-Solicitation**

- (a) Except as provided in this Article 5, the Company shall not and shall cause its Subsidiaries not to, directly or indirectly, through any Representative of the Company or any of its Subsidiaries:
  - (i) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information of the Company or any of its Subsidiaries or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer (whether public or otherwise) that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal;
  - (ii) enter into, engage in or otherwise participate in any negotiations with any Person (other than the Purchaser Parties and their Affiliates) regarding any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, provided that, the Company may:
    - (A) advise any Person of the existence of, and restrictions under, this Agreement;
    - (B) communicate with any Person for the purposes of ascertaining facts from such Person or clarifying the terms of any inquiry, proposal or offer made by such Person (including with respect to an Acquisition Proposal), provided a summary of such communication is subsequently provided to the Purchaser Parties; or
    - (C) advise any Person making an Acquisition Proposal that the Company Board and/or the Company Special Committee have determined that such Acquisition Proposal does not constitute a Superior Proposal;
  - (iii) make a Company Change in Recommendation; or
  - (iv) accept or enter into, or publicly propose to accept or enter into, any agreement or arrangement with any Person in respect of an Acquisition Proposal (other than a confidentiality agreement permitted by and in accordance with Section 5.3).
- (b) The Company shall, and shall cause its Subsidiaries and its and their Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiation, or other activities commenced prior to the date of this Agreement with any Person (other than the Purchaser Parties) with respect to any inquiry, proposal or offer that constitutes, or could reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith, the Company must:
  - (i) promptly discontinue access to and disclosure of all confidential information of the Company or any of its Subsidiaries to any Person other than the Purchaser Parties and their Affiliates and their respective Representatives; and
  - (ii) in accordance with the applicable confidentiality agreement, promptly request, and exercise all rights it or any of its Subsidiaries have to require:

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- (A) the return or destruction of all copies of any confidential information regarding the Company or any of its Subsidiaries provided to any Person other than the Purchaser Parties and their Affiliates and their respective Representatives that has entered into a confidentiality agreement with the Company or any of its Subsidiaries since December 31, 2023; and
  - (B) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Company or any of its Subsidiaries,
- in each case, to the extent that such information has not previously been returned or destroyed and using commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.
- (c) The Company covenants and agrees:
    - (i) that the Company shall take commercially reasonable actions to enforce each confidentiality, standstill or similar agreement or covenant to which the Company or any of its Subsidiaries is a party; and
    - (ii) not to release, and cause its Subsidiaries not to release, any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting the Company or any of its Subsidiaries under any confidentiality, standstill, non-disclosure, use, business purpose or similar agreement or covenant to which the Company or any of its Subsidiaries is a party, without the prior written consent of the Purchaser Parties (it being acknowledged by the Purchaser Parties that the automatic termination or release of any standstill restrictions of any such agreements as a result of entering into and announcing this Agreement shall not be a violation of this Section 5.1(c) and provided further for greater certainty that this Section 5.1(c) shall not prevent the Company Board and/or Company Special Committee from considering an Acquisition Proposal from a Person that has entered into a confidentiality agreement pursuant to Section 5.3 and accepting a Superior Proposal that might be made by any such Person).

## 5.2 Notification of Acquisition Proposals

If the Company or any of its Subsidiaries or any of their Representatives, receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Company or any of its Subsidiaries, the Company shall:

- (a) promptly (and in any event within one (1) Business Day) notify the Purchaser Parties, at first orally, and then as soon as practicable in writing, of such Acquisition Proposal, inquiry, offer or request, including summaries of all material or substantive written documentation, correspondence or other written material received in respect of, from or on behalf of such Persons making the Acquisition Proposal; and
- (b) keep the Purchaser Parties reasonably informed of the status of developments and, to the extent permitted by Section 5.3, discussions and negotiations with respect to any Acquisition Proposal, inquiry, offer or request, including any material or substantive changes, modifications or other amendments to any such Acquisition Proposal, inquiry, offer or request.

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### 5.3 Responding to an Acquisition Proposal

Notwithstanding Section 5.1, or any other agreement between the Parties or between the Company and any other Person, if at any time prior to the approval of the Arrangement Resolution, the Company receives an unsolicited Acquisition Proposal not resulting from a breach of this Article 5, the Company may engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of confidential information of the Company or any of its Subsidiaries to such Person, if and only if:

- (a) the Company Board and the Company Special Committee first determine in good faith, after consultation with their financial advisors and their legal counsel that such Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal;
- (b) such Person was not restricted from making such Superior Proposal pursuant to an existing standstill or similar agreement entered into with the Company;
- (c) the Company has been, and continues to be, in material compliance with its obligations under this Article 5;
- (d) before providing any such copies, access or disclosure, the Company has entered into a confidentiality agreement with such Person that is on terms that are no less restrictive to such Person and its affiliates than those found in the Confidentiality Agreement provided that the standstill obligations shall expire no earlier than 12 months after the date of such confidentiality agreement, and any such copies, access or disclosure provided to such Person shall have been or shall be promptly provided to the Purchaser Parties;
- (e) before providing any such copies, access or disclosure, the Company provides the Purchaser Parties with a true, complete and final executed copy of the confidentiality agreement referred to in Section 5.3(d); and
- (f) the Company promptly provides the Purchaser Parties with access to, or otherwise makes available to the Purchaser Parties, any non-public information concerning the Company and its Subsidiaries provided to such other Person which was not previously made available to the Purchaser Parties.

### 5.4 Right to Match

- (a) If the Company receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Company Shareholders, the Company Board may authorize the Company to enter into a definitive agreement with respect to such Superior Proposal or may make a Company Change in Recommendation, if and only if:
  - (i) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing standstill or similar agreement entered into with the Company or any of its Subsidiaries;
  - (ii) the Company has been, and continues to be, in compliance in all material respects with its obligations under this Article 5;
  - (iii) the Company has delivered to the Purchaser Parties a written notice of the determination of the Company Board and the Company Special Committee that such Acquisition Proposal constitutes a Superior Proposal and of the intention to enter into a definitive agreement with respect to such Superior Proposal or make

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- a Company Change in Recommendation, together with a written notice from the Company Board regarding the value and financial terms that the Company Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Acquisition Proposal (a “**Superior Proposal Notice**”);
- (iv) the Company or its Representatives have provided to the Purchaser Parties a copy of the proposed definitive agreement with respect to the Superior Proposal (including any financing commitments or other documents in possession of the Company and its Representatives containing material terms and conditions of such Superior Proposal);
  - (v) at least five full Business Days (the “**Matching Period**”) have elapsed from the later of the date on which the Purchaser Parties received the Superior Proposal Notice and the date on which the Purchaser Parties received a copy of the proposed definitive agreement with respect to the Superior Proposal including any financing commitments or other documents in possession of the Company and its Representatives containing material terms and conditions of such Superior Proposal from the Company;
  - (vi) during any Matching Period, the Purchaser Parties have had the opportunity (but not the obligation), in accordance with Section 5.4(b), to offer to amend this Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;
  - (vii) after the Matching Period, the Company Board and the Company Special Committee have determined in good faith, after consultation with their outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal compared to the terms of the Arrangement (and, if applicable, as proposed to be amended by the Purchaser Parties under Section 5.4(b)) and the failure of the Company Board to take such action with respect to such Superior Proposal would be inconsistent with its fiduciary duties to the Company; and
  - (viii) prior to or concurrently with entering into such definitive agreement the Company terminates this Agreement pursuant to Section 7.2(a)(iii)(B) and concurrently pays the Purchaser Termination Fee.
- (b) During the Matching Period, or such longer period as the Company may approve in its sole discretion and in writing for such purpose:
- (i) the Purchaser Parties shall have the opportunity (but not the obligation) to offer to amend this Agreement and the Arrangement;
  - (ii) the Company Board and the Company Special Committee shall, in good faith and in consultation with their outside legal counsel and financial advisors, review any offer made by the Purchaser Parties to amend the terms of this Agreement and the Arrangement in Order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously determined to constitute a Superior Proposal ceasing to be a Superior Proposal; and
  - (iii) the Company shall, and shall cause its Representatives to, negotiate in good faith with the Purchaser Parties to make such amendments to the terms of this Agreement and the Arrangement as would enable the Purchaser Parties to proceed with the transactions contemplated by this Agreement on such amended terms.

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If, as a consequence of the foregoing, the Company Board and the Company Special Committee determine that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise the Purchaser Parties and the Company and the Purchaser Parties shall amend this Agreement to reflect such offer made by the Purchaser Parties and shall take or cause to be taken all such actions as are necessary to give effect to the foregoing.

- (c) Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for purposes of this Section 5.4, and to the extent such new Acquisition Proposal is determined to be a Superior Proposal, the Purchaser Parties shall be afforded a new five Business Day Matching Period from the later of the date on which the Purchaser Parties received a new Superior Proposal Notice and the date on which the Purchaser Parties received from the Company a copy of the definitive agreement and all of the materials referred to in Section 5.4 with respect to each such new Superior Proposal.
- (d) The Company Board shall promptly (and in any event within one (1) Business Day) reaffirm the Company Board Recommendation by way of a press release issued by the Company after:
  - (i) any public announcement that an Acquisition Proposal has been determined not to be a Superior Proposal; or
  - (ii) the Company Board determines that a proposed amendment to the terms of this Agreement as contemplated under Section 5.4(b) would result in an Acquisition Proposal no longer being a Superior Proposal.
- (e) If the Company provides a Superior Proposal Notice to the Purchaser Parties after a date that is less than ten Business Days before the Company Meeting, the Company shall be entitled to, and shall upon request from the Purchaser Parties, postpone the Company Meeting to a date that is not more than ten Business Days after the scheduled date of the Company Meeting, but in any event to a date that is less than ten Business Days prior to the Outside Date.

## **5.5 Permitted Disclosure**

Notwithstanding anything to the contrary set forth in this Agreement (including this Article 5), nothing shall prohibit the Company Board from:

- (a) (i) responding through a directors' circular or otherwise as required by Law to an Acquisition Proposal provided that the Company shall provide the Purchaser Parties and their outside legal counsel with a reasonable opportunity to review and comment on the form and content of such circular or other disclosure and shall give reasonable consideration to comments made by the Purchaser and its outside legal counsel; (ii) calling or holding a meeting of Company Shareholders requisitioned by any Company Shareholder in accordance with the ABCA, provided that any such meeting does not occur until after the Company Meeting; or (iii) taking any action to fulfill its disclosure or legal obligations to Company Shareholders prior to the Effective Time if the Company Board, after consultation with outside legal counsel and financial advisers, has determined in good faith that a failure to take such action or make such disclosure would reasonably be expected to be

inconsistent with the Company Board's exercise of its fiduciary duties or such action or disclosure is otherwise required under applicable Law or ordered or otherwise mandated by a court of competent jurisdiction in accordance with applicable Law, provided that notwithstanding that the Company Board may be permitted to take any such action or make such disclosure under (i), (ii) or (iii), the Company Board shall not be permitted to make a Company Change in Recommendation other than as permitted by Section 5.4(a) or Section 5.5(b); or

- (b) making a Company Change in Recommendation resulting solely from the occurrence of a Purchaser Material Adverse Effect (a "**Specified Change in Recommendation**"), which, for greater certainty, shall not give rise to a termination right pursuant to Section 7.2(a)(iv)(B) nor shall it constitute a Purchaser Damages Event.

## **5.6 Actions of Representatives**

Any violation of the restrictions set forth in Article 5 by the Company's Subsidiaries or the Company's or its Subsidiaries' respective Representatives shall be deemed to be a breach of Article 5 by the Company. Furthermore, the Company shall be responsible for any breach of Article 5 by its Subsidiaries and its and their respective Representatives.

## **Article 6 Conditions**

### **6.1 Mutual Conditions Precedent**

The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the consent of the Parties:

- (a) the Arrangement Resolution has been approved at the Company Meeting in accordance with the Interim Order;
- (b) the Interim Order and the Final Order have each been obtained on terms consistent with this Agreement, and have not been set aside or modified in a manner unacceptable to any of the Parties, each acting reasonably, on appeal or otherwise;
- (c) no Law is in effect which prevents, prohibits or makes the completion of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser Parties from completing the Arrangement;
- (d) the Key Regulatory Approvals (other than the Foreign Antitrust and Investment Law Approvals) have been received or obtained and are in full force and effect;
- (e) the Exchange Approval has been received and is in full force and effect and any registration statement(s) required to be filed and declared effective by the SEC to obtain the Exchange Approval or in connection with any Alternative Structure in accordance with Section 2.14, shall have been declared effective by the SEC under applicable law and remain effective (and to the extent required or advisable in connection with any Alternative Structure in accordance with Section 2.14, the applicable offer period and any extensions thereof required by applicable securities laws shall have expired); and
- (f) the Articles of Arrangement to be filed with the Registrar under the ABCA in accordance with the Arrangement shall be in a form and content satisfactory to the Company and the Purchaser Parties, each acting reasonably.

## 6.2 Additional Conditions Precedent to the Obligations of the Purchaser Parties

The Purchaser Parties are not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of the Purchaser Parties and may only be waived, in whole or in part, by the Purchaser Parties in their sole discretion:

- (a) (i) each of the representations and warranties made by the Company and set out in (A) Appendix C Sections 1 [*Organization and Corporate Power of Company*], 2 [*Organization and Requisite Power of Company Material Subsidiaries*], 3 [*Corporate Authorizations*] and 8 [*Execution and Binding Obligation*] are true and correct in all material respects as of the date of this Agreement and as of the Effective Time as if made at such time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date), and (B) Appendix C Section 9(a) [*Capitalization*] (only in respect of the outstanding Company Shares) are true and correct in all respects as of the date of this Agreement and as of the Effective Time as if made at such time (except for *de minimis* inaccuracies and except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date); (ii) all other representations and warranties made by the Company in this Agreement are true and correct as of the date of this Agreement and as of the Effective Time as if made at such time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date) except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Company Material Adverse Effect (and, for this purpose, any reference to “material”, “Company Material Adverse Effect” or other concepts of materiality in such representations and warranties shall be ignored); and (iii) the Company has delivered to the Purchaser Parties a certificate of two senior officers of the Company certifying the foregoing and dated the Effective Date;
- (b) the Company has complied in all material respects with all of the covenants of the Company contained in this Agreement to be complied with by it at or prior to the Effective Time, and the Company has delivered to the Purchaser Parties a certificate of two senior officers of the Company (in their official capacity as such, and without personal liability) certifying the foregoing and dated the Effective Date;
- (c) the Material Foreign Antitrust and Investment Law Approvals have been received or obtained and are in full force and effect; and
- (d) since the date hereof, there has not been a Company Material Adverse Effect that remains continuing.

## 6.3 Additional Conditions Precedent to the Obligations of the Company

The Company is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Company and may only be waived, in whole or in part, by the Company in its sole discretion:

- (a) (i) each of the representations and warranties made by a Purchaser Party and set out in (A) Appendix D Sections 1 [*Organization and Requisite Power of the Purchaser Parties*], 2 [*Organization and Requisite Power of Purchaser Material Subsidiaries*], 3 [*Corporate Authorizations*] and 6 [*Execution and Binding Obligation*], are true and correct in all material respects as of the date of this Agreement and as of the Effective Time as if made at such time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date), and (B) Appendix D Sections 7(a) and 7(b) [*Capitalization*] (only in respect of the outstanding Purchaser Holdco Units, Sunoco Common Units and Sunoco Class C Units) are true and correct in all respects as of the date of this Agreement and as of the Effective Time as if made at such time (except for *de*

*minimis* inaccuracies and except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date); (ii) all other representations and warranties made by a Purchaser Party in this Agreement are true and correct as of the date of this Agreement and as of the Effective Time as if made at such time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date) except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Purchaser Material Adverse Effect (and, for this purpose, any reference to “material”, “Purchaser Material Adverse Effect” or other concepts of materiality in such representations and warranties shall be ignored); and (iii) the Purchaser Parties have delivered to the Company a certificate of two senior officers of each Purchaser Party certifying the foregoing and dated the Effective Date;

- (b) each Purchaser Party has complied in all material respects with all of the covenants contained in this Agreement to be complied with by it at or prior to the Effective Time, and the Purchaser Parties have delivered to the Company a certificate of two senior officers of each Purchaser Party (in their official capacities as such and without personal liability) certifying the foregoing and dated the Effective Date;
- (c) subject to obtaining the Final Order and the satisfaction or waiver of the other conditions precedent contained herein in its favour (other than conditions which, by their nature, are only capable of being satisfied as of the Effective Time), the Purchaser has deposited or caused to be deposited with the Depositary in escrow the funds and Consideration Units required to be deposited in Section 2.8; and
- (d) since the date hereof, there has not been a Purchaser Material Adverse Effect that is continuing.

#### **6.4 Satisfaction of Conditions**

The conditions precedent set out in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released when the Certificate of Arrangement is issued by the Registrar.

### **Article 7 Term and Termination**

#### **7.1 Term**

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and its termination in accordance with this Article 7.

#### **7.2 Termination**

- (a) This Agreement may be terminated prior to the Effective Time by:
  - (i) the mutual written agreement of the Company and the Purchaser;
  - (ii) either the Company or the Purchaser if:
    - (A) the Arrangement Resolution is not approved by the Company Shareholders at the Company Meeting in accordance with the Interim Order;



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- (B) after the date of this Agreement, any Law (including in respect of the Key Regulatory Approvals) is enacted, made, enforced or amended, as applicable, that makes the completion of the Arrangement illegal or otherwise permanently prohibits or enjoins any Party from consummating the Arrangement and such Law has, if appealable, become final and non-appealable; provided that, a Party may not terminate this Agreement pursuant to this Section 7.2(a)(ii)(B):
- (I) in the case of termination by the Company, if the enactment, making, enforcement or amendment of such Law has been primarily caused by, or is a result of, the failure of the Company to perform any of its covenants or agreements under this Agreement, and provided further that the Company has used commercially reasonable efforts to, as applicable, prevent, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; or
  - (II) in the case of termination by the Purchaser, if the enactment, making, enforcement or amendment of such Law has been primarily caused by, or is a result of, the failure of any of the Purchaser Parties to perform any of its covenants or agreements under this Agreement, and provided further that the Purchaser Parties have used commercially reasonable efforts or, in respect of the Regulatory Approvals and Key Regulatory Approvals, reasonable best efforts, to, as applicable, prevent, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; or
- (C) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(a)(ii)(C) if the failure of the Effective Time to so occur has been caused by, or is a result of:
- (I) in the case of termination by the Company, a breach by the Company of any of its representations or warranties or the failure of the Company to perform any of its covenants or agreements under this Agreement; or
  - (II) in the case of termination by the Purchaser, a breach by any of the Purchaser Parties of any of its representations or warranties or the failure of any of the Purchaser Parties to perform any of its covenants or agreements under this Agreement;
- (iii) the Company if:
- (A) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of any of the Purchaser Parties under this Agreement, occurs that would cause any condition in Section 6.3(a) or Section 6.3(b), including failure to fund the Cash Consideration or deposit the Consideration Units by the Purchaser, not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 4.9; provided that the Company is not then in breach of this Agreement so as to directly or indirectly cause any condition in Section 6.2(a) or Section 6.2(b) not to be satisfied; or

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- (B) prior to the approval of the Arrangement Resolution, the Company Board authorizes the Company to enter into a definitive written agreement (other than a confidentiality agreement permitted by and in accordance with Section 5.3) with respect to a Superior Proposal in accordance with Section 5.4, provided the Company is then in compliance with Article 5 in all material respects and that prior to or concurrently with such termination the Company pays the Purchaser Termination Fee in accordance with Section 8.1.
- (iv) the Purchaser if:
- (A) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under this Agreement occurs that would cause any condition in Section 6.2(a) or Section 6.2(b) not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 4.9; provided that none of the Purchaser Parties is then in breach of this Agreement so as to directly or indirectly cause any condition in Section 6.3(a) or Section 6.3(b) not to be satisfied;
- (B) other than a Specified Change in Recommendation, prior to the approval of the Arrangement Resolution by the Company Shareholders:
- (I) the Company Board fails to recommend or withdraws, amends, modifies or, in a manner adverse to the Purchaser Parties, qualifies, or publicly proposes or states an intention to withdraw, amend, modify or, in a manner adverse to the Purchaser Parties, qualify, the Company Board Recommendation;
- (II) the Company Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five Business Days (or beyond the third Business Day prior to the date of the Company Meeting, if sooner);
- (III) the Company Board fails to publicly recommend or reaffirm the Company Board Recommendation by news release within five Business Days after having been requested in writing by the Purchaser, if an Acquisition Proposal has been received by the Company and is outstanding or if otherwise reasonably requested (or in the event the Company Meeting is scheduled to occur within such five (5) Business Day period, prior to the earlier of the third (3<sup>rd</sup>) Business Day prior to the date of the Company Meeting and the next Business Day), (each of the cases set forth in Sections (I), (II) and (III) of this Section 7.2(a)(iv)(B), being a “**Company Change in Recommendation**”); or
- (C) a material breach by the Company of the obligations set out in Article 5 occurs prior to the approval of the Arrangement Resolution by the Company Shareholders, or a wilful breach by the Company of the obligations set out in Section 2.2, Section 2.4(b)(i), Section 2.5, Section 2.6 or Section 2.14 occurs.
- (b) The Party desiring to terminate this Agreement pursuant to this Section 7.2 (other than pursuant to Section 7.2(a)(i)) shall deliver written notice of such termination to the other Parties specifying in reasonable detail the basis for such Party’s exercise of its termination right.

### 7.3 Effect of Termination

If this Agreement is terminated pursuant to Section 7.1 or Section 7.2:

- (a) this Agreement shall become void and of no further force or effect without liability of any Party (or any shareholder or Representative of such Party) to the other Parties to this Agreement, except that: (i) in the event of termination under Section 7.1 as a result of the Effective Time occurring, Section 4.4(a)(i) [*Covenant to Comply with Plan of Arrangement*], Section 4.10 [*Insurance and Indemnification*], Section 4.11(b) [*Transaction Personal Information*], Section 4.11(c) [*Transaction Personal Information*], Section 4.12 [*Employee Matters*], Section 4.14(f) [*Financing Assistance Identification*] and Section 4.18 [*Purchaser Parties Organizational Matters*] shall survive such termination; and (ii) in the event of termination under Section 7.2, Section 2.3(e) [*Purchaser Parties Misrepresentation in Circular*], Section 2.3(f) [*Company Misrepresentation in Circular*], Section 4.7(b) [*Confidentiality*], Section 4.16(d) [*Pre-Closing Reorganization Reimbursement*], this Section 7.3, Article 8 and Article 9 and all related definitions set forth in Section 1.1 shall survive;
- (b) no Party shall be relieved of any liability for any wilful breach by it of this Agreement or damages arising as a result of its fraud; and
- (c) the Parties acknowledge and agree that liabilities and damages in the case of a breach of this Agreement by the Purchaser Parties would include the benefit of the transactions lost by the Company Shareholders, taking into consideration all relevant matters, including lost bargain and shareholder premium, other combination opportunities and the time value of money, which shall be deemed in such event to be damages payable by the Purchaser Parties.

## Article 8 Termination Fee

### 8.1 Purchaser Termination Fee

- (a) If a Purchaser Damages Event occurs, the Company shall pay to, or to the order of, the Purchaser Holdco, the Purchaser Termination Fee in accordance with Section 8.1(b). For the purposes of this Agreement, “**Purchaser Termination Fee**” means \$275,000,000 and “**Purchaser Damages Event**” means the termination of this Agreement:
  - (i) by the Company, pursuant to Section 7.2(a)(iii)(B) [*Superior Proposal*];
  - (ii) by the Purchaser, pursuant to Section 7.2(a)(iv)(B) [*Company Change in Recommendation*];
  - (iii) by the Purchaser pursuant to Section 7.2(a)(iv)(C) [*Material Breach of Non-Solicit; Wilful Breach of Interim Order, Meeting, Final Order or Alternate Transaction Structure Covenants*];
  - (iv) by the Company or the Purchaser pursuant to Section 7.2(a)(ii)(A) [*No Shareholder Approval*] or Section 7.2(a)(ii)(C) [*Occurrence of Outside Date*] but only if:
    - (A) prior to such termination, a bona fide Acquisition Proposal is publicly made or publicly announced by any Person (other than the Purchaser Parties, any of their respective affiliates or any Representative of the foregoing) prior to the Company Meeting and such Acquisition Proposal has not been withdrawn at least five (5) Business Days prior to the Company Meeting; and

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- (B) within twelve (12) months following the date of such termination, (i) any Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above and, for greater certainty, not including any confidentiality agreement permitted by and in accordance with Section 5.3) is consummated or effected, or (ii) the Company enters into a written definitive agreement providing for the consummation of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) and such Acquisition Proposal is later consummated or effected,
- (v) provided that, for the purposes of this Section 8.1(a)(v), the term “Acquisition Proposal” shall have the meaning assigned to such term in Section 1.1, except that references to “20% or more” shall be deemed to be references to “50% or more”.
- (b) Any Purchaser Termination Fee shall be paid by the Company to the Purchaser Holdco (or as the Purchaser Holdco may direct by notice in writing) as follows, by wire transfer in immediately available funds to an account designated by the Purchaser:
- (i) if a Purchaser Damages Event occurs due to a termination of this Agreement described in Section 8.1(a)(i), concurrently with such termination;
- (ii) if a Purchaser Damages Event occurs due to a termination of this Agreement described in Section 8.1(a)(ii) or Section 8.1(a)(iii), within two Business Days of the occurrence of such Purchaser Damages Event; and
- (iii) if a Purchaser Damages Event occurs due to a termination of this Agreement described in Section 8.1(a)(iv), upon the consummation of the Acquisition Proposal referred to in Section 8.1(a)(iv).
- (c) In addition to the rights of the Purchaser under Section 8.2(b), if this Agreement is terminated by the Company or the Purchaser, including pursuant to Section 7.2(a)(ii)(A) [*Arrangement Resolution Not Approved*], the Company shall reimburse the Purchaser for all out-of-pocket costs and expenses (including legal and other advisor fees and filing fees for the Key Regulatory Approvals) incurred by the Purchaser Parties and any of their respective affiliates in connection with or related to the preparation, negotiation, execution and performance of all other matters related to the Arrangement and the other transactions contemplated by this Agreement (the “**Purchaser Reimbursement Payment**”) by wire transfer in immediately available fund to an account designated by the Purchaser no later than two (2) Business Days after the date of such termination; provided that in no event shall the Company be required to pay, pursuant to Section 8.2(b), on the one hand, and this Section 8.2(d), in the aggregate, an amount in excess of the Purchaser Termination Fee. In no event shall the Company be required to pay under this Section 8.1 more than one Purchaser Termination Fee.
- (d) Subject to Section 7.3(b) and the Purchaser Parties’ right to seek equitable remedies under Section 9.5, if a Purchaser Damages Event occurs and the Company pays the Purchaser Termination Fee to the Purchaser, then the payment of the Purchaser Termination Fee will be deemed to be liquidated damages for and will be the sole and exclusive remedy of the Purchaser Parties and any other Person against the Company for any and all losses or damages suffered or incurred in connection with this Agreement, the transactions contemplated by this Agreement, the termination of this Agreement and any matter forming the basis for termination of this Agreement, and none of the Purchaser Parties nor any

other Person will be entitled to bring or maintain any other claim, action or proceeding against the Company arising out of this Agreement, any of the transactions contemplated by this Agreement, the termination of this Agreement or any matters forming the basis for termination of this Agreement. The Parties agree that the provisions in this Agreement relating to payment of the Purchaser Termination Fee are an integral part of the transactions contemplated by this Agreement and that, without these provisions, the Parties would not enter into this Agreement. The Company irrevocably waives any right it may have to raise as a defence that the Purchaser Termination Fee is excessive or punitive.

## 8.2 Company Termination Fee

- (a) If a Company Damages Event occurs, Sunoco shall pay to, or to the order of, the Company, the Company Termination Fee in accordance with Section 8.2(b). For the purposes of this Agreement, “**Company Termination Fee**” means \$275,000,000 and “**Company Damages Event**” means the termination of this Agreement by the Company or the Purchaser pursuant to Section 7.2(a)(ii)(C) [Outside Date] if both (i) either the conditions in Section 6.1(d) (Key Regulatory Approvals) or 6.2(c) (Material Foreign Antitrust and Investment Laws Approvals) have not been waived or satisfied other than, in each case, where one or more of the Investment Canada Act Approval, the Heritage Approval or the Canada Transportation Act Approval have not been obtained, and (ii) if all other conditions in Sections 6.1 and 6.2 (other than those that by their nature are only capable of being satisfied at the Effective Time) have been satisfied or waived.
- (b) Any Company Termination Fee shall be paid by Sunoco to the Company (or as the Company may direct by notice in writing), by wire transfer in immediately available funds to an account designated by the Company within two Business Days of the occurrence of Company Damages Event.
- (c) In no event shall Sunoco be required to pay under this Section 8.2 more than one Company Termination Fee.
- (d) Subject to Section 7.3(b) and the Company’s right to seek equitable remedies relief under Section 9.5, if a Company Damages Event occurs and the Purchaser pays the Company Termination Fee to the Company, then the payment of the Company Termination Fee will be deemed to be liquidated damages for and will be the sole and exclusive remedy of the Company and any other Person against the Purchaser Parties and the Debt Financing Sources for any and all losses or damages suffered or incurred in connection with this Agreement, the transactions contemplated by this Agreement, the termination of this Agreement and any matter forming the basis for termination of this Agreement, and neither the Company nor any other Person will be entitled to bring or maintain any other claim, action or proceeding against the Purchaser Parties or the Debt Financing Parties arising out of this Agreement, any of the transactions contemplated by this Agreement, the termination of this Agreement or any matters forming the basis for termination of this Agreement. The Parties agree that the provisions in this Agreement relating to payment of the Company Termination Fee are an integral part of the transactions contemplated by this Agreement and that, without these provisions, the Parties would not enter into this Agreement. The Purchaser Parties irrevocably waive any right they may have to raise as a defence that the Company Termination Fee is excessive or punitive.

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**Article 9**  
**Miscellaneous**

**9.1 Notices**

Any notice, direction, consent or other communications given under this Agreement must be in writing and delivered by courier, by personal delivery or by email as follows:

- (a) to the Purchaser Parties at:

Sunoco LP  
8111 Westchester Drive, Suite 400  
Dallas, TX 75225  
United States

Attention: Office of the General Counsel  
Email: LegalNotices@sunoco.com

with a copy (which does not constitute notice to the Purchaser Parties) to:

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, ON M5L 1B9  
Canada

Attention: John Ciardullo; J.R. Laffin  
Email: jciardullo@stikeman.com; jrlaffin@stikeman.com and

Weil, Gotshal & Manges LLP  
767 5th Ave  
New York, NY 10153  
United States

Attention: Michael Aiello; Sachin Kohli  
Email: michael.aiello@weil.com; sachin.kohli@weil.com

- (b) to the Company at:

Parkland Corporation  
240 – 4th Ave SW, Suite 1800  
Calgary, AB T2P 4H4  
Canada

Attention: Robert Espey  
Email: bob.espey@parkland.ca

with a copy (which does not constitute notice to the Company) to:

Norton Rose Fulbright Canada LLP  
400 3rd Avenue SW, Suite 3700  
Calgary, AB T2P 4H2  
Canada

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Attention: Kirk Litvenenko; Marcus Archer  
Email: kirk.litvenenko@nortonrosefulbright.com; marcus.archer@nortonrosefulbright.com

and

Torys LLP  
79 Wellington St. W, Suite 3300  
Toronto, ON M5K 1N2  
Canada

Attention: John Emanoildis  
Email: jemanoidis@torys.com

Any such communication shall be deemed to have been given and received on the day on which it was so delivered or transmitted (if a Business Day, and if not, then the next succeeding Business Day) unless received after 5:00 pm (local time in the place of receipt) in which case it shall be deemed to have been given and received on the next Business Day.

In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

## **9.2 Entire Agreement**

This Agreement, together with the Company Disclosure Letter, the Purchaser Parties Disclosure Letter and the Confidentiality Agreement, constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

## **9.3 No Liability**

No director or officer of any of the Purchaser Parties or their Subsidiaries shall have any personal liability whatsoever to the Company under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of any of the Purchaser Parties. No director or officer of the Company or any of its Subsidiaries shall have any personal liability whatsoever to any of the Purchaser Parties under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company or any of its Subsidiaries.

## **9.4 Sunoco Guarantee**

Sunoco unconditionally and irrevocably guarantees and agrees in favour of the Company to be jointly and severally liable with the Purchaser and the Purchaser Holdco for the due and punctual performance of each and every obligation of, and any representation or warranty of, the Purchaser

and the Purchaser Holdco arising under this Agreement and in respect of the Arrangement. Sunoco hereby agrees that the Company shall not have to proceed first against the Purchaser or the Purchaser Holdco in respect of any such matter before exercising its rights under this guarantee against it and agrees to be liable for all guaranteed obligations as if it were the principal obligor of such obligations.

#### **9.5 Injunctive Relief**

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to specific performance, injunctive relief and other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at Law or in equity. To the extent a Party hereto brings an action, suit or proceeding to enforce specifically the performance of the terms and conditions of this Agreement (other than an action to enforce specifically any provision that expressly survives the termination of this Agreement), the Outside Date shall automatically be extended to: (i) the 20<sup>th</sup> Business Day following the resolution of such action, suit or proceeding; or (ii) such other time period established by the court presiding over such action, suit or proceeding.

#### **9.6 Amendments**

- (a) Subject to 4.15, this Agreement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time, be amended by written agreement of the Parties, without further notice to or authorization on the part of the Company Shareholders, and any such amendment may, subject to the Interim Order, the Final Order and applicable Law, without limitation:
  - (i) change the time for performance of any of the obligations or acts of the Parties;
  - (ii) modify or waive any inaccuracy of any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;
  - (iii) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; and/or
  - (iv) modify or waive compliance with any mutual conditions contained in this Agreement.

#### **9.7 Waiver**

The failure or delay by a Party in enforcing, or insisting upon strict performance of, any provision of this Agreement does not constitute a waiver of such provision or in any way affect the enforceability of this Agreement (or any of its provisions) or deprive a Party of the right, at any time or from time to time, to enforce or insist upon strict performance of that provision or any other provision of this Agreement. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision of this Agreement (whether or not similar).

#### **9.8 Severability**

If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect, without amendment.



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## 9.9 Assignments

- (a) This Agreement will become effective when executed by the Parties and thereafter will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.
- (b) Neither this Agreement nor any of the rights, duties or obligations under this Agreement are assignable or transferable by a Party without the prior written consent of the other Parties. Any attempt to assign any of the rights, duties or obligations in this Agreement without such written consent is void.

## 9.10 Third Party Beneficiaries

- (a) Nothing contained in this Agreement, express or implied, is intended to or shall confer on any other Person, any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement other than: (i) the rights specified in this Section 9.10; (ii) the rights of the Company to pursue claims for damages and other relief on behalf of Company Shareholders for the Purchaser's breach of the terms of this Agreement; and (iii) after the Effective Date, the rights of Company Shareholders and Company Incentive Holders to receive the Consideration; provided however that the rights granted pursuant to clause (ii) shall be enforceable on behalf of Company Shareholders only by the Company in its sole and absolute discretion, it being understood and agreed that any and all interest in such claims shall attach to the Company Shares and subsequently trade and transfer therewith and, consequently, damages recovered or received by the Company with respect to such claims (net of expenses incurred by the Company in connection therewith) may, in the Company's sole and absolute discretion, be (A) distributed, in whole or in part, by the Company to the Company Shareholders as of any record date determined by the Company which determination may be made by the Company as of any date or (B) retained by the Company for use and benefit of the Company on behalf of the Company Shareholders in any manner the Company deems fit. To the extent necessary to give effect to clauses (ii) and (iii), the Purchaser agrees that all of its covenants, representations and warranties are in favour of the Company in its own right and as agent and trustee for the Company Shareholders, but without any fiduciary obligations on the Company in relation thereto.
- (b) Sections 2.3(e), 2.3(f), 4.10, 4.11(c), 4.14(f) and 4.16(d) shall survive the consummation of the Arrangement and are intended to be for the benefit of, and shall be enforceable by, each of the individuals specified in Sections 2.3(e), 2.3(f), 4.10, 4.11(c), 4.14(f) and 4.16(d), respectively, (or in the case of Section 4.14(f), the Company's Subsidiaries and Representatives) and their successors, assigns, heirs, executors, administrators and personal representatives and shall be binding on the Company and its successors and assigns and, for such purpose, the Company hereby confirms that it is acting as agent and trustee on behalf of the individuals (or the Company's Subsidiaries or Representatives) specified in Sections 2.3(e), 2.3(f), 4.10, 4.11(c), 4.14(f) and 4.16(d), respectively; provided, however, that no approval of any beneficiary of such trust will be required in connection with any amendment or variation of any of those Sections prior to the Effective Date.
- (c) The provisions of Section 4.12(a) shall survive the consummation of the Arrangement and are intended to be for the benefit of, and shall be enforceable by the Non-Continuing Company Individuals immediately after the consummation of the Arrangement and their heirs, executors, administrators and personal representatives and shall be binding on the Company and its successors and assigns and, for such purpose, the Company hereby confirms that it is acting as agent and trustee on behalf of the Non-Continuing Company Individuals; provided, however, that no approval of any beneficiary of such trust will be required in connection with any amendment or variation of Section 4.12(a) prior to the Effective Date. The provisions of Section 4.12(a) are in addition to, and not in substitution for, any other rights that such Persons may have by Contract or otherwise.

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(d) The Parties hereby agree that:

- (i) the Debt Financing Sources are express third party beneficiaries of Sections 4.15, 8.2(d), 9.10(a) and this Section 9.10(d)(i) and shall be entitled to rely on and enforce Sections 4.15, 8.2(d), 9.10(a) and this Section 9.10(d)(i); and
- (ii) the directors and officers referred to in Section 9.3 are express third party beneficiaries of Section 9.3 and shall be entitled to rely on and enforce Section 9.3.

**9.11 Time of the Essence**

Time is of the essence in this Agreement.

**9.12 Expenses**

Except as otherwise expressly provided in this Agreement, all costs and expenses (including the fees and disbursements of legal counsel, brokers, investment advisers, consultants and accountants) incurred in connection with this Agreement and the Arrangement are to be paid by the Party incurring such expenses.

**9.13 Further Assurances**

From time to time after the Effective Time, each Party will, at the request of the other Party, execute and deliver such additional conveyances, transfers and other assurances and perform or cause to be performed such other acts and things as may be reasonably required to give effect to, and carry out the intent of, this Agreement.

**9.14 Counterparts and Electronic Delivery**

This Agreement may be executed in any number of separate counterparts, each of which shall be deemed to be an original. All such signed counterparts, taken together, shall constitute one and the same agreement. Delivery of an executed signature page to this Agreement by electronic means (including by facsimile or in PDF format) shall be as valid and effective as delivery of an originally or manually executed copy of this Agreement.

*(The remainder of this page is intentionally left blank; signature page follows.)*

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**IN WITNESS WHEREOF** the Parties have executed this Arrangement Agreement.

**NUSTAR GP HOLDINGS, LLC**

Per: /s/ Joseph Kim  
Name: Joseph Kim  
Title: President and Chief Executive Officer

**2709716 ALBERTA LTD.**

Per: /s/ Joseph Kim  
Name: Joseph Kim  
Title: Director

**SUNOCO LP**

**By: SUNOCO GP LLC**, its general partner

Per: /s/ Joseph Kim  
Name: Joseph Kim  
Title: President and Chief Executive Officer

**PARKLAND CORPORATION**

Per: /s/ Robert Espey  
Name: Robert Espey  
Title: President and Chief Executive Officer

[Signature Page for Arrangement Agreement]

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**Appendix A**  
**PLAN OF ARRANGEMENT**

A-1

**PLAN OF ARRANGEMENT UNDER SECTION 193  
OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)**

**ARTICLE 1  
INTERPRETATION**

- 1.1** In this Plan of Arrangement, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:
- (a) “**ABCA**” means the *Business Corporations Act* (Alberta);
  - (b) “**Arrangement**” means the arrangement under Section 193 of the ABCA on the terms set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of the Arrangement Agreement and Article 7, in accordance with the terms of the Interim Order (once issued) or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser Parties, each acting reasonably;
  - (c) “**Arrangement Agreement**” means the arrangement agreement dated May 4, 2025 among Sunoco, the Purchaser, Purchaser Holdco and the Company with respect to the Arrangement, including the appendixes attached to it or otherwise forming part of it, all as the same may be amended, restated, replaced or supplemented from time to time;
  - (d) “**Arrangement Resolution**” means the special resolution of the Company Shareholders approving the Arrangement considered and voted on at the Company Meeting, substantially in the form set out in Appendix B to the Arrangement Agreement;
  - (e) “**Articles of Arrangement**” means the articles of arrangement of the Company in respect of the Arrangement required by Section 193(4.1) of the ABCA to be sent to the Registrar after the Final Order is made, which shall include this Plan of Arrangement;
  - (f) “**Available Cash Election Amount**” means, expressed in dollars, an amount equal to the greater of zero, and the Cash Maximum less:
    - (i) the aggregate amount of Cash Consideration payable to Combination Electing Shareholders, and
    - (ii) the aggregate amount of Cash Consideration that would be payable to Dissenting Shareholders if each Dissenting Shareholder were a Cash Electing Shareholder;
  - (g) “**Available Unit Election Number**” means the Unit Maximum less the aggregate number of Consideration Units issuable to Combination Electing Shareholders;
  - (h) “**Business Day**” means a day on which commercial banks are open for business in Calgary, Dallas and New York but excludes:
    - (i) a Saturday, Sunday or any other statutory or civic holiday in Calgary, Dallas or New York; and
    - (ii) any such day on which commercial banks are generally required or authorized to be closed in Calgary, Dallas or New York;
  - (i) “**Cash Consideration**” means the consideration in the form of cash to be paid for Company Shares (other than to Dissenting Shareholders) pursuant to this Plan of Arrangement;

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- (j) **“Cash Elected Consideration”** means an amount in cash equal to the quotient obtained by dividing \$19.80 by 45%;
  - (k) **“Cash Electing Shareholder”** means a Company Shareholder (for certainty, other than a Dissenting Shareholder) who has duly and properly elected, in a Filed Letter of Transmittal and Election Form, to receive the Cash Elected Consideration in respect of their Company Shares;
  - (l) **“Cash Election Amount”** means the aggregate amount of Cash Consideration that would be payable to Cash Electing Shareholders before giving effect to Section 3.2;
  - (m) **“Cash Maximum”** means an amount in dollars equal to the product obtained by multiplying the number of Company Shares issued and outstanding immediately prior to the Effective Time by \$19.80, determined without reference to cash deliverable in lieu of fractional Unit Consideration as set forth in Section 5.9;
  - (n) **“Certificate of Arrangement”** means the certificate to be issued by the Registrar pursuant to section 193(11) of the ABCA upon receipt of the Articles of Arrangement;
  - (o) **“Combination Elected Consideration”** means: (i) \$19.80 in cash; and (ii) 0.295 Consideration Units;
  - (p) **“Combination Electing Shareholder”** means a Company Shareholder who has duly and properly elected, or has been deemed to have so elected, in a Filed Letter of Transmittal and Election Form, to receive the Combination Elected Consideration in respect of their Company Shares;
  - (q) **“Company”** means Parkland Corporation, a corporation existing under the laws of Alberta;
  - (r) **“Company Board”** means the board of directors of the Company, as constituted from time to time;
  - (s) **“Company DSU Holders”** means holders of Company DSUs;
  - (t) **“Company DSU Plan”** means the deferred share unit plan of the Company effective as of January 1, 2011, as amended most recently on August 5, 2022;
  - (u) **“Company DSUs”** means the deferred share units granted pursuant to the Company DSU Plan and includes any fractional deferred share unit;
  - (v) **“Company Incentive Holders”** means the holders of Company Incentives;
  - (w) **“Company Incentive Plans”** means, collectively, the Company DSU Plan, the Company RSU Plan and the Company Stock Option Plan;
  - (x) **“Company Incentives”** means, collectively, the Company DSUs, the Company RSUs and the Company Stock Options;
  - (y) **“Company ITM Stock Options”** means those unexercised Company Stock Options with an exercise price per Company Share that is less than the Fair Market Value;
  - (z) **“Company Meeting”** means the special meeting (or annual and special, as applicable) of the Company Shareholders including any adjournment or postponement of such meeting called and held to secure approval of the Arrangement Resolution;

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- (aa) “**Company Optionholders**” means holders of Company Stock Options;
- (bb) “**Company OTM Stock Options**” means those unexercised Company Stock Options with an exercise price per Company Share that is equal to or greater than the Fair Market Value;
- (cc) “**Company RSU Holders**” means holders of Company RSUs;
- (dd) “**Company RSU Plan**” means the amended and restated restricted share unit plan of the Company, effective as of December 31, 2010, as amended most recently on November 1, 2023;
- (ee) “**Company RSUs**” means the vested and unvested restricted share units granted pursuant to the Company RSU Plan, and includes any fractional restricted share unit and any restricted share units that are subject to performance vesting conditions;
- (ff) “**Company Securityholders**” means, collectively, the Company Shareholders and the Company Incentive Holders;
- (gg) “**Company Shareholder Rights Plan**” means the Restated Shareholder Rights Plan Agreement between the Company and Computershare Trust Company of Canada as rights agent dated as of May 4, 2023;
- (hh) “**Company Shareholders**” means the registered or beneficial holders of Company Shares, as the context requires;
- (ii) “**Company Shares**” means common shares in the capital of the Company;
- (jj) “**Company Stock Option Plan**” means the amended and restated stock option plan of the Company, effective as of December 31, 2010, as amended most recently on November 1, 2023;
- (kk) “**Company Stock Options**” means the outstanding options to purchase Company Shares granted under the Company Stock Option Plan;
- (ll) “**Consideration**” means the consideration to be paid and received pursuant to the Arrangement in respect of each Company Share that is transferred to the Purchaser, consisting of Cash Consideration and/or Unit Consideration;
- (mm) “**Consideration Units**” means common units representing limited liability company interests in Purchaser Holdco;
- (nn) “**Court**” means the Court of King’s Bench of Alberta in Calgary, Alberta;
- (oo) “**Depository**” means Computershare Trust Company of Canada, as depository, or any other bank, trust company or financial institution, as may be agreed to in writing by the Company and the Purchaser;
- (pp) “**Dissent Rights**” means the right of a registered Company Shareholder to dissent with respect to the Arrangement Resolution and to be paid by the Company the fair value of the Company Shares in respect of which the Company Shareholder dissents, granted pursuant to the Interim Order, all in accordance with section 191 of the ABCA (as modified by the Interim Order), the Interim Order and Article 4;
- (qq) “**Dissenting Shareholder**” means a registered Company Shareholder who validly exercises its Dissent Rights with respect to the Arrangement Resolution in strict compliance with section 191 of the ABCA, the Interim Order and Article 4, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights as of the Effective Time;

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- (rr) **“Effective Date”** means the date upon which the Arrangement becomes effective, being the date shown on the Certificate of Arrangement;
- (ss) **“Effective Time”** means the time at which the Arrangement becomes effective on the Effective Date pursuant to the ABCA;
- (tt) **“Election Deadline”** means 5:00 p.m. (Calgary time) on the election deadline, which date shall be (i) agreed by the Parties, each acting reasonably, (ii) announced by the Company by means of a news release at least two (2) Business Days before such date, and (iii) not less than ten (10) Business Days before the Effective Date;
- (uu) **“Fair Market Value”** means the volume weighted average trading price for the Company Shares on the Toronto Stock Exchange for the five trading days on which the Company Shares traded immediately preceding the Business Day prior to the Effective Date;
- (vv) **“Filed Letter of Transmittal and Election Form”** means a duly and properly completed Letter of Transmittal and Election Form deposited with the Depository on or before the Election Deadline by a Company Shareholder, accompanied by the certificate(s) representing such holder’s Company Shares;
- (ww) **“Final Order”** means the final order of the Court approving the Arrangement, as such final order may be amended by the Court prior to the Effective Time, provided that any such amendment is acceptable to both the Company and the Purchaser Parties, each acting reasonably, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Purchaser Parties and the Company, each acting reasonably) on appeal;
- (xx) **“Governmental Authority”** means:
- (i) the government of Canada or any other nation, or any political subdivision thereof, whether provincial, territorial, state, regional, municipal or local;
  - (ii) any department, agency, authority, instrumentality, regulatory body, central bank, court, commission, board, tribunal, bureau, or other entity exercising executive, legislative, regulatory, judicial or administrative powers or functions under, or for the account of, any of the foregoing; and
  - (iii) any stock exchange.
- (yy) **“In-the-Money Value”**:
- (i) in the case of a Company Stock Option, means the amount, if any, by which the Fair Market Value exceeds the exercise price of such Company Stock Option;
  - (ii) in the case of a Company RSU, means the Fair Market Value; and
  - (iii) in the case of a Company DSU, means the Fair Market Value;
- (zz) **“Interim Order”** means the interim order of the Court, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court, provided that any such amendment is acceptable to both the Company and the Purchaser Parties, each acting reasonably;



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- (aaa) **"Law"** means, with respect to any Person, any and all applicable law, including the common law, constitution, treaty, convention, ordinance, code, rule, instrument, regulation, Order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, standards, practices, guidelines and protocols of any Governmental Authority, including, as applicable, the rules and requirements of any stock exchange.
- (bbb) **"Letter of Transmittal and Election Form"** means the letter of transmittal and election form sent by the Company to Company Shareholders to surrender the certificates representing their Company Shares and to elect to receive, on completion of the Arrangement, Cash Elected Consideration, Unit Elected Consideration, or Combination Elected Consideration, in exchange for their Company Shares;
- (ccc) **"Liens"** means:
- (i) any mortgage, charge, pledge, hypothec, security interest, assignment, Lien (statutory or otherwise), privilege, easement, servitude, pre-emptive right or right of first refusal, ownership or title retention agreement, restrictive covenant or conditional sale agreement or option, imperfections of title or encroachments relating to real property; and
  - (ii) any other encumbrance of any nature or any arrangement or condition which, in substance, secures payment or performance of an obligation.
- (ddd) **"Parties"** means the Company, the Purchaser, Purchaser Holdco, and Sunoco; and **"Party"** means any one of them, as the context requires;
- (eee) **"Person"** means a natural person, partnership, limited partnership, limited liability partnership, syndicate, sole proprietorship, corporation or company (with or without share capital), limited liability company, stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority;
- (fff) **"Plan of Arrangement"** means this plan of arrangement under section 193 of the ABCA, and any amendments or variations made in accordance with the Arrangement Agreement or Article 7 or made at the direction of the Court in the Interim Order or the Final Order, and acceptable to the Parties, each acting reasonably;
- (ggg) **"Purchaser"** means 2709716 Alberta Ltd., a corporation existing under the laws of Alberta;
- (hhh) **"Purchaser Holdco"** means NuStar GP Holdings, LLC, a limited liability company existing under the laws of Delaware;
- (iii) **"Purchaser Midco"** means •1, a limited liability company existing under the laws of Delaware.
- (iii) **"Purchaser Midco Shares"** means the limited liability company interests of Purchaser Midco.

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1 Name to be inserted once organized.

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- (kkk) **“Purchaser Parties”** means, collectively, the Purchaser, Purchaser Holdco and Sunoco;
- (lll) **“Registrar”** means the Registrar of Corporations for the Province of Alberta or a Deputy Registrar of Corporations appointed under section 263 of the ABCA;
- (mmm) **“Remaining Cash Amount”** means, expressed in dollars, the Available Cash Election Amount less the aggregate amount of Cash Consideration payable to Cash Electing Shareholders;
- (nnn) **“Remaining Unit Number”** means the Available Unit Election Number less the aggregate number of Consideration Units issuable to Unit Electing Shareholders;
- (ooo) **“Section 409A”** means Section 409A of the U.S. Internal Revenue Code of 1986;
- (ppp) **“Sunoco”** means Sunoco LP, a limited partnership existing under the laws of Delaware;
- (qqq) **“Sunoco Common Units”** means the common units representing limited partnership interests in Sunoco.
- (rrr) **“Sunoco Class D Common Units”** means a new class of Class D Common Units of Sunoco representing limited partnership interests in Sunoco to be formed prior to the Effective Time that will be economically equivalent to Sunoco Common Units, including, subject to Section 4.18(d) of the Arrangement Agreement, as to timing and quantum of distributions;
- (sss) **“Unit Consideration”** means the consideration in the form of Consideration Units to be paid for Company Shares pursuant to this Plan of Arrangement;
- (ttt) **“Unit Elected Consideration”** means the number of Consideration Units equal to the quotient obtained by dividing 0.295 by 55%;
- (uuu) **“Unit Electing Shareholder”** means a Company Shareholder (for certainty, other than a Dissenting Shareholder) who has duly and properly elected, in a Filed Letter of Transmittal and Election Form, to receive the Unit Elected Consideration in respect of their Company Shares;
- (vvv) **“Unit Election Number”** means the aggregate number of Consideration Units that would be issuable to Unit Electing Shareholders before giving effect to Section 3.2; and
- (www) **“Unit Maximum”** means such number of Consideration Units as is equal to the product obtained by multiplying the number of Company Shares issued and outstanding immediately prior to the Effective Time by 0.295.
- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; and words importing any gender shall include all genders.
- 1.5 Unless otherwise specified, all references to “dollars” or “\$” shall mean Canadian dollars.

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- 1.6 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 1.7 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- 1.8 Where the word “including” or “includes” is used in this Plan of Arrangement, it means “including (or includes) without limitation”.
- 1.9 This Plan of Arrangement shall be governed by, and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

## **ARTICLE 2 EFFECT OF THE ARRANGEMENT**

- 2.1 This Plan of Arrangement is made pursuant to, and is subject to the provisions of and forms part of, the Arrangement Agreement. If there is any inconsistency or conflict between the provisions of this Plan of Arrangement and the Arrangement Agreement, the provisions of this Plan of Arrangement shall govern.
- 2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective on, and be binding on and after, the Effective Time on (a) the Company, (b) the Purchaser Parties, (c) all Company Securityholders (including Dissenting Shareholders), (d) the Depositary, and (e) all other Persons, all without any further act or formality required on the part of any Person.
- 2.3 The Articles of Arrangement and Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

## **ARTICLE 3 ARRANGEMENT**

- 3.1 Commencing at the Effective Time, each of the events and transactions set out below shall occur and shall be deemed to occur consecutively in the following order without any further act or formality, in each case, unless stated otherwise, effective as at one (1) minute intervals starting at the Effective Time:

### ***Company Shareholder Rights Plan***

- (a) the Company Shareholder Rights Plan shall be terminated without any further act required by the Company or Computershare Trust Company of Canada, in its capacity as rights agent;

### ***Dissenting Shareholders***

- (b) the Company Shares held by Dissenting Shareholders shall be deemed to be, without any further act or formality by the holders thereof, transferred to, and acquired by, the Company (free and clear of all Liens), and:
- (i) such Dissenting Shareholders shall cease to be the holders of such Company Shares and to have any rights as holders of such Company Shares other than the right to be paid fair value for such Company Shares as set out in Article 4;

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- (ii) such Dissenting Shareholders' names shall be removed as the holders of such Company Shares from the register of Company Shares maintained by or on behalf of the Company; and
  - (iii) all such Company Shares shall be cancelled;

#### ***Settlement of Company Stock Options***

- (c) notwithstanding the terms of the Company Stock Option Plan, any resolutions of the Company Board or the terms of any agreement, certificate or other instrument granting or confirming the grant of Company Stock Options or representing Company Stock Options, each Company Stock Option outstanding at the Effective Time shall be, and shall be deemed to be, fully and unconditionally vested and shall be, and shall be deemed to be, surrendered and transferred by the Company Optionholder to the Company pursuant to its terms (free and clear of all Liens) and:
  - (i) in respect of the surrender and transfer of Company ITM Stock Options to the Company, each Company Optionholder shall be entitled to receive, subject to Article 6 [*Withholdings*], a cash payment (without interest) from the Company equal to the aggregate In-the-Money Value of such Company ITM Stock Options;
  - (ii) in respect of the surrender and transfer of Company OTM Stock Options to the Company, each Company Optionholder shall not be entitled to receive any consideration from any Person;
  - (iii) each Company Stock Option shall be, and shall be deemed to be, terminated and cancelled and shall cease to represent an option to purchase a Company Share;
  - (iv) each former Company Optionholder shall cease to be a holder of Company Stock Options and to have any rights as a holder of Company Stock Options other than the right to receive the consideration (if any) to which such Company Optionholder is entitled pursuant to Section 3.1(c)(i), and the name of each former Company Optionholder shall be removed from the register of Company Optionholders maintained by or on behalf of the Company;
  - (v) any agreement, certificate or other instrument granting or confirming the grant of Company Stock Options or representing Company Stock Options or the right of a former Company Optionholder to any such Company Stock Options shall be void and of no further force or effect and neither the Company nor the Purchaser shall have any further liabilities or obligations to any Person with respect thereto other than the obligation of the Company to pay the consideration (if any) which the former Company Optionholder is entitled to receive pursuant to Section 3.1(c)(i); and
  - (vi) the Company Stock Option Plan shall be terminated and be of no further force or effect;

#### ***Settlement of Company RSUs***

- (d) notwithstanding the terms of the Company RSU Plan, any resolutions of the Company Board or the terms of any agreement, certificate or other instrument granting or confirming the grant of Company RSUs or representing Company RSUs, each Company RSU outstanding at the Effective Time shall be, and shall be deemed to be, fully and unconditionally vested and, in the case of a Company RSU with vesting conditions based on satisfaction of specified performance criteria, such vesting shall be based on a vesting multiplier of 1.25 and:

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- (i) each such Company RSU, including any such Company RSU pursuant to the vesting multiplier of 1.25, shall be, and shall be deemed to be, surrendered and transferred by the Company RSU Holder to the Company pursuant to its terms (free and clear of all Liens) in exchange for, subject to Article 6 [*Withholdings*], a cash payment (without interest) from the Company equal to the In-the-Money Value of such Company RSU (provided that, to the extent that such cash payment in respect of a Company RSU cannot be paid at the effective time of this Section 3.1(d) without causing the recipient to incur a penalty tax under Section 409A, then such cash payment shall be paid (without interest) on the earliest permissible date on which such payment can be made without causing the recipient to incur a penalty tax under Section 409A);
  - (ii) each Company RSU shall be, and shall be deemed to be, terminated and cancelled and shall cease to represent any right to payment from any Person;
  - (iii) each former Company RSU Holder shall cease to be a holder of Company RSUs and to have any rights as a holder of Company RSUs other than the right to receive the consideration to which such Company RSU Holder is entitled pursuant to Section 3.1(d), and the name of each former Company RSU Holder shall be removed from the register of Company RSU Holders maintained by or on behalf of the Company;
  - (iv) any agreement, certificate or other instrument granting or confirming the grant of Company RSUs or representing Company RSUs or the right of a former Company RSU Holder to any such Company RSUs shall be void and of no further force or effect and neither the Company nor the Purchaser shall have any further liabilities or obligations to any Person with respect thereto other than the obligation of the Company to pay the consideration which the former Company RSU Holder is entitled to receive pursuant to Section 3.1(d); and
  - (v) the Company RSU Plan shall be terminated and be of no further force or effect;

***Settlement of Company DSUs***

- (e) notwithstanding the terms of the Company DSU Plan, any resolutions of the Company Board or the terms of any agreement, certificate or other instrument granting or confirming the grant of Company DSUs or representing Company DSUs, each Company DSU shall be, and shall be deemed to be, redeemed by, and surrendered and transferred to, the Company in accordance with its terms (free and clear of all Liens), in exchange for, subject to Article 6 [*Withholdings*], a cash payment (without interest) from the Company equal to the In-the-Money Value of such Company DSU (provided that, to the extent that such cash payment in respect of a Company DSU cannot be paid at the effective time of this Section 3.1(e) without causing the recipient to incur a penalty tax under Section 409A, then such cash payment shall be paid (without interest) on the earliest permissible date on which such payment can be made without causing the recipient to incur a penalty tax under Section 409A):
  - (i) each Company DSU shall be, and shall be deemed to be, terminated and cancelled and shall cease to represent any right to payment from any Person;

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- (ii) each former Company DSU Holder shall cease to be a holder of Company DSUs and to have any rights as a holder of Company DSUs other than the right to receive the consideration to which such Company DSU Holder is entitled pursuant to Section 3.1(e), and the name of each former Company DSU Holder shall be removed from the register of Company DSU Holders maintained by or on behalf of the Company;
  - (iii) any agreement, certificate or other instrument granting or confirming the grant of Company DSUs or representing Company DSUs or the right of a former Company DSU Holder to any such Company DSUs shall be void and of no further force or effect and neither the Company nor the Purchaser shall have any further liabilities or obligations to any Person with respect thereto other than the obligation of the Company to pay the consideration which the former Company DSU Holder is entitled to receive pursuant to Section 3.1(e); and
  - (iv) the Company DSU Plan shall be terminated and be of no further force or effect;

#### ***Funding of Purchaser***

- (f) as consideration for Purchaser Holdco agreeing to transfer the Purchaser Midco Shares to Sunoco as contemplated in Section 3.1(j), Sunoco shall pay to Purchaser Holdco cash in an amount equal to the Maximum Cash and issue to Purchaser Holdco such number of Sunoco Class D Common Units as is equal to the aggregate number of Consideration Units to be received by Company Shareholders pursuant to Section 3.1(h)(i);
- (g) Purchaser Midco shall issue Purchaser Midco Shares to Purchaser Holdco in exchange for the cash and the aggregate number of Consideration Units to be received by Company Shareholders pursuant to Section 3.1(h)(i);

#### ***Acquisition of Company Shares***

- (h) each Company Share held by a Company Shareholder (other than Company Shares held by Dissenting Shareholders) shall be and shall be deemed to be, transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens) and:
  - (i) in respect of the transfer of each such Company Share:
    - (A) each Combination Electing Shareholder shall receive the Combination Elected Consideration from Purchaser Midco on behalf of (and as directed by) the Purchaser;
    - (B) subject to Section 3.2, each Cash Electing Shareholder shall receive the Cash Elected Consideration from Purchaser Midco on behalf of (and as directed by) the Purchaser; and
    - (C) subject to Section 3.2, each Unit Electing Shareholder shall receive the Unit Elected Consideration from Purchaser Midco on behalf of (and as directed by) the Purchaser;
  - (ii) the holders of such Company Shares shall cease to be the holders thereof and to have any rights as holders of such Company Shares other than the right to receive the Consideration for each such Company Share in accordance with this Plan of Arrangement;
  - (iii) such holders' names shall, in respect of the Company Shares, be removed from the register of Company Shares maintained by or on behalf of the Company;

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- (iv) the Purchaser shall be recorded on the register of the holder of Company Shares maintained by or on behalf of the Company as the holder of the Company Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens); and
  - (v) the delivery of Consideration Units from Purchaser Midco on behalf of the Purchaser in Section 3.1(h)(i) shall be deemed to occur concurrently with the issuance of the common shares of the Purchaser to Purchaser Midco in Section 3.1(i);
  - (i) concurrently with the transfers in Section 3.1(h), the Purchaser shall issue common shares of the Purchaser to Purchaser Midco as consideration for the delivery of cash and Consideration Units from Purchaser Midco on behalf of the Purchaser pursuant to Section 3.1(h)(i);
  - (j) all of the Purchaser Midco Shares are transferred from Purchaser Holdco to Sunoco (free and clear of all Liens) to satisfy the obligation of Purchaser Holdco to Sunoco in Section 3.1(f); and
  - (k) all of the common shares of Purchaser Midco are transferred from Sunoco to Sunoco Retail LLC (free and clear of all Liens) as a capital contribution or as otherwise determined by Sunoco and Sunoco Retail LLC.

**3.2** The Purchaser shall not be obligated to pay or cause the payment of more Cash Consideration than the Cash Maximum or more Unit Consideration than the Unit Maximum and, in this regard and notwithstanding any provision herein to the contrary:

- (a) if, but for this Section 3.2, the Unit Election Number exceeds the Available Unit Election Number, then each Unit Electing Shareholder will receive from Purchaser Midco on behalf of the Purchaser, in aggregate:
  - (i) such number of Consideration Units equal to the product obtained by multiplying the Available Unit Election Number by a fraction the numerator of which is the number of Consideration Units that would otherwise be issuable to such Company Shareholder pursuant to Section 3.1(h)(i) and the denominator of which is the Unit Election Number; and
  - (ii) a cash amount equal to the product obtained by multiplying the Remaining Cash Amount by a fraction the numerator of which is the number of Consideration Units that would otherwise be issuable to such Company Shareholder pursuant to Section 3.1(h)(i) and the denominator of which is the Unit Election Number; and
- (b) if, but for this Section 3.2, the Cash Election Amount exceeds the Available Cash Election Amount, then each Cash Electing Shareholder will receive from Purchaser Midco on behalf of the Purchaser, in aggregate:
  - (i) a cash amount equal to the product obtained by multiplying the Available Cash Election Amount by a fraction the numerator of which is the amount of cash that would otherwise be payable to such Company Shareholder pursuant to Section 3.1(h)(i) and the denominator of which is the Cash Election Amount; and
  - (ii) such number of Consideration Units equal to the product obtained by multiplying the Remaining Unit Number by a fraction the numerator of which is the amount of cash that would otherwise be payable to such Company Shareholder pursuant to Section 3.1(h)(i) and the denominator of which is the Cash Election Amount.

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- 3.3** With respect to the election required to be made by the Company Shareholders (other than Dissenting Shareholders) pursuant to Section 3.1(h)(i):
- (a) each Company Shareholder shall make such election by depositing with the Depositary, prior to the Election Deadline, a duly and properly completed Letter of Transmittal and Election Form indicating such holder's election, together with certificates representing such holder's Company Shares; and
  - (b) any Company Shareholder who does not deposit with the Depositary a duly and properly completed Letter of Transmittal and Election Form prior to the Election Deadline, or otherwise fails to comply with the requirements of Section 3.3(a) and the Letter of Transmittal and Election Form or to elect to receive Cash Elected Consideration, Combination Elected Consideration or Unit Elected Consideration in respect of their Company Shares, shall be deemed to have elected to receive Combination Elected Consideration.
- 3.4** With respect to the exchange of Company Shares effected pursuant to Section 3.1(h)(i):
- (a) each Company Shareholder shall receive, in respect of each Company Share held, the Consideration, subject to Sections 5.8 and 5.9 and Article 6 [*Withholdings*]; and
  - (b) any Letter of Transmittal and Election Form, once deposited with the Depositary, shall be irrevocable and may not be withdrawn by a Company Shareholder.

#### **ARTICLE 4**

#### **DISSENTING SHAREHOLDERS**

- 4.1** Each registered Company Shareholder may exercise Dissent Rights with respect to the Company Shares held by such registered Company Shareholder in connection with the Arrangement. Dissenting Shareholders shall be deemed to have transferred the Company Shares held by them and in respect of which Dissent Rights have been validly exercised free and clear of all Liens as provided in Section 3.1 and if they:
- (a) are ultimately entitled to be paid fair value for their Company Shares, shall: (i) be deemed not to have participated in the transactions in Section 3.1, other than the transaction in Section 3.1(b) pursuant to which such Company Shares are transferred to, and acquired by, the Company; (ii) be entitled to be paid an amount equal to such fair value by the Company; and (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholders not exercised their Dissent Rights in respect of such Company Shares; or
  - (b) are ultimately not entitled, for any reason, to be paid fair value for their Company Shares, shall be deemed to have: (i) participated in the Arrangement, as of the Effective Time, on the same basis as a Company Shareholder who did not exercise its Dissent Rights and thereby to have transferred such Company Shares to the Purchaser; and (ii) elected to receive Combination Elected Consideration.
- 4.2** The fair value of the Company Shares for the purposes of Section 4.1(a) shall be determined as of the close of business on the last Business Day immediately prior to the day on which the Arrangement Resolution is approved by the Company Shareholders.
- 4.3** In no event shall the Purchaser or the Company be required to recognize any Dissenting Shareholder as a Company Shareholder after the Effective Time and the names of such holders shall be removed from the register of Company Shareholders as at the Effective Time.



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- 4.4 In no circumstances shall the Company or the Purchaser Parties or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Company Shares in respect of which such rights are sought to be exercised. For greater certainty, Company Incentive Holders shall not be entitled to exercise Dissent Rights in respect of their Company Incentives.
- 4.5 For greater certainty, in addition to any other restrictions in section 191 of the ABCA, any Person who has voted (including by way of instructing a proxy holder to vote) their Company Shares in favour of the Arrangement Resolution shall not be entitled to exercise Dissent Rights. A registered Company Shareholder may only exercise Dissent Rights in respect of all, and not less than all, of its Company Shares.
- 4.6 Notwithstanding subsection 191(5) of the ABCA, the written notice setting forth such registered Company Shareholder's objection to the Arrangement Resolution must be received in accordance with the Interim Order by no later than 5:00 p.m. (Calgary time) on the fifth Business Day immediately prior to the date of the Company Meeting (as it may be adjourned or postponed from time to time).

## **ARTICLE 5**

### **OUTSTANDING CERTIFICATES AND ROUNDING OF CONSIDERATION**

#### **5.1 Deposit of Consideration**

The Purchaser Parties shall, following receipt of the Final Order and prior to the filing by the Company of the Articles of Arrangement with the Registrar, deposit, or cause to be deposited, with the Depositary cash in the amount equal to the Cash Maximum to be held in escrow, an irrevocable direction for the issuance of a sufficient number of Consideration Units equal to the Unit Maximum (in each case other than with respect to Company Shareholders exercising Dissent Rights) and a sufficient number of Sunoco Class D Common Units equal to the number of Consideration Units to be issued to Company Shareholders pursuant to the Arrangement. No Company Shareholder shall be entitled to receive any consideration with respect to Company Shares other than the consideration to which such Company Shareholder is entitled to receive pursuant to the Arrangement Agreement and this Plan of Arrangement, and, for greater certainty, no such Company Shareholder will be entitled to receive any interest, dividends, premium or other payment or distribution in connection therewith.

#### **5.2 Delivery of Consideration by Depositary**

- (a) Promptly following the Effective Time, upon receipt of the irrevocable direction and the cash delivered by the Purchaser Parties pursuant to Section 5.1, the Depositary shall cause a cheque or wire transfer representing the aggregate Cash Consideration and one or more certificates representing the Consideration Units that a Company Shareholder has the right to receive under the Arrangement for Company Shares, less any amounts withheld pursuant to Article 6, to be forwarded to those Persons who have deposited with the Depositary the certificates for Company Shares, if any, a Letter of Transmittal and Election Form and such documents and instruments as the Depositary may reasonably require.
- (b) The cash deposited with the Depositary shall be held in an interest-bearing account, and any interest earned on such funds shall be for the account of the Purchaser.
- (c) The Depositary shall register the Consideration Units in the name of each Company Shareholder entitled thereto or otherwise as instructed in the Filed Letter of Transmittal and Election Form deposited by such Company Shareholder.

### **5.3 Rights of Holders**

Until the Company Shareholder deposits the certificates, if any, for Company Shares, the Letter of Transmittal and Election Form and the documents and instruments reasonably required by the Depositary in accordance with Section 5.2, each certificate that immediately prior to the Effective Time represented Company Shares shall be deemed after the Effective Time to represent only the right to receive, upon such deposit, the aggregate Consideration to which such former holder of Company Shares is entitled under the Arrangement and this Plan of Arrangement or, as to those certificates held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Section 4.1(b), the right to receive the fair value of the Company Shares formerly represented by such certificates as set out in Article 4.

### **5.4 Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Shares that were exchanged pursuant to Section 3.1 shall have been lost, stolen or destroyed, upon satisfying such reasonable requirements as may be imposed by the Purchaser Parties and the Depositary in relation to the issuance of replacement share certificates, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the Consideration deliverable in accordance with Section 3.1. The Person who is entitled to receive such Consideration shall, as a condition precedent to the receipt thereof, give a bond to the Purchaser Parties, the Company and the Company's transfer agent in form and substance satisfactory to the Purchaser Parties, the Company and the Company's transfer agent, or otherwise indemnify the Purchaser Parties, the Company and the Company's transfer agent, to the reasonable satisfaction of the Purchaser Parties, the Company and the Company's transfer agent, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

### **5.5 Book-Based Registrations**

For the purposes of this Plan of Arrangement, any reference to a "certificate" in respect of Company Shares or Consideration Units shall include evidence of registered ownership of Company Shares or Consideration Units, as the case may be, in an electronic book-based system maintained by the registrar and transfer agent of the Company Shares or Consideration Units, and the provisions of this Plan of Arrangement shall be read and construed (and where applicable, modified) to give effect to such interpretation.

### **5.6 Distributions with Respect to Unsurrendered Certificates**

No dividend or other distribution declared or made after the Effective Time with respect to the Consideration Units with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Company Shares unless and until the holder of such certificate shall have complied with the provisions of Section 5.3 or Section 5.4. Subject to applicable Law, at the time of such compliance, there shall, in addition to the delivery of a certificate representing the Consideration Units to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend with a record date after the Effective Time theretofore paid with respect to such Consideration Units.

### **5.7 Termination of Rights**

Subject to applicable Laws relating to unclaimed property, any certificate formerly representing Company Shares that is not deposited with all other documents as required by this Plan of Arrangement, or any payment made by way of cheque to the Depositary pursuant to this Plan of Arrangement that has been returned to the Depositary or that otherwise remains unclaimed on or before the day prior to the second anniversary of the Effective Date shall cease to represent a right or interest of or a claim by any former Company Shareholder of any kind or nature against the Purchaser. On such date, the Consideration to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled, or the claim to payment hereunder that remains outstanding, as the case may be, shall be deemed to have been surrendered and forfeited to the Purchaser, for no consideration, and such rights shall thereupon terminate and be cancelled.

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## **5.8 Rounding of Cash Consideration**

Notwithstanding anything contained herein, if the aggregate cash amount which a former Company Securityholder is entitled to receive pursuant to Section 3.1 would otherwise include a fraction of \$0.01, then the aggregate cash amount to which such former Company Securityholder shall be entitled to receive shall be rounded down to the nearest whole \$0.01.

## **5.9 Rounding of Unit Consideration**

Notwithstanding anything contained herein, no fractional Consideration Units shall be issued under this Plan of Arrangement. Where the aggregate number of the Consideration Units issuable to a former Company Shareholder would result in a fraction of a Consideration Units being issuable, such former Company Shareholder shall receive, in lieu of such fractional Consideration Units, a cash amount determined by reference to the volume weighted average trading price of Consideration Units on the New York Stock Exchange on the first five trading days on which such Consideration Units trade on such exchange following the Effective Date, converted into Canadian dollars based on the daily rate published by the Bank of Canada on the last day of such five day period. In calculating such fractional interests, all Company Shares formerly registered in the name of such former Company Shareholder shall be aggregated without regard to any underlying beneficial ownership of such Company Shares.

## **5.10 Paramountcy**

From and after the Effective Time:

- (a) this Plan of Arrangement shall take precedence and priority over:
  - (i) any and all rights related to Company Shares issued or outstanding prior to the Effective Time; and
  - (ii) any and all rights related to Company Incentives that are outstanding at the Effective Time and the terms and conditions thereof, including the terms and conditions of the applicable Company Incentive Plan and any agreement, certificate or other instrument granting or confirming the grant of, or representing, a Company Incentive.
- (b) the rights and obligations of the Company, the Purchaser Parties, the Depositary, the Company Securityholders (including Dissenting Shareholders) and any trustee, transfer agent or other depositary therefor, shall be solely as provided for in this Plan of Arrangement; and
- (c) all actions, causes of action, claims or proceedings (actual or contingent, and whether or not previously asserted) based on or in any way relating to any Company Shares or Company Incentives shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

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**ARTICLE 6  
WITHHOLDINGS**

- 6.1 Each of the Company, the Purchaser and the Depositary shall be entitled to deduct and withhold from the amounts otherwise payable to any Person under this Plan of Arrangement or any amount contemplated herein, such amounts as it is required, or reasonably believes it is required, to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of Applicable Law (including any proposed change of Applicable Law and any applicable assessing practices or administrative policies of a Governmental Authority) and remit such deduction and withholding amount to the appropriate Governmental Authority. To the extent that amounts are so properly deducted, withheld and remitted, such deducted, withheld and remitted amounts shall be treated for all purposes of the Arrangement Agreement and the Arrangement as having been paid to such Person in respect of which such deduction and withholding and remittance was made.

**ARTICLE 7  
AMENDMENTS**

- 7.1 The Purchaser Parties and the Company may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (i) set out in writing; (ii) approved by the Purchaser Parties and the Company; (iii) filed with the Court and, if made following the Company Meeting, approved by the Court subject to Sections 7.4 and 7.5; and (iv) communicated to the Company Securityholders if and as required by the Court.
- 7.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Purchaser Parties or the Company at any time prior to or at the Company Meeting (provided that the other Parties shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 7.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting and prior to the Effective Time shall be effective only: (i) if it is consented to in writing by each of the Purchaser Parties and the Company (each acting reasonably); and (ii) if required by the Court, it is consented to by the Company Shareholders, voting in the manner directed by the Court.
- 7.4 Any amendment, modification or supplement to this Plan of Arrangement may be made by the Purchaser Parties and the Company (upon their mutual agreement) without the approval of or communication to the Court or the Company Shareholders, provided that it concerns a matter which, in the reasonable opinion of the Purchaser Parties and the Company, is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the economic interest of any Company Shareholders.
- 7.5 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser Parties provided that it concerns a matter which, in the reasonable opinion of the Purchaser Parties, is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former holder of Company Shares.

**ARTICLE 8  
FURTHER ASSURANCES**

- 8.1 Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document, give effect to or evidence any of the transactions or events set out in this Plan of Arrangement or otherwise to carry out the full intent and meaning of this Plan of Arrangement.

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**Appendix B**  
**ARRANGEMENT RESOLUTION**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The arrangement (“**Arrangement**”) under section 193 of the *Business Corporations Act* (Alberta) (the “**ABCA**”) involving Parkland Corporation (“**Parkland**”), 2709716 Alberta Ltd. (“**Purchaser**”), NuStar GP Holdings, LLC (“**Purchaser Holdco**”), Sunoco LP (“**Sunoco**”), the shareholders of Parkland (the “**Parkland Shareholders**”) and other securityholders of Parkland, to effect the acquisition by Sunoco of all of the issued and outstanding common shares of Parkland, as more particularly described and set forth in the management information circular and proxy statement of Parkland accompanying the notice of meeting, is hereby authorized, approved and adopted.
2. The plan of arrangement (the “**Plan of Arrangement**”) to implement the Arrangement, the full text of which is set out as Appendix A to the arrangement agreement dated May 4, 2025 among Parkland, Purchaser, Purchaser Holdco and Sunoco, (the “**Arrangement Agreement**”), as may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.
3. Notwithstanding that this resolution has been passed by the Parkland Shareholders or that the Arrangement has been approved by the Court of King’s Bench of Alberta, the directors of Parkland are hereby authorized and empowered without further notice to, or approval of, the Parkland Shareholders: (i) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
4. Any one director or officer of Parkland is hereby authorized and directed for and on behalf of Parkland to execute, under the corporate seal of Parkland or otherwise, and to deliver to the Registrar under the ABCA for filing, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.
5. Any one director or officer of Parkland is hereby authorized and directed for, on behalf of, and in the name of Parkland to execute or cause to be executed, under the corporate seal of Parkland or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

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**Appendix C**  
**REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

Except as disclosed in (a) the Company Filings (excluding any disclosures set forth in any such Company Filings under the heading “Risk Factors” or in any section relating to forward-looking statements, in each case other than historical facts set forth therein), where the relevance of the information as an exception to (or disclosure for purposes of) a particular representation is reasonably apparent on its face, other than in the case of the representations and warranties contained in paragraphs 1 [*Organization and Corporate Power of Company*], 2 [*Organization and Requisite Power of Company Material Subsidiaries*], 3 [*Corporate Authorizations*], 4 [*Company Special Committee Approval*], 5 [*Board Approval*], 6 [*No Conflict with Authorizations, Laws, etc.*], 9 [*Capitalization*], 24 [*Absence of Certain Changes or Events*] and 42 [*Brokers*], or (b) the Company Disclosure Letter, where the relevance of the information as an exception to (or disclosure for purposes of) a particular representation is reasonably apparent on its face the Company represents and warrants to the Purchaser Parties as follows:

**1 Organization and Corporate Power of Company**

The Company is a corporation formed, organized and existing under the laws of the Province of Alberta and has the corporate power and capacity to own and operate its property and assets, carry on its business as now conducted, and to own, lease and operate its assets and properties, and enter into and perform its obligations under this Agreement, except where the failure to have such power or capacity would not have, individually or in the aggregate, a Company Material Adverse Effect.

**2 Organization and Requisite Power of Company Material Subsidiaries**

Each of the Company Material Subsidiaries is a corporation or other entity duly incorporated, formed or organized, as applicable, under the laws of the jurisdiction of its incorporation, formation or organization and has the legal right and necessary power and capacity to carry on its business as now conducted and to own, lease and operate its assets and properties, except where the failure to have such power or capacity would not have, individually or in the aggregate, a Company Material Adverse Effect.

**3 Corporate Authorizations**

The execution and delivery of this Agreement, the performance by the Company of its obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated under this Agreement, (a) have been duly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the completion of the Arrangement or the other transactions contemplated under this Agreement other than the approval of the Arrangement Resolution by the Company Shareholders, the Interim Order and the Final Order, and (b) do not result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any of the Constatting Documents of the Company or any Company Material Subsidiary or any resolutions of the Company Board or Company Shareholders (except as would not be material to the Company and the Company Material Subsidiaries, taken as a whole).

**4 Company Special Committee Approval**

As of the date hereof, the Company Special Committee, after consultation with its financial advisors and outside legal counsel, has:

- (a) determined that the Arrangement is fair to the Company Shareholders and is in the best interests of the Company; and

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- (b) recommended that the Company Board approve the Arrangement.

## **5 Board Approval**

As at the date hereof, the Company Board, after consultation with its financial advisors and outside legal counsel, and upon the recommendation of the Company Special Committee, has:

- (a) determined that the Arrangement is fair to the Company Shareholders and is in the best interests of the Company; and
- (b) resolved to recommend that the Company Shareholders approve the Arrangement Resolution.

## **6 No Conflict with Authorizations, Laws, etc.**

Other than as disclosed in Schedule C-6 of the Company Disclosure Letter, the execution and delivery of this Agreement by the Company, the performance of its obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated under this Agreement do not and will not:

- (a) contravene, conflict with, or result in any material violation or material breach of, or require any consent to be obtained pursuant to, or give rise to any termination rights of payment obligations under, the Constatng Documents of the Company or any of its Subsidiaries;
- (b) result in a breach or a violation of, conflict with, or cause the termination or revocation of, any material Authorization held by the Company or any of the Company Material Subsidiaries or necessary to the ownership of the Company Shares, the use of the material assets of the Company or any of the Company Material Subsidiaries or the material operation of their business;
- (c) result in or require the creation of any Lien upon any of the Company Shares or any of the material assets of the Company or any of the Company Material Subsidiaries;
- (d) result in a breach or a violation of, or conflict with, any Order of any Governmental Authority; or
- (e) result in a breach or a violation of, or conflict with, any applicable Law,

except in the case of (b), (c), (d) or (e), as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

## **7 Regulatory Approvals**

Other than as disclosed in Schedule C-7 of the Company Disclosure Letter, the execution and delivery of this Agreement by the Company, the performance of its obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated under this Agreement do not require any Regulatory Approval or other action by or in respect of, or filing with, or notification to, any Governmental Authority by the Company other than:

- (a) the Interim Order and the Final Order;
- (b) the filing of the Articles of Arrangement and the receipt of the Certificate of Arrangement;
- (c) customary filings with the Securities Regulatory Authorities and the TSX;

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- (d) the Key Regulatory Approvals (other than the Foreign Antitrust and Investment Law Approvals); and
  - (e) any Authorizations which, if not obtained, or any other actions by or in respect of, or filings with, or notifications to, any Governmental Authority which, if not taken or made, would not have, individually or in the aggregate, a Company Material Adverse Effect.

## **8 Execution and Binding Obligation**

This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company enforceable against it in accordance with its terms, subject to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

## **9 Capitalization**

- (a) The authorized capital of the Company consists of an unlimited number of Company Shares and an unlimited number of preferred shares. As of the date of this Agreement, (i) there were 174,381,337 Company Shares and no preferred shares issued and outstanding; (ii) 3,631,740 Company Shares issuable upon the exercise of outstanding Company Stock Options; (iii) 2,100,941 outstanding Company RSUs (of which 1,465,771, are subject to performance vesting features providing for potential multiplier pursuant to which up to 2,931,542 Company Shares are issuable or deliverable (or an equivalent cash payment payable) upon settlement thereof); and (iv) 209,013 outstanding Company DSUs (pursuant to which no Company Shares are issuable or deliverable (or an equivalent cash payment payable) upon settlement thereof). All of the issued and outstanding Company Shares have been duly authorized and validly issued and are fully paid and non-assessable and all of the outstanding Company Stock Options, Company RSUs and Company DSUs have been duly authorized by the Company Board (or a duly authorized committee thereof) and issued in compliance with applicable Law and the terms of the Company Stock Option Plan, Company RSU Plan and Company DSU Plan, as applicable.
- (b) Schedule C-9(a) of the Company Disclosure Letter contains a complete and accurate list of the outstanding (i) Company Stock Options with details regarding the exercise price and the vesting terms of such securities; (ii) Company RSUs with details regarding the number of Company RSUs outstanding; and (iii) Company DSUs with details regarding the number of Company DSUs outstanding.
- (c) The Company has provided the Purchaser Parties with true and complete copies of the Company Stock Option Plan, the Company RSU Plan, the Company DSU Plan and all template agreements under which any outstanding Company Stock Options, Company RSUs or Company DSUs have been granted or issued.
- (d) All outstanding Company Stock Options have been recorded in the Company's financial statements in accordance with IFRS.
- (e) Except for outstanding Company Stock Options, Company RSUs and Company DSUs and rights to purchase Company Shares issued under the Rights Plan, there are no issued, outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation, subscription or other rights, or any other agreements, arrangements, understandings, instruments or commitments of any kind that obligate the Company to, directly or indirectly, issue or sell any, or create any additional classes of, securities of the Company, or give any Person a right to subscribe for or acquire, any securities of the Company.



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- (f) There are no outstanding contractual or other obligations of the Company to repurchase, redeem or otherwise acquire any securities of the Company or to qualify securities for public distribution in Canada, the United States or elsewhere.
  - (g) All dividends or distributions on the securities of the Company that have been declared or authorized have been paid in full, except for dividends or distributions declared but not yet payable.

#### **10 Subsidiaries**

- (a) A true and complete list of all Subsidiaries of the Company is set out in Schedule C-10(a) of the Company Disclosure Letter, and the following information with respect to each Subsidiary is set forth therein:
  - (i) its name;
  - (ii) its entity type; and
  - (iii) its governing jurisdiction.
- (b) The Company owns, directly or indirectly, all of the issued and outstanding shares and other interests of each of its Subsidiaries free and clear of all Liens (other than Permitted Liens).
- (c) Except as set forth in Schedule C-10(c) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is party to any joint venture entity or is a partner of any partnership that is not a wholly-owned partnership.
- (d) The issued and outstanding shares or interests in the Subsidiaries directly or indirectly owned by the Company have been duly authorized and validly issued and, to the extent such concept exists under the applicable Laws governing the Subsidiaries, are fully paid and non-assessable shares or interests, and no such shares or interests have been issued in violation of any pre-emptive or similar rights.
- (e) There are no Contracts, arrangements or restrictions that require the Company Material Subsidiaries to issue, sell or deliver any shares or other interests, or any securities convertible into or exchangeable for, any shares or other interests.

#### **11 Qualification**

The Company and each of the Company Material Subsidiaries are duly qualified to carry on business, and are in good standing or have equivalent status, in each jurisdiction in which the character of their assets and properties, owned, leased, licensed or otherwise held, or the nature of their activities, makes such qualification necessary, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Company Material Adverse Effect.

#### **12 Shareholders' and Similar Agreements**

The Company is not a party to any unanimous shareholders agreement, shareholder agreement, pooling, voting or other similar arrangement or agreement relating to the ownership or voting of any securities of the Company, or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in the Company. To the knowledge of the Company, there are no irrevocable proxies or voting agreements with respect to any securities issued by the Company.

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**13 Securities Law Matters**

- (a) The Company is a reporting issuer under applicable Securities Laws in each of the provinces and territories of Canada. The Company Shares are listed and posted for trading on the TSX and are not listed on any other market. Neither the Company nor any of the Subsidiaries of the Company is subject to any other continuous or periodic or other disclosure requirements under any securities laws in any other jurisdiction.
- (b) The Company is not in default of any material requirements of any Securities Laws in any material respect or the applicable listing and corporate governance rules and regulations of the TSX in any material respect.
- (c) The Company has not taken any action to cease to be a reporting issuer in any province or territory of Canada nor has the Company received notification from any Securities Regulatory Authority seeking to revoke the reporting issuer status of the Company.
- (d) No Proceeding or Order for the delisting, suspension of trading, or cease trade or other Order or restriction with respect to any securities of the Company is in effect or pending or, to the knowledge of the Company, has been threatened or is expected to be implemented or undertaken.

**14 Public Disclosure**

The Company has timely filed with the Securities Regulatory Authorities all material forms, reports, schedules, statements, and other documents required to be filed under applicable Securities Laws since January 1, 2023. The documents comprising the Company Filings, as of their respective dates (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such subsequent filing), complied as filed in all material respects with applicable Law and did not contain any Misrepresentation. The Company has not filed any confidential material change report or other confidential filing with any Securities Regulatory Authority which, at the date of this Agreement, remains confidential. The Company is not subject to any ongoing Proceeding by any Securities Regulatory Authority and, to the knowledge of the Company, no such Proceeding is threatened.

**15 U.S. Securities Law Matters.**

- (a) The Company does not have, nor is it required to have, any class of securities registered under the U.S. Exchange Act, nor is the Company subject to any reporting obligation (whether active or suspended) pursuant to Section 13(a) or Section 15(d) of the U.S. Exchange Act.
- (b) The Company is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act, is not an investment company registered or required to be registered under the Investment Company Act of 1940 of the United States of America, as amended, and is a “foreign private issuer” (as such term is defined in Rule 3b-4 under the U.S. Exchange Act).
- (c) No securities of the Company have been traded on any national securities exchange in the United States of America during the past 12 calendar months.

**16 Transfer Agent**

Computershare Trust Company of Canada has been duly appointed by the Company as the registrar and transfer agent for the Company Shares.

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**17 Financial Statements and Records**

The Company's audited consolidated financial statements (including any of the notes or schedules thereto, the auditor's report thereon and the related management's discussion and analysis) and unaudited consolidated interim financial statements (including any of the notes or schedules thereto and the related management's discussion and analysis) included in the Company Filings fairly present, in all material respects, the consolidated financial position, results of operations and changes in financial position of the Company and its Subsidiaries as of their respective dates and for the periods covered by such financial statements, all in accordance with IFRS, consistently applied throughout the periods referred to therein (except as expressly set forth in the notes thereto).

**18 Disclosure Controls and Internal Controls over Financial Reporting**

- (a) The Company has established and maintains "disclosure controls and procedures" (as such term is defined in NI 52-109) to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under Securities Laws is recorded, processed, summarized and reported within the time periods specified in the Securities Laws. Such disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under Securities Laws is accumulated and communicated to the Company's management, including its chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.
- (b) The Company has established and maintains a system of "internal control over financial reporting" (as such term is defined in NI 52-109) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.
- (c) To the knowledge of the Company, there is no "material weakness" (as such term is defined in NI 52-109) relating to the design or operating effectiveness of the Company's internal control over financial reporting or fraud that involves Representatives, consultants or independent contractors who have a significant role in the Company's internal control over financial reporting. To the knowledge of the Company, since December 31, 2024 the Company has not received or otherwise obtained knowledge of any Proceeding regarding accounting, internal accounting controls or auditing matters, including any Proceeding alleging that the Company has engaged in questionable accounting or auditing practices, or any expression of concern from its external auditor regarding questionable accounting or auditing matters.

**19 Auditors**

The auditors of the Company are independent public accountants as required by applicable Law and there has not been any "reportable event" (as such term is defined in Section 4.11(1) of NI 51-102) with the present or any former auditor of the Company.

**20 No Undisclosed Liabilities**

Other than as disclosed in Schedule C-20 of the Company Disclosure Letter, there are no liabilities or obligations of the Company of any nature, whether accrued, contingent, absolute, determined, determinable, matured, unmatured or otherwise, other than liabilities or obligations:

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- (a) disclosed in the audited consolidated financial statements of the Company as at and for the year ended December 31, 2024 (including any notes or schedules thereto and the related management's discussion and analysis) included in the Company Filings;
  - (b) incurred in the Ordinary Course since December 31, 2024;
  - (c) reasonably incurred after December 31, 2024 in connection with this Agreement or the transactions contemplated under this Agreement; or
  - (d) that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

## **21 Related Party Transactions**

Other than as disclosed in Schedule C-21 of the Company Disclosure Letter, the Company is not indebted to any director, officer, employee or agent of, or independent contractor to, the Company or any of their respective Affiliates or associates (except for amounts due in the Ordinary Course as salaries, bonuses, directors' fees or the reimbursement of Ordinary Course expenses). There are no Contracts (other than employment arrangements) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, any shareholder, officer or director of the Company, or any of their respective Affiliates or associates.

## **22 Compliance with Law**

Other than as disclosed in Schedule C-22 of the Company Disclosure Letter, and except with respect to Environmental Laws, which is governed exclusively by Appendix C Section 35: (i) the Company is in compliance with applicable Law in all material respects; and (ii) the Company is not under any investigation with respect to, and has not been convicted, charged or, to the knowledge of the Company, threatened to be charged with, any material violation or potential material violation of any Law from any Governmental Authority.

## **23 Restrictions on Conduct of Business**

Other than as disclosed in Schedule C-23 of the Company Disclosure Letter, the Company is not and none of the Company Material Subsidiaries are a party to, or bound by, any non-competition agreement or any other Contract or any Order or Authorization which purports to:

- (a) limit the manner or the location in which the Company or any of the Company Material Subsidiaries may conduct any line of business;
  - (b) limit any business practice of the Company or any of the Company Material Subsidiaries; or
  - (c) restrict any acquisition or disposition of any assets or property by the Company or any of the Company Material Subsidiaries,
- with such exceptions as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

## **24 Absence of Certain Changes or Events**

Since December 31, 2023 until the date hereof, other than the transactions contemplated in this Agreement, the business of the Company and the Company Material Subsidiaries has been conducted in the Ordinary Course and there has not occurred a Company Material Adverse Effect.

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**25 Business Authorizations**

The Company or one of its Subsidiaries holds, possesses or lawfully uses in the operation of the Company's business, and is in compliance with, all Authorizations which are necessary for it to conduct the Company's business or for the ownership and use of the property and assets used by the Company or any of the Company Material Subsidiaries, except where failure to hold, possess or lawfully use, or be in compliance with, any such Authorizations would not, individually or in the aggregate, result in a Company Material Adverse Effect.

**26 Title to Assets**

Except as would not, individually or in the aggregate, result in a Company Material Adverse Effect: (a) the Company has and each of its Subsidiaries either own, lease, license or have access to the properties and assets necessary to the operation of their respective businesses, free and clear of all Liens other than Permitted Liens; and (b) no other Person owns any assets which are being used in the Company's or any of the Subsidiaries' business except for the Company Leased Real Properties and personal or movable property leased to the Company or any of its Subsidiaries.

**27 No Options, etc.**

No Person has any written or oral agreement, option, understanding or commitment, or any right or privilege (whether by law, contractual or otherwise) capable of becoming such, for the purchase or other acquisition from the Company of any of its material assets other than in respect of sales of goods made in the Ordinary Course, except as would not have, individually or in the aggregate, a Company Material Adverse Effect.

**28 Real Property**

- (a) Schedule C- 28(a) of the Company Disclosure Letter lists the common street address for substantially all real or immovable property owned by the Company or any Company Material Subsidiary (such real or immovable property, which for clarity may exclude any real or immovable property which individually or in the aggregate is immaterial to the business of the Company, together with all structures, improvements and fixtures presently or hereafter located thereon or attached thereto, are, as the context may require, individually or collectively referred to as the "**Company Owned Real Property**"). With respect to each Company Owned Real Property, except as would not have, individually or in the aggregate, a Company Material Adverse Effect:
  - (i) the Company or a Subsidiary is the sole owner of 100% legal and beneficial interest in the Company Owned Real Property and the Company or a Subsidiary has good and marketable and valid ownership and fee simple title to all Company Owned Real Property, in each case free and clear of all Liens except for Permitted Liens;
  - (ii) there are no outstanding options, undertakings, commitments or rights or privileges capable of becoming such, to purchase any of the Company Owned Real Property, or any portion thereof or interest therein, and there are no agreements, undertakings, contracts or commitments to sell, any of the Company Owned Real Property, or any portion thereof or interest therein;
  - (iii) the Company or a Subsidiary has the exclusive right to occupy, possess and use the Company owned Real Property and neither the Company nor any Subsidiary has granted any written or oral agreement to lease, license or otherwise use, possess or occupy any of the Company Owned Real Property or any portion thereof other than in the Ordinary Course;

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- (iv) there are no outstanding work orders, inspector orders, open building permits, deficiency notices, notices of violation, notices of non-compliance or similar items from or required by any Governmental Authority;
  - (v) there are no pending, or to the knowledge of the Company, threatened condemnation, expropriation or rezoning proceedings with respect to any of the Company Owned Real Property;
  - (vi) no uncured default, breach or violation of a material nature on the part of the Company or, if applicable, the Subsidiary, or, to the knowledge of the Company, any other party thereto, exists under any Permitted Liens and to the knowledge of the Company no event, condition or omission exists that would constitute such default, breach or violation of a material nature (whether by lapse of time or notice or both) on the part of the Company or, if applicable, the Subsidiary, or, to the knowledge of the Company, any other party thereto; and
  - (vii) all of the Company Owned Real Property, and the buildings, improvements and fixtures thereon and systems therein (collectively, the **“Owned Structures”**) are adequate and suitable for the purpose for which they are presently being used by the Company and its Subsidiaries, as applicable. None of the Company Owned Real Property nor any of the Owned Structures, nor their use, operation or maintenance for the purposes of carrying on the business of the Company, violate any applicable Law in any material respect.
- (b) Schedule C-28(b) of the Company Disclosure Letter lists the common street address for substantially all real or immovable property in which the Company or a Company Material Subsidiary holds as a lessee, licensee or sublessee a leasehold or sublease or license or other similar interest (such real or immovable property, which for clarity may exclude any such real or immovable property which individually or in the aggregate is immaterial to the business of the Company, the **“Company Leased Real Property”**, together with the Company Owned Real Property, collectively, the **“Company Real Property”**, and such leases, licenses, subleases, or other similar occupancy agreements together with all amendments, modifications, extensions, supplements, guarantees and other agreements related thereto, collectively, the **“Company Real Property Leases”**). Except as would not have, individually or in the aggregate, a Company Material Adverse Effect, either the Company or one of its Subsidiaries has a good and enforceable leasehold interest in each and all Company Real Property Leases, in each case, free and clear of all Liens other than any Permitted Liens. The Company is not and none of its Subsidiaries are a party to, or under any agreement (whether oral or written) to become a party to, any real or immovable property lease other than the Company Real Property Leases and any other leases which individually or in the aggregate is immaterial to the business of the Company. Except as would not have, individually or in the aggregate, a Company Material Adverse Effect, no uncured default, breach or violation of a material nature on the part of the Company or, if applicable, the Subsidiary, or, to the knowledge of the Company, any other party thereto, exists under any Company Real Property Lease and no event, condition or omission exists that would constitute such material default, breach or violation (whether by lapse of time or notice or both) on the part of the Company or, if applicable, the Subsidiary, or, to the knowledge of the Company, any other party thereto. There are no disputes with respect to any Company Real Property Lease that would reasonably be expected to materially adversely affect the use, operation or value of such Company Real Property Lease, except as would not have, individually or in the aggregate, a Company Material Adverse Effect. With respect to each premises comprising Company Leased Real Property, in each case except as would not have, individually or in the aggregate, a Company Material Adverse Effect, the Company or a Subsidiary has the exclusive right to occupy, possess and use such premises and neither the Company nor any Subsidiary has granted any written or oral agreement to sublease, assign or otherwise use, possess or occupy any of the Company Leased Real Property or any portion thereof other than in the Ordinary Course.

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- (c) Schedule C- 28(c) of the Company Disclosure Letter contains a complete and accurate list of Company Real Property Leases with a rent payment in excess of \$10,000,000.00 per year (each, a “**Material Company Real Property Lease**”), and sets out, with respect to each Material Company Real Property Lease, the identity of the lessor and the tenant and the common street address to which it relates. With respect to each Material Company Real Property Lease, except as would not have, individually or in the aggregate, a Company Material Adverse Effect:
- (i) all rents, additional rent and other amounts payable by the tenant under each of the Material Company Real Property Leases have been paid;
  - (ii) no waiver, indulgence or postponement of any obligations of the Company or any of its Subsidiaries has been granted by the lessor;
  - (iii) to the knowledge of the Company, all of the material covenants to be performed by any landlord under the Material Company Real Property Leases have been fully performed;
  - (iv) neither the Company nor any Subsidiary has issued or received any written notice of termination of any Material Company Real Property Lease;
  - (v) the Company has not collaterally assigned or granted any other security interest in any Material Company Real Property Leases or any portion thereof or interest therein except as permitted under a Material Company Real Property Lease or as otherwise consented to by the landlord of a Material Company Real Property Lease; and
  - (vi) all of the Company Leased Real Property to which a Material Company Real Property Lease relates and the buildings, improvements and fixtures thereon and systems therein (collectively, the “**Material Leased Structures**”) are adequate and suitable for the purpose for which they are presently being used by the Company and its Subsidiaries, as applicable. None of the Company Leased Real Property to which a Material Company Real Property Lease relates nor any of the Material Leased Structures, nor their use, operation or maintenance for the purposes of carrying on the business of the Company, violate any applicable Law; and
- (d) except as would not have, individually or in the aggregate, a Company Material Adverse Effect: (i) the ownership, operation, or use of the Company Owned Real Property by the Company does not violate any restrictive covenant or applicable Law in any material respect; (ii) the Company Owned Real Property does not encroach on any property owned by any other Person or infringe on rights of way, easements or similar Liens in any material respect; and (iii) none of the Company Owned Real Property is subject to claims of encroachment by adjoining land owners, nor are there any claims by the Company or any of its Subsidiaries against any adjoining land owners in respect of any encroachment on to any of the Company Owned Real Property.

## 29 Material Contracts

- (a) Schedule C-29(a) of the Company Disclosure Letter sets out a complete and accurate list of all Material Contracts as of the date hereof and true, correct and complete copies of all Material Contracts as of the date hereof (including all material amendments, assignments and supplements thereto) have been provided in the Company Data Room.

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- (b) The Company has and each of the Company Material Subsidiaries, as applicable, have performed in all material respects all of the obligations required to be performed by them and are entitled to all benefits under, and are not alleged to be in default or breach of, or to have violated, any Material Contract in any material respect.
  - (c) Except as would not be reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, each Material Contract is legal, valid and binding and in full force and effect and is enforceable against the Company and each of the Company Material Subsidiaries that are parties thereto and each other party thereto, in accordance with its terms subject to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
  - (d) To the Company's knowledge, there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or circumstance, would become a breach of, or a default or event of default under, or a violation of any Material Contract.
  - (e) Neither the Company nor any of the Company Material Subsidiaries have received any notice that any party to a Material Contract intends to cancel, terminate or otherwise adversely modify or not renew its relationship with the Company or any of the Company Material Subsidiaries and, to the knowledge of the Company, no such action has been threatened.
  - (f) Neither the Company nor any of the Company Material Subsidiaries have violated or breached any of the terms or conditions of any Material Contract to which any of them is a party or bound to the knowledge of the Company and all the covenants to be performed and the obligations to be fulfilled by any other party to such Material Contract have been fully performed and fulfilled in all respects.

in the case of each of (b) through (f) above, with such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

### 30 Intellectual Property

- (a) Schedule C-30(a) of the Company Disclosure Letter set outs an accurate list of all material registered IP Rights which includes, for pending and registered IP Rights ("**Registered IP**"), the name of the owner of record, jurisdiction of filing, and application and registration numbers. The Registered IP has not been adjudged invalid or unenforceable.
- (b) Except as would not have, individually or in the aggregate, a Company Material Adverse Effect, the Company or any of the Company Material Subsidiaries, as applicable, exclusively own or possess all IP Rights including those listed in Schedule C-30(a)(i) reasonably necessary to carry on their respective business in all material respects as now conducted.
- (c) Neither the Company nor any of the Company Material Subsidiaries has received any written notice of infringement with asserted IP Rights of others, which infringement, if the subject of an unfavorable decision, would result in a Company Material Adverse Effect. To the knowledge of the Company, the operation of the business as currently conducted by the Company or any of the Company Material Subsidiaries does not infringe upon or misappropriate the IP Rights of any Person.



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### 31 Information Technology

- (a) Other than as disclosed in Schedule C-31 of the Company Disclosure Letter, the Company and each of the Company Material Subsidiaries maintain commercially reasonable data back-up procedures and data recovery procedures and tools to safeguard against loss or corruption of business or customer data in the event of a failure of the Information Technology owned, licensed, used or held for use by the Company or any of the Company Material Subsidiaries, in each case as reasonably necessary to carry on their respective business in all material respects as currently conducted (collectively, the “**Company Corporate IT**”). Disaster recovery plans are in place, in the event of a failure of the Company Corporate IT operated by or on behalf of the Company’s business.
- (b) The Company Corporate IT is adequate and sufficient, in all material respects, for the operations of the Company Corporate Group as currently conducted. Since January 1, 2023, (i) there has been no failure with respect to any Company Corporate IT that has had a material effect on the operations of the Company Corporate Group and (ii) to the Company’s knowledge, there has been no material unauthorized access or material breach of or security incident relating to the Company Corporate IT.

### 32 Insurance

Policies of insurance are in force naming the Company as an insured that adequately cover all risks as are customarily covered in policies of insurance for companies and entities operating a business or businesses such as the Company’s business. Schedule C-32 of the Company Disclosure Letter contains a complete and accurate list of insurance policies that are maintained by or on behalf of the Company and the Company Material Subsidiaries and copies of all such insurance policies are in the Company Data Room. All such policies shall remain in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement, other than such cancellations as would not individually or in the aggregate have a Company Material Adverse Effect.

### 33 Litigation

- (a) Except as disclosed in Schedule C-33(a) of the Company Disclosure Letter, there are no material actions, suits, charges, claims, arbitrations, notices of non-compliance or violation, investigation or proceedings, at law or in equity, by any Person (including the Company or any of its Subsidiaries), nor any arbitration, administrative or other proceeding by or before (or to the knowledge of the Company any investigation or audit by) any Governmental Authority, current, pending, or, to the knowledge of the Company, threatened against or affecting the Company, any of its Subsidiaries or any of their respective officers or directors (in their capacity as such), or affecting any of their respective properties or assets and to the knowledge of the Company, there are no facts or circumstances that could reasonably be expected to give rise to any such matters. Since January 1, 2023, neither the Company nor any of its Subsidiaries has been subject to any material judgment, order, writ, injunction, or decree entered in any lawsuit or proceeding nor has the Company or any of its Subsidiaries settled any material claim prior to being sued or prosecuted or a judgment being given in respect of it.
- (b) There are no material awards of any Governmental Authority outstanding against the Company or any of its Subsidiaries, and neither the Company, any of its Subsidiaries, nor any of the material assets or properties of the Company or its Subsidiaries (taken as a whole), is subject to any outstanding order, writ, ruling, judgment, injunction or decree of any Governmental Authority.

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- (c) There is no bankruptcy, liquidation, winding-up or other similar proceeding in progress or pending or, to the knowledge of the Company, threatened against or relating to the Company or any of its Subsidiaries before any Governmental Authority.

### 34 Taxes

- (a) The Company has and each of the Company Material Subsidiaries has duly and timely prepared and filed all material Tax Returns required by applicable Law to be filed by them prior to the date hereof and all such Tax Returns have been filed with the appropriate Tax Authorities within the prescribed period in accordance with all applicable Law in all material respects. The Company has and each of the Company Material Subsidiaries has reported all income and all other amounts and information required by applicable Law to be reported on each such Tax Return. Each such Tax Return is true, correct and complete in all material respects.
- (b) The Company has and each of the Company Material Subsidiaries has paid, within the prescribed period, all Taxes and instalments of material Taxes which are required to be paid to any Tax Authority pursuant to applicable Law. No deficiency with respect to the payment of any material Taxes or Tax instalments has been asserted against it by any Tax Authority except to the extent being contested by a Permitted Contest or in respect of which adequate reserves have been made in the financial statements of the Company in accordance with IFRS.
- (c) The Company and each of the Company Material Subsidiaries has correctly calculated and duly filed all material claims for federal and provincial Tax credits (including refundable or reimbursable Tax credits). Neither the Company nor any of the Company Material Subsidiaries have applied for, claimed or received a material refund of Tax (or amount deemed for purposes of the Tax Act to be an overpayment of Tax) to which they were not entitled pursuant to applicable Law.
- (d) The Company has and each of the Company Material Subsidiaries has duly and timely withheld and collected all material Taxes required by applicable Law to be withheld or collected by them and duly and timely remitted to the appropriate Tax Authority all such Taxes as and when required by applicable Law.
- (e) There are no Proceedings pending or, to the knowledge of the Company, threatened against the Company or any of the Company Material Subsidiaries in respect of any material Taxes and there are no material matters under discussion, audit or appeal with any Tax Authority relating to material Taxes of the Company or the Company Material Subsidiaries.
- (f) There are no Liens (other than Permitted Liens) with respect to Taxes upon any of the assets of the Company or any of the Company Material Subsidiaries.
- (g) Other than as disclosed in Schedule C-34(g) of the Company Disclosure Letter, the Company has not and none of the Company Material Subsidiaries has requested, entered into any agreement or other arrangement or executed any waiver providing for, any extension of time within which:
- (i) to file any material Tax Return;
  - (ii) to file any elections, designations or similar filings relating to material Taxes;
  - (iii) it is required to pay or remit any material Taxes or amounts on account of Taxes; or

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- (iv) any Tax Authority may assess or collect material Taxes.
- (h) Other than as disclosed in Schedule C-34(h) of the Company Disclosure Letter, neither the Company nor any Company Material Subsidiary has ever been required to file any Tax Return with, and has never been liable to pay any Taxes to, any Tax Authority of a jurisdiction where such entity does not file a Tax Return or pay material Taxes. No request to file a Tax Return has ever been made to the Company or the Company Material Subsidiaries by a Tax Authority in a jurisdiction where such entity does not file Tax Returns.
- (i) Other than reserves claimed in the ordinary course of preparing and filing Tax Returns, the Company has not claimed any material reserve for tax purposes, if as a result of such claim any amount could be included in its or a Purchaser Party's income for a taxation year ending after the completion of the Arrangement.
- (j) None of Section 17, subsection 18(4), or Sections 78, 79, 80, 80.01, 80.02, 80.03 and 80.04 of the Tax Act, or any equivalent provision of the Laws of any other jurisdiction, has applied or will apply to the Company or any of the Company Material Subsidiaries at any time on or before the Effective Time.
- (k) None of the Company or any Company Material Subsidiary is liable for material Taxes of any other Person (other than pursuant to an agreement with an arm's length person (as such term is defined in the Tax Act) the primary purpose of which does not relate to Tax).
- (l) The Company has and the Company Material Subsidiaries have complied in material respects with the transfer pricing (including any contemporaneous documentation) provisions of each applicable Law, including for greater certainty, under section 247 of the Tax Act (and the corresponding provisions of any applicable provincial Law).

### **35 Environmental Matters**

- (a) The Company and each of its Subsidiaries is and has been in compliance with all Environmental Laws applicable to it;
- (b) To the knowledge of the Company, neither the Company nor any of the Company's Subsidiaries have received or are subject to any Orders or Proceedings with respect to the Company or the assets of the Company or any of the Company's Subsidiaries, in regard to any alleged material breach, non-compliance, default, or liability under Environmental Laws;
- (c) The Company has and each of the Company's Subsidiaries have obtained all material Authorizations required by Environmental Laws for the operation of the Company's business and the assets of the Company or any of the Company Material Subsidiaries. The Company has, and each of the Company's Subsidiaries is, in compliance with all such material Authorizations;
- (d) The Company and each of the Company's Subsidiaries, as well as all of the foregoing's businesses, are in compliance with all financial assurance requirements prescribed by Environmental Laws or any Orders or Authorizations issued pursuant to Environmental Laws, and the Company has not and none of the Company's Subsidiaries have received notice and the Company has no knowledge of any Proceeding pending or threatened, by any Governmental Authority to materially modify or increase any applicable financial assurance requirements;
- (e) The Company has not and none of the Company's Subsidiaries has caused or permitted any Release, at any location, except where such Release is permitted by applicable Environmental Laws or any Authorizations issued pursuant to applicable Environmental Laws;

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- (f) There are no Hazardous Substances in the environment on, at, under, migrating from, migrating to, or originating from the Company's business, the Company Real Property or any of the other assets of the Company or the Company's Subsidiaries; and
  - (g) The Company has not and none of the Company's Subsidiaries has received any notice of, nor are there any issued, outstanding, pending, or threatened Orders or Proceedings with respect to any Hazardous Substances on, at, under, migrating from, migrating to, or originating from the Company's business, the Company Owned Real Property, the Company Leased Real Property or any of the other assets of the Company or the Company's Subsidiaries, nor does Company have knowledge of any existing circumstance that it reasonably believes to be a reportable event that could give rise to any of the foregoing,

in each case with such exceptions as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect. The representations and warranties in this Appendix C Section 35 are the sole and exclusive representations and warranties of the Company concerning Environmental Laws.

### 36 Employee Matters

- (a) Except for the Contracts listed in Schedule C-36 of the Company Disclosure Letter (the "**Company Employee Material Contracts**"), the Company is not and none of its Subsidiaries are party to, subject to, or affected by:
  - (i) any employment Contract or Company Employee Plan providing for termination or severance rights, cash or other compensation, or benefits or acceleration of benefits, to any Company Employee upon the consummation of, or relating to the transactions contemplated by this Agreement, including a change of control of the Company or any of the Company Material Subsidiaries;
  - (ii) any written Contract with a Person acting as an agent, independent contractor or dependent contractor providing services to the Company or any of its Subsidiaries pursuant to which a payment in excess of \$10,000,000 would be triggered upon completion of the Arrangement;
  - (iii) any certification Orders in respect of the Company Employees; or
  - (iv) any material collective agreement to which the Company is a party.
- (b) True, correct and complete copies of the Company Employee Material Contracts have been provided in the Company Data Room.
- (c) The Company has, and each of the Company Material Subsidiaries have performed (to the extent applicable) all of the material obligations required to be performed by them and are not alleged to be in default of, any Company Employee Material Contract. Each of the Company Employee Material Contracts is in full force and effect. The Company is not and none of the Company Material Subsidiaries are in material breach of any of their obligations thereunder and, to the knowledge of the Company, there exists no event of default or event, occurrence, condition or act (including the completion of the Arrangement) which, with the giving of notice, the lapse of time or the happening of any other event or circumstance, would become an event of default under, any Company Employee Material Contract.

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- (d) The Company has and each of the Company Material Subsidiaries have observed and complied with, in all material respects and to the extent applicable, the provisions of all applicable Law respecting employment, including employment standards Laws as well as Laws relating to human rights, occupational health and safety, workplace safety and insurance, labour relations and pay equity.
- (e) There are no material Proceedings by any Person (including the Company and any Governmental Authority) or, to the knowledge of the Company, any material Proceedings threatened against or affecting the Company or any of the Company Material Subsidiaries in respect of employment matters. To the knowledge of the Company, no event has occurred or circumstance exists which could reasonably be expected to give rise to or serve as a valid basis for the commencement of any such Proceeding or other Proceedings by or against the Company in respect of employment matters. The Company is not and none of the Company Material Subsidiaries are subject to any Order entered in any material Proceeding nor have the Company or any of the Company Material Subsidiaries settled any material claim prior to being sued or prosecuted in respect of employment matters.
- (f) There are no outstanding decisions or settlements or pending settlements under any applicable employment Laws which place any material obligation upon the Company or any of the Company Material Subsidiaries to do or refrain from doing any act, or which place a material financial obligation upon the Company or any of the Company Material Subsidiaries.
- (g) Other than as disclosed in Schedule C-36(g) of the Company Disclosure Letter, in the past three years, the Company has not, and none of the Company Material Subsidiaries have, received any material written remedial Order, material notice of offence or conviction under occupational health and safety, pay equity or employment standards Laws. The Company has and each of the Company Material Subsidiaries have performed all of their material financial obligations under such Laws which are owed to the Company Employees and the Governmental Authority having jurisdiction over such matters.
- (h) Other than as disclosed in Schedule C-36(h) of the Company Disclosure Letter, the Company: (i) is not and none of the Company Material Subsidiaries are party to a collective agreement (including any related documents or agreements including letters of understanding, letters of intent and other written communications with bargaining agents for the Company Employees which impose any obligations upon the Company or any of the Company Material Subsidiaries); (ii) has not and none of the Company Material Subsidiaries have entered into nor are they bound by any Contract with any labour union or employee association; and (iii) has not and none of the Company Material Subsidiaries have made commitments to or conducted negotiations with any labour union or employee association with respect to any future agreements, and are not party to any certification of any such union with regard to a bargaining unit.
- (i) There are no ongoing union drives. No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent:
- (i) holds bargaining rights with respect to any of the Company Employees by way of certification, interim certification, voluntary recognition, designation or successor rights; or
  - (ii) has applied to be certified as the bargaining agent of any of the Company Employees.

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- (j) As of the date hereof, there is no labour strike, picketing, slow down, work stoppage or lock out, existing, pending, or to knowledge of the Company, threatened against or directly or indirectly affecting the Company or any of the Company Material Subsidiaries or any of their operations. The Company has not and none of the Company Material Subsidiaries have, in the past three years, experienced any labour strike, picketing, slowdown, work stoppage, lock out or other collective labour action by or with respect to the Company Employees. There are no charges or complaints pending or, to the knowledge of the Company, threatened with respect to or relating to the Company or any of the Company Material Subsidiaries before any Governmental Authority in relation to unlawful or unfair labour practices, and no Person has applied to have the Company or any of the Company Material Subsidiaries declared a common or related employer pursuant to applicable Law. The Company has not and none of the Company Material Subsidiaries have received any written notice from any such Governmental Authority responsible for the enforcement of labour Laws of an intention to conduct an investigation of the Company or any of the Company Material Subsidiaries concerning their labour practices.

### 37 Employee Benefit Plans

- (a) Schedule C-37(a) of the Company Disclosure Letter sets out a true, correct and complete list by country and, where appropriate, a written description of all retirement, pension, supplemental pension, savings, retirement savings, retiring allowance, bonus, profit sharing, stock purchase, stock option, phantom stock, share appreciation rights, deferred compensation, severance or termination pay, change of control, life insurance, medical, hospital, dental care, vision care, drug, sick leave, short term or long term disability, salary continuation, unemployment benefits, vacation, incentive, compensation or other employee benefit plan, program, arrangement, policy or practice whether written or oral, formal or informal, funded or unfunded, registered or unregistered, insured or self-insured that is maintained or otherwise contributed to, or required to be contributed to, by or on behalf of the Company and/or the Company Material Subsidiaries for the benefit of current or former Company Employees, directors, officers, shareholders, independent contractors or agents of the Company, other than government sponsored pension, employment insurance, workers compensation and health insurance plans (collectively, the “**Company Employee Plans**”). Each of the Company Employee Plans that is a “registered pension plan” as such term is defined in section 248(1) of the Tax Act is identified as such in Schedule C-37(a) of the Company Disclosure Letter (collectively, the “Company Employee Pension Plans”).
- (b) Each Company Employee Plan:
- (A) has been maintained and administered in compliance with its terms and with the requirements of all applicable Law; and
  - (B) is in good standing in respect of such requirements and Laws.
- (c) Each Company Employee Plan that is required to be registered under applicable Law is duly registered with the appropriate Governmental Authorities.
- (d) All contributions and premiums required to be paid, deducted or remitted and all obligations required to be performed by the Company or the Company Material Subsidiaries pursuant to the terms of a Company Employee Plan or by applicable Law, have been paid, deducted, remitted or performed, as the case may be, in timely fashion and there are no outstanding defaults or violations with respect to same.
- (e) There are no Proceedings pending or threatened with respect to the Company Employee Plans and no event has occurred nor do circumstances exist that may result in such a Proceeding.

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- (f) Other than as disclosed in Section C-37(f) of the Company Disclosure Letter, there is no pending termination or winding-up procedure in respect of any of the Company Employee Plans, and no event has occurred or circumstance exists under which any of the Company Employee Plans could reasonably be expected to be declared terminated or wound-up, in whole or in part.
  - (g) Other than as disclosed in Section C-37(g) of the Company Disclosure Letter, no Company Employee Plan has any underfunded or unfunded liabilities or deficiencies or any deficits and the liabilities of the Company in respect of all Company Employee Plans are properly accrued and reflected in the most recently completed audited financial statements of the Company prepared in accordance with IFRS.
  - (h) With respect to each Company Employee Plan, the Company Data Room contains accurate and complete copies of:
    - (A) the text of all Company Employee Plans (where no text exists, a summary has been provided), as amended to the date of this Agreement and any related material documentation;
    - (B) the most recent actuarial valuations of each Company Employee Plan filed with applicable Governmental Authorities for which such valuation is required by applicable Law and, where an actuarial valuation has been prepared in respect of a Company Employee Plan but has not been filed with a Governmental Authority, the most recent of such valuations;
    - (C) the most recent accounting and certified financial statement of each Company Employee Plan for which such statement is made; and
    - (D) the most recent annual information returns filed with Governmental Authorities in respect of each Company Employee Plan for which such filing is required by applicable Law.
  - (i) To the Company's knowledge, no event has occurred and there has been no failure to act on the part of either the Company or a Company Material Subsidiary or a trustee or administrator of any Company Employee Plan that could subject the Company or a Company Material Subsidiary or such trustee or administrator or the Company Employee Plan to the imposition of any Tax or other liability, whether by way of indemnity or otherwise.
  - (j) There have been no withdrawals or improper applications or transfers of funds or assets to or from any Company Employee Plans.
  - (k) The Company has not taken any contribution holidays under any Company Employee Pension Plan. None of the Company Employee Pension Plans has ever been the subject of a conversion or a merger.
  - (l) No modifications or amendments have been made to any of the provisions of any of the Company Employee Pension Plans in respect of the ownership of surpluses on plan wind-up or the right of the employer to take contribution holidays. The provisions of the Company Employee Pension Plans relating to ownership of surpluses on plan wind-up and the rights of the employer to take contributions holidays are valid and fully enforceable pursuant to applicable Law.
  - (m) The completion of the Arrangement will not, alone or together with any additional or subsequent event, result in or require any payment or severance, or the acceleration, vesting or increase in benefits under any Company Employee Plan or give rise to any "excess parachute payment" as defined in Section 280G(b)(1) of the Code, any excise tax owing under Section 4999 of the Code or any other amount that would not be deductible under Section 280G of the Code.

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- (n) All data necessary to administer each Company Employee Plan is in the possession of the Company or its agents and is in a form which is sufficient for the proper administration of each Company Employee Plan in accordance with its terms and all applicable Law and such data is complete and correct.
  - (o) Other than as disclosed in Section C-37(o) of the Company Disclosure Letter and except in connection with the Company Employee Pension Plans, there are no obligations to provide any employment benefits to any current, former or retired Company Employees or their respective beneficiaries or dependents.
  - (p) None of the Company Employee Plans which are funded or administered through an insurance contract require or permit retroactive increases or assessments in premiums or payments.
  - (q) The Company is not, nor is it required to and none of its Company Material Subsidiaries are required to contribute to any multi-employer pension or benefit plan. None of the Company Employee Plans is a multi-employer pension or benefit plan.
  - (r) Each of the Company Employee Plans can be amended or terminated without restrictions and the Company has the unrestricted power and authority to amend or terminate the Company Employee Plans.

### **38 Privacy Laws**

Except as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect:

- (a) the Company has and each of the Company Material Subsidiaries have complied and are complying in all material respects with all applicable Privacy Laws, including in connection with the collection, use, storage and disclosure of Personal Information. The Company has not and none of the Company Material Subsidiaries have received any written complaint or notice of any breach or violation by them of any such Privacy Laws;
- (b) the Company has not and none of the Company Material Subsidiaries have disclosed, made available or provided Personal Information to third parties for any purpose except in compliance with, or as required by, Law; and
- (c) there has been no actual or suspected, unauthorized use, access or disclosure of any of the Company's or any of the Company Material Subsidiaries data, including Personal Information.

### **39 Anti-Spam Laws**

- (a) Company has and each of the Company Material Subsidiaries have complied in all material respects with applicable Anti-Spam Laws.
- (b) The Company has and each of the Company Material Subsidiaries have in place appropriate processes and practices in material compliance with the requirements of applicable Anti-Spam Laws for each Commercial Electronic Message sent or caused or permitted to be sent by the Company.



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**40 Sanctions, AML and Anti-Corruption Laws**

- (a) For purposes of this Appendix C Section 40, a reference to the Company or any of the Company Material Subsidiaries includes their directors, officer, employees, Representatives and other Persons acting on their behalf, directly or indirectly.
- (b) The Company is and each of the Company Material Subsidiaries are in material compliance with all AML Laws applicable to them. The Company is not and none of the Company Material Subsidiaries are the subject of any Proceedings by or before any Governmental Authority regarding any offense or alleged offences under any AML Laws and, to Company's knowledge, no such Proceeding is pending or has been threatened.
- (c) The Company has not and none of the Company Material Subsidiaries have carried on business in a manner which violates or has ever violated any Sanctions, including, for greater certainty, Sanctions that restrict oil and gas sector investments, nor are any of them the subject of any investigation or inquiry relating to Sanctions or Sanctioned Persons by a Governmental Authority and, to the Company's knowledge, no such Proceeding is pending or has been threatened.
- (d) The Company has not and none of the Company Material Subsidiaries have directly or indirectly:
  - (i) made or authorized a contribution, payment, reward, benefit or gift of funds or property to any official, employee or agent of any Governmental Authority or public international organization, or to any Person for the benefit of any Governmental Authority or public international organization;
  - (ii) for the purpose of bribing any Governmental Authority, kept accounts which do not appear in its financial records, entered into transactions that are not recorded or that are inadequately identified, recorded non-existent expenditures, entered liabilities with incorrect identification of their object, knowingly used false documents, or intentionally destroyed accounting records earlier than permitted by law; or
  - (iii) made any contribution to any candidate for public office; where either the payment or the purpose of such contribution, payment, loan, reward or gift was, is, or would be prohibited under Anti-Corruption Laws.
- (e) The Company has and each of the Company Material Subsidiaries have developed policies, programs, and internal controls to ensure compliance by them with all AML Laws and Anti-Corruption Laws applicable to them.
- (f) The Company has not and none of the Company Material Subsidiaries have breached or violated any Law regulating lobbying, accounting, bids or conflicts of interest which breach or violation could have an adverse effect on:
  - (i) the Company's ability to conduct its business in the Ordinary Course after the Effective Time; or
  - (ii) the ability of the Company to complete the Arrangement.

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**41 Rights Plan**

The execution and delivery of this Agreement will not: (i) cause the rights under the Rights Plan to become exercisable; (ii) cause any person to become an Acquiring Person (as defined in the Rights Plan); or (iii) give rise to a Separation Time or a Flip-in Event (each as defined in the Rights Plan).

**42 Brokers**

Except pursuant to the engagement letters between the Company and BMO Nesbitt Burns Inc. Goldman Sachs Canada Inc. and BofA Securities Inc., true, correct and complete copies of which have been provided to the Purchaser Parties and the fees payable under or in connection with such engagements, no investment banker, broker, finder, or financial advisor has been retained by or is authorized to act on behalf of the Company, or is entitled to any fee, commission or other payment from the Company, in connection with the Arrangement.

**43 Fairness Opinions**

As of the date hereof, the Company has received the Fairness Opinions. It is expressly understood and agreed that each such opinion is solely for the benefit of the Company Board and may not be relied upon by any other party for any purpose.

**44 Ratings Status of the Parkland Existing Notes**

No Ratings Decline (as defined in each indenture governing the Parkland Existing Notes) has occurred within the 90-day period preceding the date hereof.

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**Appendix D**  
**REPRESENTATIONS AND WARRANTIES OF THE PURCHASER PARTIES**

Except as disclosed in (a) the Sunoco Filings (excluding any disclosures set forth in any such Sunoco Filings under the heading “Risk Factors” or in any section relating to forward-looking statements, in each case other than historical facts set forth therein), where the relevance of the information as an exception to (or disclosure for purposes of) a particular representation is reasonably apparent on its face, other than in the case of the representations and warranties contained in paragraphs 1 [*Organization and Corporate Power of Purchaser Parties*], 2 [*Organization and Requisite Power of Purchaser Material Subsidiaries*], 3 [*Corporate Authorizations*], 4 [*No Conflict with Authorizations, Laws, etc.*], 7 [*Capitalization*] and 17 [*Absence of Certain Changes or Events*], or (b) the Purchaser Parties Disclosure Letter, where the relevance of the information as an exception to (or disclosure for purposes of) a particular representation is reasonably apparent on its face the Purchaser represents and warrants to the Company as follows:

**1 Organization and Requisite Power of the Purchaser Parties**

Each of the Purchaser, Purchaser Holdco and Sunoco is a corporation, limited partnership or limited liability company, as the case may be, formed and existing under the laws of the jurisdiction of its formation and has all requisite entity power and capacity to and enter into and perform its obligations under this Agreement, except where the failure to have such power or capacity would not have, individually or in the aggregate, a Purchaser Material Adverse Effect. Since its date of formation, the Purchaser has not carried on any business or conducted any operations except in connection herewith and with the transactions contemplated hereby.

**2 Organization and Requisite Power of Purchaser Material Subsidiaries**

Each of the Purchaser Material Subsidiaries is a corporation or other entity duly incorporated, formed or organized, as applicable, under the laws of the jurisdiction of its incorporation, formation or organization and has the legal right and necessary power and capacity to carry on its business as now conducted and to own, lease and operate its assets and properties, except where the failure to have such power or capacity would not have, individually or in the aggregate, a Purchaser Material Adverse Effect.

**3 Corporate Authorizations**

The execution and delivery of this Agreement, the performance by the Purchaser Parties of their obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated under this Agreement, including the issuance of Consideration Units to the Company Shareholders (a) have been duly authorized by all necessary corporate action on the part of the Purchaser Parties, and (b) do not result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any of its constituting documents, by-laws, organizational documents, certificates of limited partnership, partnership agreements, limited liability company agreements or resolutions of its board of directors or shareholders or unitholders, as applicable.

**4 No Conflict with Authorizations, Laws, etc.**

The execution and delivery of this Agreement by the Purchaser Parties, the performance of its obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated under this Agreement do not and will not:

- (a) result in a breach or a violation of, or conflict with, any Order of any Governmental Authority;
- (b) result in a breach or a violation of, or conflict with, any Law applicable to the Purchaser Parties;

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- (c) result in a breach or a violation of, conflict with, or cause the termination or revocation of, any material Authorization held by the Purchaser Parties or necessary to the use of the material assets of the Purchaser Parties or the material operation of their business; or
  - (d) result in or require the creation of any Lien upon any of the Purchaser Holdco Units of the Purchaser or any of the material assets of the Purchaser Parties,

with such exceptions as would not be reasonably expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

## **5 Regulatory Approvals**

The execution and delivery of this Agreement by the Purchaser Parties, the performance of their obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated under this Agreement do not require any Regulatory Approval or other action by or in respect of, or filing with, or notification to, any Governmental Authority by the Purchaser other than:

- (a) customary filings with the Securities Regulatory Authorities, the NYSE or state corporation or securities divisions in connection with the implementation of the Purchaser Holdco Reorganization;
- (b) the Key Regulatory Approvals; and
- (c) any Authorizations which, if not obtained, or any other actions by or in respect of, or filings with, or notifications to, any Governmental Authority which, if not taken or made, would not have, individually or in the aggregate, a Purchaser Material Adverse Effect.

## **6 Execution and Binding Obligation**

This Agreement has been duly executed and delivered by the Purchaser Parties and constitutes a legal, valid and binding agreement of the Purchaser Parties enforceable against each of them in accordance with its terms, subject to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

## **7 Capitalization**

- (a) As of the date of this Agreement, Sunoco owns all of the limited liability company interests in Purchaser Holdco. The Consideration Units, when issued, will be validly issued.
- (b) As of the date of this Agreement, there were 136,332,192 Sunoco Common Units, 16,410,780 Sunoco Class C Units issued and outstanding and 673,337 Sunoco Phantom Units issued and outstanding. All of the issued and outstanding Sunoco Common Units and Sunoco Class C Units have been duly authorized and validly issued and are fully paid and non-assessable.
- (c) As of the date of this Agreement, there were 673,337 Sunoco Common Units issuable upon the exercise of outstanding awards under the Sunoco Equity Plans. All of the outstanding awards under the Sunoco Equity Plans have been duly authorized by the Sunoco GP Board (or a duly authorized committee thereof) and issued in compliance with applicable Law and the terms of the Sunoco Equity Plans.

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- (d) Except for outstanding awards under the Sunoco Equity Plans, as of the date of this Agreement and except as arising pursuant to this Agreement, there are no issued, outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation, subscription or other rights, or any other agreements, arrangements, understandings, instruments or commitments of any kind that obligate either the Purchaser or Sunoco to, directly or indirectly, issue or sell any, or create any additional classes of, securities of the Purchaser or Sunoco, as the case may be, or give any Person a right to subscribe for or acquire, any securities of any of the Purchaser Parties.
  - (e) Except pursuant to this Agreement, including in connection with the Purchaser Holdco Reorganization, there are no outstanding contractual or other obligations of the Purchaser Parties to repurchase, redeem or otherwise acquire any securities of the Purchaser Parties or to qualify securities for public distribution in Canada, the United States or elsewhere.
  - (f) All dividends or distributions on the securities of the Purchaser Parties that have been declared or authorized have been paid in full, except for dividends or distributions declared but not yet payable.

## **8 Qualification**

The Purchaser and each of the Purchaser Material Subsidiaries are duly qualified to carry on business, and are in good standing or have equivalent status, in each jurisdiction in which the character of their assets and properties, owned, leased, licensed or otherwise held, or the nature of their activities, makes such qualification necessary, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Purchaser Material Adverse Effect.

## **9 Securities Law Matters**

- (a) Sunoco is a reporting issuer under applicable U.S. Securities Laws. The common units representing limited partnership interests of Sunoco are listed for trading on the New York Stock Exchange and are not listed on any other market. Neither Sunoco nor any of the Subsidiaries of Sunoco is subject to any other continuous or periodic or other disclosure requirements under any securities laws in any other jurisdiction.
- (b) Sunoco is not in default of any material requirements of any U.S. Securities Laws or the applicable listing and corporate governance rules and regulations of the New York Stock Exchange.
- (c) Sunoco has not taken any action to cease to be a reporting issuer under applicable U.S. Securities Laws nor has Sunoco received notification from the SEC seeking to terminate the registration of securities of Sunoco under U.S. Securities Laws.
- (d) No Proceeding or Order for the delisting, suspension of trading, or cease trade or other Order or restriction with respect to any securities of Sunoco is in effect or pending or, to the knowledge of Sunoco, has been threatened or is expected to be implemented or undertaken.
- (e) None of the Purchaser Parties are, or immediately after the closing of the Arrangement will be, an investment company registered or required to be registered under the Investment Company Act of 1940, as amended.

## 10 Public Disclosure

Each of the Purchaser and Sunoco has timely filed with the Securities Regulatory Authorities all material forms, reports, schedules, certifications, statements, and other documents required to be filed or furnished by it to the SEC since January 1, 2023. The documents comprising the Sunoco Filings, as of their respective dates (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such subsequent filing), complied as filed in all material respects with applicable Law and did not contain any Misrepresentation, except to the extent corrected: (a) in the case of Sunoco Filings filed or furnished prior to the entry into this Agreement that were amended or superseded on or prior to the entry into this Agreement, by the filing or furnishing of the applicable amending or superseding Sunoco Filings; and (b) in the case of Sunoco Filings filed or furnished after the entry into this Agreement that are amended or superseded prior to the Effective Time, by the filing or furnishing of the applicable amending or superseding Sunoco Filings. The certifications and statements relating to Sunoco Filings required by: (i) Rule 13a-14 or Rule 15d-14 under the Exchange Act; (ii) Section 302 or 906 of the Sarbanes-Oxley Act of 2002 (the “**Sarbanes-Oxley Act**”); or (iii) any other applicable Law (collectively, the “**Sunoco Certifications**”), are accurate and complete, and comply as to form and content with all applicable Laws. Neither the Purchaser nor Sunoco is subject to any ongoing Proceeding by the SEC and, to the knowledge of the Purchaser or Sunoco, as the case may be, no such Proceeding is threatened.

## 11 Financial Statements and Records

- (a) Sunoco’s most recently filed audited consolidated financial statements (including any of the notes or schedules thereto, the auditor’s report thereon and the related management’s discussion and analysis) and unaudited consolidated interim financial statements (including any of the notes or schedules thereto and the related management’s discussion and analysis) included in the Sunoco Filings:
  - (i) were prepared in accordance with GAAP, consistently applied throughout the periods referred to therein (except as expressly set forth in the notes thereto); and
  - (ii) fairly present, in all material respects, the assets, liabilities, consolidated financial position, results of operations and changes in financial position of Sunoco and its Subsidiaries as of their respective dates and for the periods covered by such financial statements, and there have been no changes in accounting methods, policies or practices of Sunoco or any of its Subsidiaries during such periods (except, in each case, as expressly set forth in the notes to such financial statements).
- (b) Sunoco does not intend to correct or restate, nor, to the knowledge of Sunoco, is there any basis for any correction or restatement of, any aspect of Sunoco’s financial statements referred to in this Appendix D Section 11.

## 12 Disclosure Controls and Internal Controls over Financial Reporting

- (a) Sunoco has maintained a system of “disclosure controls and procedures” (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) reasonably designed to ensure that all material information concerning Sunoco is made known on a timely basis to the individuals responsible for the preparation of Sunoco’s filings with the SEC and other public disclosure documents, and otherwise ensure that information required to be disclosed by Sunoco in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules, to allow timely decisions regarding required disclosure and to make the Sunoco Certifications.
- (b) Sunoco has maintained a system of “internal controls over financial reporting” (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) reasonably designed to provide reasonable assurances: (i) that records are maintained that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets of Sunoco; (ii) that transactions are recorded as necessary to permit preparation of financial statements in conformity with

GAAP, and that receipts and expenditures of Sunoco are being made only in accordance with the authorizations of management and directors of Sunoco GP, in its capacity as sole general partner of Sunoco, and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of Sunoco properties or assets that could have a material effect on Sunoco's financial statements.

- (c) Sunoco's management has completed an assessment of the effectiveness of Sunoco's system of internal controls over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act for the fiscal year ended December 31, 2024, and such assessment concluded that such controls were effective and Sunoco's independent registered accountant has issued (and not subsequently withdrawn or qualified) an attestation report concluding that Sunoco maintained effective internal control over financial reporting as of December 31, 2024. Based on its most recent evaluation of internal controls over financial reporting prior to the entry into this Agreement, management of Sunoco has disclosed to Sunoco's auditors and the audit committee of the board of directors of Sunoco GP, in its capacity as sole general partner of Sunoco, any: (A) "significant deficiency" in the internal controls over financial reporting of Sunoco, (B) "material weakness" in the internal controls over financial reporting of Sunoco or (C) fraud, whether or not material, that involves management or other employees of Sunoco who have a role in the internal controls over financial reporting of Sunoco.
- (d) Except as would not have, individually or in the aggregate, a Purchaser Material Adverse Effect, the financial statements (including any related notes) contained or incorporated by reference in the Sunoco Filings: (i) complied as to form in all material respects with the published rules and regulations of the SEC applicable thereto; (ii) were prepared in accordance with GAAP applied on a consistent basis throughout the periods covered (except as may be indicated in the notes to such financial statements or, in the case of unaudited financial statements, as permitted by Form 10-Q, Form 8-K or any successor form under the Exchange Act, and except that the unaudited financial statements may not contain footnotes and are subject to normal and recurring year-end adjustments); and (iii) fairly present in all material respects the consolidated financial position of Sunoco as of the respective dates thereof and the consolidated results of operations and cash flows of Sunoco for the periods covered thereby. Except as have been described in the Sunoco Filings, as of the entry into this Agreement, there are no unconsolidated Subsidiaries of the Purchaser or Sunoco or any off-balance sheet arrangements of the type required to be disclosed pursuant to Item 303(a)(4) of Regulation S-K.

### 13 Auditors

- (a) The auditors of the Purchaser are independent public accountants as required by applicable Law.
- (b) The auditors of Sunoco are independent public accountants as required by applicable Law.

### 14 No Undisclosed Liabilities

There are no liabilities or obligations of the Purchaser or Sunoco of any nature, whether accrued, contingent, absolute, determined, determinable, matured, unmatured or otherwise, other than liabilities or obligations:

- (a) disclosed in the audited consolidated financial statements of Sunoco as at and for the year ended December 31, 2024 (including any notes or schedules thereto and the related management's discussion and analysis) included in the Sunoco Filings;
- (b) incurred in the Ordinary Course since December 31, 2024;

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- (c) reasonably incurred after December 31, 2024 in connection with this Agreement or the transactions contemplated under this Agreement; or
  - (d) that would not, individually or in the aggregate, reasonably be expected to have a Purchaser Material Adverse Effect.

#### **15 Compliance with Law**

Except with respect to Environmental Laws, which is governed exclusively by Appendix D Section 25: (i) the Purchaser is in compliance with applicable Law in all material respects; and (ii) the Purchaser is not under any investigation with respect to, and has not been convicted, charged or to the knowledge of the Purchaser threatened to be charged with any material violation or potential material violation of any Law from any Governmental Authority.

#### **16 Restrictions on Conduct of Business**

The Purchaser is not and none of the Purchaser Material Subsidiaries are a party to, or bound by, any non-competition agreement or any other Contract or any Order or Authorization which purports to:

- (a) limit the manner or the location in which the Purchaser or any of the Purchaser Material Subsidiaries may conduct any line of business;
  - (b) limit any business practice of the Purchaser or any of the Purchaser Material Subsidiaries; or
  - (c) restrict any acquisition or disposition of any assets or property by the Purchaser or any of the Purchaser Material Subsidiaries,
- with such exceptions as would not be reasonably expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

#### **17 Absence of Certain Changes or Events**

Since December 31, 2024, other than the transactions contemplated in this Agreement, the business of the Purchaser and the Purchaser Material Subsidiaries has been conducted in the Ordinary Course and there has not occurred a Purchaser Material Adverse Effect.

#### **18 Business Authorizations**

The Purchaser or one of its Subsidiaries holds, possesses or lawfully uses in the operation of the Purchaser's business, and is in compliance with, all Authorizations which are necessary for it to conduct the Purchaser's business or for the ownership and use of the property and assets used by the Purchaser, except where failure to hold, possess or lawfully use, or be in compliance with, any such Authorizations would not, individually or in the aggregate, result in a Purchaser Material Adverse Effect.

#### **19 Title to Assets**

Except as would not, individually or in the aggregate, result in a Purchaser Material Adverse Effect: (a) Sunoco has and each of its Subsidiaries either own, lease, license or have access to the properties and assets necessary to the operation of their respective businesses, free and clear of all Liens other than Permitted Liens; and (b) no other Person owns any assets which are being used in the Purchaser Corporate Group's business except for any leased real property and personal or movable property leased to the Purchaser or any of its Subsidiaries.



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**20 No Options, etc.**

No Person has any written or oral agreement, option, understanding or commitment, or any right or privilege (whether by law, contractual or otherwise) capable of becoming such, for the purchase or other acquisition from the Purchaser of any of its material assets other than in respect of sales of goods made in the Ordinary Course, except as would not have, individually or in the aggregate, a Purchaser Material Adverse Effect.

**21 Intellectual Property**

- (a) Except as would not have, individually or in the aggregate, a Purchaser Material Adverse Effect, the Purchaser, Sunoco or any of the Purchaser Material Subsidiaries, as applicable, own or possess all IP Rights reasonably necessary to carry on their respective business in all material respects as now conducted.
- (b) Neither the Purchaser, Sunoco nor any of the Purchaser Material Subsidiaries has received any written notice of infringement or conflict with asserted IP Rights of others, which infringement or conflict, if the subject of an unfavorable decision, would result in a Purchaser Material Adverse Effect. To the knowledge of the Purchaser, the operation of the business by the Purchaser or any of the Purchaser Material Subsidiaries as currently conducted does not infringe upon or misappropriate the IP Rights of any Person.
- (c) The Purchaser has implemented and maintained reasonable measures to protect and maintain their rights in, and the confidential nature of, the confidential or non-public aspects of the IP Rights owned or purported to be owned by the Purchaser or the Purchaser Material Subsidiaries.

**22 Insurance**

Policies of insurance are in force naming the Purchaser as an insured that adequately cover all risks as are customarily covered in policies of insurance for companies and entities operating a business or businesses such as the Purchaser's business.

**23 Litigation**

There are no Proceedings by any Person (including the Purchaser or any of the Purchaser Material Subsidiaries), nor any Proceeding by or before any Governmental Authority, current or pending or, to the knowledge of the Purchaser, threatened against or affecting any Purchaser Party, any of the Purchaser Material Subsidiaries, any of their officers or directors (in their capacity as such), the Purchaser Holdco Units, or any property or assets used by any Purchaser Party or any of the Purchaser Material Subsidiaries which involve a reasonable possibility of any judgment against or liability of any Purchaser Party which, if successful, would have a Purchaser Material Adverse Effect.

**24 Taxes**

- (a) Each of the Purchaser Parties has and each of the Purchaser Material Subsidiaries has duly and timely prepared and filed all material Tax Returns required by applicable Law to be filed by them prior to the date hereof and all such Tax Returns have been filed with the appropriate Tax Authorities within the prescribed period in accordance with all applicable Law in all material respects.

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- (b) Each of the Purchaser Parties has and each of the Purchaser Material Subsidiaries has paid, within the prescribed period, all material Taxes and instalments of Taxes which are required to be paid to any Tax Authority pursuant to applicable Law. No deficiency with respect to the payment of any material Taxes or Tax instalments has been asserted against a Purchaser Party by any Tax Authority except to the extent being contested by a Permitted Contest or in respect of which adequate reserves have been made in the financial statements of the Purchaser Party in accordance with IFRS or GAAP, as applicable.
- (c) Other than to the extent being contested by a Permitted Contest, there are no Proceedings pending or, to the knowledge of the Purchaser, threatened against the Purchaser Parties or any of the Purchaser Material Subsidiaries in respect of any material Taxes and there are no material matters under discussion, audit or appeal with any Tax Authority relating to material Taxes of the Purchaser Parties or the Purchaser Material Subsidiaries.
- (d) There are no Liens (other than Permitted Liens) with respect to Taxes upon any of the assets of the Purchaser or any of the Purchaser Material Subsidiaries.
- (e) None of the Purchaser Parties has and none of the Purchaser Material Subsidiaries has requested, entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which:
- (i) to file any material Tax Return;
  - (ii) to file any elections, designations or similar filings relating to material Taxes;
  - (iii) it is required to pay or remit any material Taxes or amounts on account of material Taxes; or
  - (iv) any Tax Authority may assess or collect material Taxes.
- (f) None of the Purchaser Parties has and none of the Purchaser Material Subsidiaries have entered into any agreement with, or provided any undertaking to, any Person pursuant to which it has assumed liability for the payment of Taxes owing by such Person (other than an agreement the primary purpose of which does not relate to Tax).
- (g) Neither of Sunoco or the Purchaser Holdco has, and none of the Purchaser Material Subsidiaries has, ever been resident in Canada or ever carried on business in Canada, each for the purposes of the Tax Act. Each of the Purchaser Parties has, and each of the Purchaser Material Subsidiaries has, never been required to file any Tax Return with, and has never been liable to pay any material Taxes to, any Tax Authority of a jurisdiction where such entity does not file a Tax Return or pay Taxes. No request to file a Tax Return has ever been made to the Purchaser or the Purchaser Material Subsidiaries by a Tax Authority in a jurisdiction where such entity does not file Tax Returns.
- (h) Other than reserves claimed in the ordinary course of preparing and filing Tax Returns, the Purchaser has not claimed any material reserve for tax purposes, if as a result of such claim any amount could be included in its or a Purchaser Party's income for a taxation year ending after the completion of the Arrangement.
- (i) For U.S. federal income Tax purposes, (i) other than pursuant to the Purchaser Holdco Reorganization, Purchaser Holdco has never filed the Internal Revenue Service Form 8832, and (ii) Sunoco is properly classified as a partnership (and not a publicly traded partnership described in Code section 7704(a)).
- (j) None of the Purchaser Parties has, and none of the Purchaser Material Subsidiaries has, participated in a listed transaction within the meaning of Treasury Regulation Section 1.6011-4.

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**25 Environmental Matters**

- (a) The Purchaser Parties and each of their Subsidiaries is in material compliance with all Environmental Laws applicable to it.
- (b) No Purchaser Party is aware of, nor is it or any of their Subsidiaries subject to any notice of, nor has any Purchaser Party any knowledge of, any Orders or Proceedings with respect to any Purchaser Party or the assets of any Purchaser Party or any of their Subsidiaries, in regard to any alleged material breach, non-compliance, default, or liability under Environmental Laws;
- (c) The Purchaser Parties have and each of their Subsidiaries has obtained all material Authorizations required by Environmental Laws for the operation of the Purchaser Corporate Group's business and the assets of the Purchaser Parties or any of their Subsidiaries. The Purchaser Parties have, and each of their Subsidiaries is, in material compliance with all such material Authorizations;
- (d) The Purchaser Parties each of their Subsidiaries, as well as all of the foregoing's businesses, are in material compliance with all financial assurance requirements prescribed by Environmental Laws or any Orders or Authorizations issued pursuant to Environmental Laws, and the Purchaser Parties have not and none of their Subsidiaries have received notice and the Purchaser Parties have no knowledge of any Proceeding pending or threatened, by any Governmental Authority to materially modify or increase any applicable financial assurance requirements;
- (e) The Purchaser Parties have not and none of their Subsidiaries has caused or permitted any Release, at any location, except where such Release is permitted by applicable Environmental Laws or any Authorizations issued pursuant to applicable Environmental Laws;
- (f) There are no Hazardous Substances in the environment on, at, under, migrating from, migrating to, or originating from the Purchaser Corporate Group's business, the real property owned or leased by the Purchaser Parties or any of the other assets of the Purchaser Parties or their Subsidiaries; and
- (g) The Purchaser Parties have not and none of their Subsidiaries has received any notice of, nor are there any issued, outstanding, pending, or threatened Orders or Proceedings with respect to any Hazardous Substances on, at, under, migrating from, migrating to, or originating from the Purchaser's business, the real property leased or owned by the Purchaser Parties or any of the other assets of the Purchaser Parties or their Subsidiaries,

in each case with such exceptions as would not be reasonably expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect. The representations and warranties in this Appendix D Section 25 are the sole and exclusive representations and warranties of the Purchaser Parties concerning Environmental Laws and related matters.

**26 Sanctions, AML and Anti-Corruption Laws**

- (a) For purposes of this Appendix D Section 26, a reference to the Purchaser Parties includes their directors, officer, employees, Representatives and other Persons acting on their behalf, directly or indirectly.
- (b) The Purchaser Parties and each of the Purchaser Material Subsidiaries are in material compliance with all AML Laws applicable to them. The Purchaser Parties are not and none of the Purchaser Material Subsidiaries are the subject of any Proceedings by or before any Governmental Authority regarding any offense or alleged offences under any AML Laws and, to Purchaser Parties' knowledge, no such Proceeding is pending or has been threatened.

- 
- (c) The Purchaser Parties have not and none of the Purchaser Material Subsidiaries have carried on business in a manner which violates or has ever violated any Sanctions, including, for greater certainty, Sanctions that restrict oil and gas sector investments, nor are any of them the subject of any investigation or inquiry relating to Sanctions or Sanctioned Persons by a Governmental Authority and, to the Purchasers Parties' knowledge, no such Proceeding is pending or has been threatened.
  - (d) The Purchaser Parties have not and none of the Purchaser Material Subsidiaries have directly or indirectly:
    - (i) made or authorized a contribution, payment, reward, benefit or gift of funds or property to any official, employee or agent of any Governmental Authority or public international organization, or to any Person for the benefit of any Governmental Authority or public international organization;
    - (ii) for the purpose of bribing any Governmental Authority, kept accounts which do not appear in its financial records, entered into transactions that are not recorded or that are inadequately identified, recorded non-existent expenditures, entered liabilities with incorrect identification of their object, knowingly used false documents, or intentionally destroyed accounting records earlier than permitted by law; or
    - (iii) made any contribution to any candidate for public office; where either the payment or the purpose of such contribution, payment, loan, reward or gift was, is, or would be prohibited under Anti-Corruption Laws.
  - (e) The Purchaser Parties and each of the Purchaser Material Subsidiaries have developed policies, programs, and internal controls to ensure compliance by them with all AML Laws and Anti-Corruption Laws applicable to them.
  - (f) The Purchaser Parties have not and none of the Purchaser Material Subsidiaries have breached or violated any Law regulating lobbying, accounting, bids or conflicts of interest which breach or violation could have an adverse effect on:
    - (i) any Purchaser Party's ability to conduct its business in the Ordinary Course after the Effective Time; or
    - (ii) the ability of the any Purchaser Party to complete the Arrangement.

## **27 Investment Canada Act**

The Purchaser is a "trade agreement investor" as such term is defined in the Investment Canada Act. The Purchaser is not a "state-owned enterprise" as such term is defined in the Investment Canada Act.

## **28 Financing**

- (a) The Purchaser Parties have delivered to the Company true, correct and complete fully executed copies of the Debt Commitment Letter including all exhibits, schedules and annexes to such Debt Commitment Letter in effect as of the date of this Agreement (it being understood that each fee letter and the Debt Commitment Letter, if applicable, has been

redacted to remove the fee amounts, the rates and amounts included in the “market flex” and other economic terms that could not adversely affect the conditionality, enforceability, termination or aggregate principal amount of the Debt Financing). As of the date hereof, pursuant to, and subject to the terms and conditions of, the Debt Commitment Letter, the Debt Financing Sources thereunder have committed to lend the amounts set forth therein for the purposes set forth in such Debt Commitment Letter. The Debt Commitment Letter has not been amended, restated or otherwise modified or waived prior to the date of this Agreement, and the respective commitments contained in the Debt Commitment Letter have not been withdrawn, rescinded, amended, restated or otherwise modified in any respect prior to the date of this Agreement and, to the knowledge of Purchaser Parties, no withdrawal, rescission, amendment, restatement or other modification in any respect is contemplated (except as contemplated or as permitted as of the date hereof in this Agreement). As of the date hereof, there are no side letters or other agreements, contracts or arrangements to which the Purchaser Parties or any of its Affiliates is a party that would reasonably be expected to adversely affect the availability or amount of the Debt Financing.

- (b) As of the date of this Agreement, the Debt Commitment Letter is in full force and effect and constitutes the legal, valid and binding obligation of Sunoco and, to the knowledge of Purchaser Parties, the other parties thereto, enforceable in accordance with its terms against Sunoco and, to the knowledge of Purchaser Parties, each of the other parties thereto, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors’ rights and to the fact that equitable remedies are only available in the discretion of the court. As of the date of this Agreement, there are no conditions precedent related to the funding of the full amount of the Debt Financing pursuant to the Debt Commitment Letter, other than as expressly set forth in the Debt Commitment Letter.
- (c) The net proceeds contemplated from the Debt Financing contemplated in the Debt Commitment Letter, together with the Sunoco’s available cash and available borrowings under the Sunoco Existing Credit Facilities will be in an amount sufficient to pay the Cash Consideration and all amounts payable under, and all expenses reasonably expected to be incurred in connection with, this Agreement and the other transactions contemplated hereby (collectively, such amounts the “**Required Amount**”). As of the date of this Agreement: (i) no event has occurred which would constitute a breach or default (or an event which with notice or lapse of time or both would constitute a default) or result in a failure to satisfy a condition precedent, in each case, on the part of Sunoco or, to the knowledge of Purchaser Parties, any other party to the Debt Commitment Letter, under the Debt Commitment Letter; and (ii) the Purchaser Parties do not have any reason to believe that any of the conditions to the Debt Financing will not be satisfied or that the Debt Financing will not be available to the Purchaser Parties on the Effective Date. Sunoco has fully paid all commitment fees and other amounts to the extent required to be paid on or prior to the date of this Agreement in connection with the Debt Financing.

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Act of 1934**

**May 6, 2025**

Date of Report (Date of earliest event reported)

**SUNOCO LP**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001-35653**

(Commission File Number)

**30-0740483**

(IRS Employer Identification No.)

**8111 Westchester Drive, Suite 400**

**Dallas , Texas 75225**

(Address of principal executive offices, including zip code)

**(214) 981-0700**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>                                 | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|------------------------------------------------------------|--------------------------|--------------------------------------------------|
| <b>Common Units Representing Limited Partner Interests</b> | <b>SUN</b>               | <b>New York Stock Exchange</b>                   |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

**Item 2.02 Results of Operations and Financial Condition.**

The following information is furnished under Item 2.02, “Results of Operations and Financial Condition.” This information, including the information contained in Exhibit 99.1 hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On May 6, 2025, Sunoco LP issued a news release announcing its results for the first fiscal quarter ended March 31, 2025 and providing access information for an investor conference call to discuss those results. A copy of the news release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is hereby incorporated by reference into this Item 2.02. The conference call will be available for replay approximately 365 days following the date of the call at [www.SunocoLP.com](http://www.SunocoLP.com).

**Item 7.01. Regulation FD Disclosure.**

On May 6, 2025, Sunoco LP issued a press release to announce first quarter 2025 financial and operating results. A copy of the press release is set forth in Exhibit 99.1 and is incorporated herein by reference. In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibit 99.1 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.**

In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibit 99.1 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act.

| <u>Exhibit Number</u> | <u>Exhibit Description</u>                                                  |
|-----------------------|-----------------------------------------------------------------------------|
| 99.1                  | <a href="#">Press Release of Sunoco LP, dated May 6, 2025</a>               |
| 104                   | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 6, 2025

**SUNOCO LP**

By: Sunoco GP LLC, its general partner

By: /s/ Rick Raymer

Rick Raymer

Vice President, Controller and Principal  
Accounting Officer





## Sunoco LP Reports First Quarter 2025 Financial and Operating Results

- Reports solid first quarter results including net income of \$207 million, Adjusted EBITDA<sup>(1)</sup> of \$458 million and Distributable Cash Flow, as adjusted<sup>(1)</sup>, of \$310 million
- Announces a series of definitive agreements to:
  - Acquire Parkland Corporation in a cash and equity transaction valued at \$9.1 billion
  - Acquire TanQuid, a leading terminal operator in Germany and Poland
- Increases quarterly distribution by 1.25%; on track to meet distribution growth target of at least 5% for 2025

**DALLAS**, May 6, 2025 - Sunoco LP (NYSE: SUN) (“SUN” or the “Partnership”) today reported financial and operating results for the quarter ended March 31, 2025.

### Financial and Operational Highlights

Net income for the first quarter of 2025 was \$207 million compared to \$230 million in the first quarter of 2024.

Adjusted EBITDA<sup>(1)</sup> for the first quarter of 2025 was \$458 million compared to \$242 million in the first quarter of 2024.

Distributable Cash Flow, as adjusted<sup>(1)</sup>, for the first quarter of 2025 was \$310 million compared to \$176 million in the first quarter of 2024.

Adjusted EBITDA<sup>(1)</sup> for the Fuel Distribution segment for the first quarter of 2025 was \$220 million compared to \$218 million in the first quarter of 2024. The segment sold approximately 2.1 billion gallons of fuel in the first quarter of 2025. Fuel margin for all gallons sold was 11.5 cents per gallon for the first quarter of 2025.

Adjusted EBITDA<sup>(1)</sup> for the Pipeline Systems segment for the first quarter of 2025 was \$172 million. The segment averaged throughput volumes of approximately 1.3 million barrels per day in the first quarter of 2025.

Adjusted EBITDA<sup>(1)</sup> for the Terminals segment for the first quarter of 2025 was \$66 million compared to \$24 million in the first quarter of 2024. The segment averaged throughput volumes of approximately 620 thousand barrels per day in the first quarter of 2025.

### Distribution

On April 23, 2025, the Board of Directors of SUN’s general partner declared a distribution for the first quarter of 2025 of \$0.8976 per unit, or \$3.5904 per unit on an annualized basis. This represents an increase of approximately 1.25%, or \$0.0111 per unit, as compared with the quarter ended December 31, 2024.

This is the second consecutive quarterly increase in SUN’s distribution and is consistent with SUN’s capital allocation strategy and 2025 business outlook, which includes an annual distribution growth rate of at least 5%. Since 2022, SUN has increased distributions by approximately 9%, underscoring the Partnership’s ongoing commitment to returning capital to its unitholders.

The quarterly distribution will be paid on May 20, 2025, to common unitholders of record on May 9, 2025.

### Liquidity and Leverage

On March 20, 2025, SUN completed an offering of \$1 billion of 6.250% senior notes due 2033. SUN used the net proceeds from the offering to repay its \$600 million of 5.750% senior notes due 2025 and to repay a portion of the outstanding borrowings under its \$1.5 billion revolving credit facility.

At March 31, 2025, SUN had long-term debt of approximately \$7.7 billion and no borrowings outstanding on its \$1.5 billion revolving credit facility. SUN's leverage ratio of net debt to Adjusted EBITDA<sup>(1)</sup>, calculated in accordance with its revolving credit facility, was 4.1 times at the end of the first quarter.

### **Capital Spending**

SUN's total capital expenditures in the first quarter of 2025 were \$101 million, which included \$75 million of growth capital and \$26 million of maintenance capital. This includes the Partnership's proportionate share of capital expenditures related to its joint ventures with Energy Transfer of \$18 million for growth capital and \$2 million for maintenance capital.

### **Recent Developments**

- On May 5, 2025, the Partnership announced its entry into a definitive agreement to acquire Parkland Corporation in a cash and equity transaction valued at \$9.1 billion. The Partnership expects the acquisition to be immediately accretive to unitholders. The transaction is expected to close in the second half of 2025, subject to customary closing conditions.
- On March 12, 2025, the Partnership executed a definitive agreement to acquire TanQuid GmbH & Co. KG ("TanQuid") for approximately €500 million including approximately €300 million of assumed debt. TanQuid is Germany's largest independent terminal operator with a portfolio of 15 terminals located in Germany and one terminal located in Southwestern Poland. This infrastructure serves an important role in the European fuel distribution supply chain, is supported by a high-quality customer base, and further expands and diversifies SUN's cash flows with stable, fee-based income. The Partnership expects the acquisition to be immediately accretive to unitholders. The transaction is expected to close in the second half of 2025, subject to customary closing conditions, and will be funded using cash on hand and amounts available under SUN's revolving credit facility.

SUN's segment results and other supplementary data are provided after the financial tables below.

- <sup>(1)</sup> Adjusted EBITDA and Distributable Cash Flow, as adjusted, are non-GAAP financial measures of performance that have limitations and should not be considered as a substitute for net income. Please refer to the discussion and tables under "Supplemental Information" later in this news release for a discussion of our use of Adjusted EBITDA and Distributable Cash Flow, as adjusted, and a reconciliation to net income.

### **Earnings Conference Call**

Sunoco LP management will hold a conference call on Tuesday, May 6, 2025, at 9:00 a.m. Central Time (10:00 a.m. Eastern Time) to discuss results and recent developments. To participate, dial 877-407-6184 (toll free) or 201-389-0877 approximately 10 minutes before the scheduled start time and ask for the Sunoco LP conference call. The call will also be accessible live and for later replay via webcast in the Investor Relations section of Sunoco's website at [www.sunocolp.com](http://www.sunocolp.com) under Webcasts and Presentations.

### **About Sunoco LP**

Sunoco LP (NYSE: SUN) is a leading energy infrastructure and fuel distribution master limited partnership operating in over 40 U.S. states, Puerto Rico, Europe, and Mexico. The Partnership's midstream operations include an extensive network of approximately 14,000 miles of pipeline and over 100 terminals. This critical infrastructure complements the Partnership's fuel distribution operations, which serve approximately 7,400 Sunoco and partner branded locations and additional independent dealers and commercial customers. SUN's general partner is owned by Energy Transfer LP (NYSE: ET).

## **Forward-Looking Statements**

This news release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. An extensive list of factors that can affect future results, including future distribution levels, are discussed in the Partnership's Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. The Partnership undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

The information contained in this press release is available on our website at [www.sunocolp.com](http://www.sunocolp.com)

## **Contacts**

### **Investors:**

Scott Grischow, Treasurer, Senior Vice President – Finance  
(214) 840-5660, [scott.grischow@sunoco.com](mailto:scott.grischow@sunoco.com)

### **Media:**

Chris Cho, Senior Manager – Communications  
(469) 646-1647, [chris.cho@sunoco.com](mailto:chris.cho@sunoco.com)

– Financial Schedules Follow –

**SUNOCO LP**  
**CONSOLIDATED BALANCE SHEETS**

(Dollars in millions)

(unaudited)

|                                                                                                                                                         | March 31,<br>2025 | December 31,<br>2024 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|
| <b>ASSETS</b>                                                                                                                                           |                   |                      |
| Current assets:                                                                                                                                         |                   |                      |
| Cash and cash equivalents                                                                                                                               | \$ 172            | \$ 94                |
| Accounts receivable, net                                                                                                                                | 1,031             | 1,162                |
| Inventories, net                                                                                                                                        | 1,111             | 1,068                |
| Other current assets                                                                                                                                    | 199               | 141                  |
| Total current assets                                                                                                                                    | 2,513             | 2,465                |
| Property and equipment                                                                                                                                  | 8,995             | 8,914                |
| Accumulated depreciation                                                                                                                                | (1,389)           | (1,240)              |
| Property and equipment, net                                                                                                                             | 7,606             | 7,674                |
| Other assets:                                                                                                                                           |                   |                      |
| Operating lease right-of-use assets, net                                                                                                                | 495               | 477                  |
| Goodwill                                                                                                                                                | 1,477             | 1,477                |
| Intangible assets, net                                                                                                                                  | 540               | 547                  |
| Other non-current assets                                                                                                                                | 435               | 400                  |
| Investments in unconsolidated affiliates                                                                                                                | 1,276             | 1,335                |
| Total assets                                                                                                                                            | \$ 14,342         | \$ 14,375            |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                           |                   |                      |
| Current liabilities:                                                                                                                                    |                   |                      |
| Accounts payable                                                                                                                                        | \$ 1,004          | \$ 1,255             |
| Accounts payable to affiliates                                                                                                                          | 128               | 199                  |
| Accrued expenses and other current liabilities                                                                                                          | 460               | 457                  |
| Operating lease current liabilities                                                                                                                     | 31                | 34                   |
| Current maturities of long-term debt                                                                                                                    | 2                 | 2                    |
| Total current liabilities                                                                                                                               | 1,625             | 1,947                |
| Operating lease non-current liabilities                                                                                                                 | 500               | 479                  |
| Long-term debt, net                                                                                                                                     | 7,671             | 7,484                |
| Advances from affiliates                                                                                                                                | 77                | 82                   |
| Deferred tax liabilities                                                                                                                                | 161               | 157                  |
| Other non-current liabilities                                                                                                                           | 152               | 158                  |
| Total liabilities                                                                                                                                       | 10,186            | 10,307               |
| Commitments and contingencies                                                                                                                           |                   |                      |
| Equity:                                                                                                                                                 |                   |                      |
| Limited partners:                                                                                                                                       |                   |                      |
| Common unitholders (136,327,654 units issued and outstanding as of March 31, 2025 and 136,228,535 units issued and outstanding as of December 31, 2024) | 4,159             | 4,066                |
| Class C unitholders - held by subsidiaries (16,410,780 units issued and outstanding as of March 31, 2025 and December 31, 2024)                         | —                 | —                    |
| Accumulated other comprehensive income (loss)                                                                                                           | (3)               | 2                    |
| Total equity                                                                                                                                            | 4,156             | 4,068                |
| Total liabilities and equity                                                                                                                            | \$ 14,342         | \$ 14,375            |

**SUNOCO LP**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in millions, except per unit data)  
(unaudited)

|                                                  | Three Months Ended March 31, |                  |
|--------------------------------------------------|------------------------------|------------------|
|                                                  | 2025                         | 2024             |
| Revenues                                         | \$ 5,179                     | \$ 5,499         |
| <b>COSTS AND EXPENSES:</b>                       |                              |                  |
| Cost of sales                                    | 4,526                        | 5,015            |
| Operating expenses                               | 143                          | 88               |
| General and administrative                       | 39                           | 36               |
| Lease expense                                    | 16                           | 18               |
| Loss on disposal of assets                       | 3                            | 2                |
| Depreciation, amortization and accretion         | 156                          | 43               |
| Total cost of sales and operating expenses       | 4,883                        | 5,202            |
| <b>OPERATING INCOME</b>                          | <b>296</b>                   | <b>297</b>       |
| <b>OTHER INCOME (EXPENSE):</b>                   |                              |                  |
| Interest expense, net                            | (121)                        | (63)             |
| Equity in earnings of unconsolidated affiliates  | 32                           | 2                |
| Loss on extinguishment of debt                   | (2)                          | —                |
| Other, net                                       | —                            | 1                |
| <b>INCOME BEFORE INCOME TAXES</b>                | <b>205</b>                   | <b>237</b>       |
| Income tax expense (benefit)                     | (2)                          | 7                |
| <b>NET INCOME</b>                                | <b>\$ 207</b>                | <b>\$ 230</b>    |
| <b>NET INCOME PER COMMON UNIT:</b>               |                              |                  |
| Basic                                            | \$ 1.22                      | \$ 2.29          |
| Diluted                                          | \$ 1.21                      | \$ 2.26          |
| <b>WEIGHTED AVERAGE COMMON UNITS OUTSTANDING</b> |                              |                  |
| Basic                                            | 136,267,512                  | 84,424,748       |
| Diluted                                          | 136,936,311                  | 85,259,238       |
| <b>CASH DISTRIBUTION PER COMMON UNIT</b>         | <b>\$ 0.8976</b>             | <b>\$ 0.8756</b> |

**SUNOCO LP**  
**SUPPLEMENTAL INFORMATION**

(Dollars and units in millions)  
(unaudited)

|                                                            | Three Months Ended March 31, |               |
|------------------------------------------------------------|------------------------------|---------------|
|                                                            | 2025                         | 2024          |
| <b>Net income</b>                                          | \$ 207                       | \$ 230        |
| Depreciation, amortization and accretion                   | 156                          | 43            |
| Interest expense, net                                      | 121                          | 63            |
| Non-cash unit-based compensation expense                   | 4                            | 4             |
| Loss on disposal of assets                                 | 3                            | 2             |
| Loss on extinguishment of debt                             | 2                            | —             |
| Unrealized (gains) losses on commodity derivatives         | (1)                          | 13            |
| Inventory valuation adjustments                            | (61)                         | (130)         |
| Equity in earnings of unconsolidated affiliates            | (32)                         | (2)           |
| Adjusted EBITDA related to unconsolidated affiliates       | 50                           | 3             |
| Other non-cash adjustments                                 | 11                           | 9             |
| Income tax expense (benefit)                               | (2)                          | 7             |
| <b>Adjusted EBITDA <sup>(1)</sup></b>                      | <b>\$ 458</b>                | <b>\$ 242</b> |
| <b>Adjusted EBITDA <sup>(1)</sup></b>                      | <b>\$ 458</b>                | <b>\$ 242</b> |
| Adjusted EBITDA related to unconsolidated affiliates       | (50)                         | (3)           |
| Distributable cash flow from unconsolidated affiliates     | 49                           | 3             |
| Cash interest expense                                      | (118)                        | (54)          |
| Current income tax expense                                 | (5)                          | (3)           |
| Maintenance capital expenditures <sup>(2)</sup>            | (24)                         | (14)          |
| <b>Distributable Cash Flow</b>                             | <b>310</b>                   | <b>171</b>    |
| Transaction-related expenses                               | —                            | 5             |
| <b>Distributable Cash Flow, as adjusted <sup>(1)</sup></b> | <b>\$ 310</b>                | <b>\$ 176</b> |
| <b>Distributions to Partners:</b>                          |                              |               |
| Limited Partners                                           | \$ 122                       | \$ 119        |
| General Partner                                            | 39                           | 36            |
| Total distributions to be paid to partners                 | \$ 161                       | \$ 155        |
| Common Units outstanding - end of period                   | 136.3                        | 84.4          |

<sup>(1)</sup> Adjusted EBITDA is defined as earnings before net interest expense, income taxes, depreciation, amortization and accretion expense, allocated non-cash compensation expense, unrealized gains and losses on commodity derivatives and inventory valuation adjustments, and certain other operating expenses reflected in net income that we do not believe are indicative of ongoing core operations, such as gains or losses on disposal of assets and non-cash impairment charges. We define Distributable Cash Flow as Adjusted EBITDA less cash interest expense, including the accrual of interest expense related to our long-term debt which is paid on a semi-annual basis, current income tax expense, maintenance capital expenditures and other non-cash adjustments. For Distributable Cash Flow, as adjusted, certain transaction-related adjustments and non-recurring expenses are excluded.

We believe Adjusted EBITDA and Distributable Cash Flow, as adjusted, are useful to investors in evaluating our operating performance because:

- Adjusted EBITDA is used as a performance measure under our revolving credit facility;
- securities analysts and other interested parties use such metrics as measures of financial performance, ability to make distributions to our unitholders and debt service capabilities;
- our management uses them for internal planning purposes, including aspects of our consolidated operating budget, and capital expenditures; and
- Distributable Cash Flow, as adjusted, provides useful information to investors as it is a widely accepted financial indicator used by investors to compare partnership performance, and as it provides investors an enhanced

perspective of the operating performance of our assets and the cash our business is generating.

Adjusted EBITDA and Distributable Cash Flow, as adjusted, are not recognized terms under GAAP and do not purport to be alternatives to net income as measures of operating performance or to cash flows from operating activities as a measure of liquidity. Adjusted EBITDA and Distributable Cash Flow, as adjusted, have limitations as analytical tools, and one should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations include:

- they do not reflect our total cash expenditures, or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, working capital;
- they do not reflect interest expense or the cash requirements necessary to service interest or principal payments on our revolving credit facility or senior notes;
- although depreciation, amortization and accretion are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements; and
- as not all companies use identical calculations, our presentation of Adjusted EBITDA and Distributable Cash Flow, as adjusted, may not be comparable to similarly titled measures of other companies.

Adjusted EBITDA reflects amounts for the unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliates as those excluded from the calculation of Adjusted EBITDA, such as interest, taxes, depreciation, amortization, accretion and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly. Inventory valuation adjustments that are excluded from the calculation of Adjusted EBITDA represent changes in lower of cost or market reserves on the Partnership's inventory. These amounts are unrealized valuation adjustments applied to fuel volumes remaining in inventory at the end of the period.

- (2) Maintenance capital expenditures exclude \$2 million for our proportionate share of maintenance capital expenditures related to our investments in ET-S Permian and J.C. Nolan, as these amounts are included in "Distributable cash flow from unconsolidated affiliates."

**SUNOCO LP**  
**SUMMARY ANALYSIS OF QUARTERLY RESULTS BY SEGMENT**

(Tabular dollar amounts in millions)  
(unaudited)

|                          | Three Months Ended March 31, |               |
|--------------------------|------------------------------|---------------|
|                          | 2025                         | 2024          |
| Segment Adjusted EBITDA: |                              |               |
| Fuel Distribution        | \$ 220                       | \$ 218        |
| Pipeline Systems         | 172                          | —             |
| Terminals                | 66                           | 24            |
| <b>Adjusted EBITDA</b>   | <b>\$ 458</b>                | <b>\$ 242</b> |

The following analysis of segment operating results includes a measure of segment profit. Segment profit is a non-GAAP financial measure and is presented herein to assist in the analysis of segment operating results and particularly to facilitate an understanding of the impacts that changes in sales revenues have on the segment performance measure of Segment Adjusted EBITDA. Segment profit is similar to the GAAP measure of gross profit, except that segment profit excludes charges for depreciation, amortization and accretion. The most directly comparable measure to segment profit is gross profit.

The following table presents a reconciliation of segment profit to gross profit:

|                                                                         | Three Months Ended March 31, |        |
|-------------------------------------------------------------------------|------------------------------|--------|
|                                                                         | 2025                         | 2024   |
| Fuel Distribution segment profit                                        | \$ 361                       | \$ 417 |
| Pipeline Systems segment profit                                         | 174                          | 1      |
| Terminals segment profit                                                | 118                          | 66     |
| Total segment profit                                                    | 653                          | 484    |
| Depreciation, amortization and accretion, excluding corporate and other | 156                          | 43     |
| Gross profit                                                            | \$ 497                       | \$ 441 |



## Fuel Distribution

|                                                   | Three Months Ended March 31, |               |
|---------------------------------------------------|------------------------------|---------------|
|                                                   | 2025                         | 2024          |
| Motor fuel gallons sold (millions)                | 2,087                        | 2,100         |
| Motor fuel profit cents per gallon <sup>(1)</sup> | 11.5 ¢                       | 10.9 ¢        |
| Fuel profit                                       | \$ 297                       | \$ 344        |
| Non-fuel profit                                   | 35                           | 35            |
| Lease profit                                      | 29                           | 38            |
| Fuel Distribution segment profit                  | \$ 361                       | \$ 417        |
| Expenses                                          | \$ 94                        | \$ 111        |
| <b>Segment Adjusted EBITDA</b>                    | <b>\$ 220</b>                | <b>\$ 218</b> |

<sup>(1)</sup> Excludes the impact of inventory valuation adjustments consistent with the definition of Adjusted EBITDA.

**Volumes.** For the three months ended March 31, 2025 compared to the same period last year, volumes decreased primarily due to the sale of assets in West Texas (the “West Texas Sale”) in April 2024 offset by volume increases from investment and profit optimization.

**Segment Adjusted EBITDA.** For the three months ended March 31, 2025 compared to the same period last year, Segment Adjusted EBITDA related to our Fuel Distribution segment increased due to the net impact of the following:

- a decrease of \$17 million in expenses primarily due to the West Texas Sale and lower allocated overhead; partially offset by
- a decrease of \$9 million in lease profit due to the West Texas Sale; and
- a decrease of \$3 million related to a decrease in gallons sold due to the West Texas Sale, partially offset by an increase in profit per gallon.

## Pipeline Systems

|                                                 | Three Months Ended March 31, |             |
|-------------------------------------------------|------------------------------|-------------|
|                                                 | 2025                         | 2024        |
| Pipelines throughput (thousand barrels per day) | 1,258                        | —           |
| Pipeline Systems segment profit                 | \$ 174                       | \$ 1        |
| Expenses                                        | \$ 54                        | \$ 3        |
| <b>Segment Adjusted EBITDA</b>                  | <b>\$ 172</b>                | <b>\$ —</b> |

**Volumes.** For the three months ended March 31, 2025 compared to the same period last year, volumes increased due to recently acquired assets.

**Segment Adjusted EBITDA.** For the three months ended March 31, 2025 compared to the same period last year, Segment Adjusted EBITDA related to our Pipeline Systems segment increased due to the acquisition of NuStar on May 3, 2024 and the formation of ET-S Permian on July 1, 2024.

## Terminals

|                                       | Three Months Ended March 31, |              |
|---------------------------------------|------------------------------|--------------|
|                                       | 2025                         | 2024         |
| Throughput (thousand barrels per day) | 620                          | 418          |
| Terminal segment profit               | \$ 118                       | \$ 66        |
| Expenses                              | \$ 50                        | \$ 28        |
| <b>Segment Adjusted EBITDA</b>        | <b>\$ 66</b>                 | <b>\$ 24</b> |

*Volumes.* For the three months ended March 31, 2025 compared to the same period last year, volumes increased due to recently acquired assets.

*Segment Adjusted EBITDA.* For the three months ended March 31, 2025 compared to the same period last year, Segment Adjusted EBITDA related to our Terminals segment increased primarily due to the acquisitions of NuStar and Zenith European terminals.

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): May 16, 2025**

**Sunoco LP**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-35653**  
(Commission  
File Number)

**30-0740483**  
I.R.S. Employer  
Identification Number

**8111 Westchester Drive, Suite 400  
Dallas, TX 75225**  
(Address of Principal Executive Offices) (Zip Code)

**(214) 981-0700**  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <b>Title of each class</b>                             | <b>Trading<br/>symbol(s)</b> | <b>Name of each exchange<br/>on which registered</b> |
|--------------------------------------------------------|------------------------------|------------------------------------------------------|
| Common Units Representing Limited Partner<br>Interests | SUN                          | New York Stock Exchange                              |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

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**Item 1.01. Entry into a Material Definitive Agreement*****Amendment to Credit Agreement***

On May 16, 2025, Sunoco LP (the “Partnership”) entered into that certain Amendment No. 1 to Third Amended and Restated Credit Agreement among the Partnership, as borrower, certain subsidiaries of the Partnership, as guarantors, the lenders and letter of credit issuers party thereto and Bank of America, N.A., as administrative agent and a letter of credit issuer (the “Amendment”), which amends that certain Third Amended and Restated Credit Agreement entered into by and among the Partnership, the lenders and letter of credit issuers from time to time party thereto and Bank of America, N.A., as administrative agent, swingline lender and a letter of credit issuer on May 3, 2024 (the “Credit Agreement” and as amended, the “Amended Credit Agreement”).

Pursuant to the Amendment, the Credit Agreement was amended to, among other things, make the following changes to the Credit Agreement effective as of the Parkland Acquisition Closing Date (as defined in the Amended Credit Agreement): (i) increase the letter of credit sublimit from \$100 million to \$250 million, (ii) exclude Parkland and its subsidiaries from any requirement to provide a guarantee of the Obligations (as defined in the Amended Credit Agreement) to the extent (x) such guarantee would not be permitted under any existing indebtedness of Parkland and its subsidiaries that remains outstanding after the Parkland Acquisition Closing Date or (y) such guarantee, if provided by a domestic subsidiary that is a direct or indirect subsidiary of a foreign subsidiary, could reasonably be expected to have material adverse tax consequences and (iii) permit the Partnership or any of its subsidiaries to incur (x) Permitted Parkland Acquisition Bridge Debt (as defined in the Amended Credit Agreement) in an aggregate principal amount not to exceed \$2,650 million and (y) Permitted Parkland Backstop Bridge Debt (as defined in the Amended Credit Agreement) in an aggregate principal amount not to exceed \$3,400 million less reductions to such maximum amount as set forth in the Amended Credit Agreement.

In connection with the entry into the Amendment, \$1.50 billion of the previously disclosed debt financing commitments provided by Barclays Bank PLC (and certain of its affiliates) and Royal Bank of Canada (and certain of its affiliates) terminated in accordance with the terms of such commitments.

The foregoing description is qualified in its entirety by reference to the full text of the Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated in this Item 1.01 by reference.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

The information set forth in Item 1.01 relating to the Amendment under the heading “Amendment to Credit Agreement” is hereby incorporated into this Item 2.03 by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

**Exhibit  
Number****Description**

- |      |                                                                                                                                                                                                                                                                       |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10.1 | <a href="#"><u>Amendment No. 1 to Third Amended and Restated Credit Agreement, dated as of May 16, 2025, by and among Sunoco LP, as borrower, Bank of America N.A., as administrative agent, swingline lender and an LC issuer and the lenders party thereto.</u></a> |
| 104  | Cover Page Interactive File (the cover page tags are embedded within the Inline XBRL document).                                                                                                                                                                       |

---

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SUNOCO LP**

By: SUNOCO GP LLC,  
its General Partner

Date: May 19, 2025

By: /s/ Rick Raymer  
Name: Rick Raymer  
Title: Vice President, Controller and Principal Accounting Officer

## AMENDMENT NO. 1 TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This Amendment No. 1 to Third Amended and Restated Credit Agreement, dated as of May 16, 2025 (this “Amendment”), is entered into by **SUNOCO LP**, a Delaware limited partnership (the “Borrower”), the Guarantors (as defined in the Credit Agreement referenced below) party hereto, the Lenders (as defined below) and LC Issuers party hereto, and **BANK OF AMERICA, N.A.**, as Administrative Agent (in such capacity, the “Administrative Agent”) and an LC Issuer.

## INTRODUCTION

Reference is made to the Third Amended and Restated Credit Agreement, dated as of May 3, 2024 (the “Existing Credit Agreement” and, the Existing Credit Agreement, as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, including by this Amendment, the “Credit Agreement”), among the Borrower, the lenders from time to time party thereto (the “Lenders” and individually, each a “Lender”), the Administrative Agent, the Swingline Lender and the LC Issuers party thereto from time to time.

The Borrower has requested, and the Lenders party hereto, the Administrative Agent, and the LC Issuers party hereto, as applicable, have agreed, on the terms and conditions set forth herein, to make certain amendments to the Existing Credit Agreement.

**THEREFORE**, in connection with the foregoing and for other good and valuable consideration, the Borrower, the Guarantors, the Lenders party hereto, the Administrative Agent, and the LC Issuers party hereto hereby agree as follows:

Section 1. Definitions; References. Unless otherwise defined in this Amendment, each term used in this Amendment that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement.

Section 2. Amendments to Credit Agreement. Subject solely to the satisfaction (or waiver) of the conditions precedent set forth in Section 6 hereof, effective as of the Amendment No. 1 Effective Date:

(a) the Existing Credit Agreement (other than the signature pages, Exhibits (except as expressly set forth herein) and Schedules thereto) is hereby amended (i) to delete the red or green stricken text (indicated textually in the same manner as the following examples: ~~stricken text~~ and ~~stricken text~~) and (ii) to add the blue or green double-underlined text (indicated textually in the same manner as the following examples: double-underlined text and double-underlined text), in each case, as set forth in the marked copy of the Credit Agreement attached as Annex A hereto; and

(b) Exhibit K to the Existing Credit Agreement is hereby amended and restated in its entirety with the contents of Annex B attached hereto.

Section 3. Letter of Credit Commitments. Subject solely to the satisfaction (or waiver) of the conditions precedent set forth in Section 6 hereof, the Letter of Credit Commitments (a) as of the Amendment No. 1 Effective Date are set forth on Schedule 1-A attached hereto and (b) as of the Parkland Acquisition Closing Date are set forth on Schedule 1-B attached hereto.

Section 4. Representations and Warranties. The Borrower and each Guarantor represents and warrants that (a) the execution, delivery, and performance by such Loan Party of this Amendment have been duly authorized by all necessary corporate or other organizational action, and, except as could not reasonably be expected to have a Material Adverse Effect, do not and will not violate the terms of any of such Loan Party's organization documents; (b) this Amendment and the Credit Agreement constitute legal, valid, and binding obligations of such Loan Party enforceable in accordance with their terms except as such enforcement may be limited by bankruptcy, insolvency or similar Laws of general application relating to the enforcement of creditors' rights; (c) the representations and warranties of the Borrower and each Guarantor contained in each Loan Document to which it is a party are true and correct in all material respects (except to the extent that such representations and warranties are qualified by materiality, in which case such representations and warranties are true and correct in all respects) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (except to the extent that such representations and warranties are qualified by materiality, in which case such representations and warranties were true and correct in all respects) as of such earlier date (provided that, (i) the representation and warranty contained in Section 5.06(a) of the Credit Agreement shall be deemed to refer to the most recent financial statements furnished pursuant to Section 6.01 of the Credit Agreement and (ii) the representation and warranty contained in Section 5.06(b) shall not be required to be true and correct); (d) no Default or Event of Default exists under the Loan Documents.

Section 5. Effect on Loan Documents. Except as amended herein, the Existing Credit Agreement and all other Loan Documents remain in full force and effect as originally executed. Nothing herein shall act as a waiver of any of the Administrative Agent's or any Lender's rights under the Loan Documents, as amended, including the waiver of any default or event of default, however denominated. The Borrower acknowledges and agrees that this Amendment shall in no manner impair or affect the validity or enforceability of the Credit Agreement. This Amendment is a Loan Document for the purposes of the provisions of the other Loan Documents. Without limiting the foregoing, any breach of representations, warranties, and covenants under this Amendment may be a default or event of default under the other Loan Documents in accordance with their terms.

Section 6. Effectiveness. This Amendment shall become effective, and the Existing Credit Agreement shall be amended as provided for herein, upon the date of satisfaction (or waiver) of the following conditions (the "Amendment No. 1 Effective Date"):

(a) the Administrative Agent (or its counsel) shall have received counterparts hereof duly executed and delivered by a duly authorized officer of the Borrower, each Guarantor, the Administrative Agent, the requisite Lenders, and the LC Issuers party hereto;

(b) all out-of-pocket costs and expenses (including, without limitation, reasonable and documented legal fees and expenses) required to be reimbursed pursuant to Section 10.04(a) of the Credit Agreement and invoiced at least two Business Days prior to the Amendment No. 1 Effective Date shall have been, on the Amendment No. 1 Effective Date, or will be substantially simultaneously, paid; and

(c) the representations and warranties contained in Section 4 of this Amendment shall be true and correct on and as of the Amendment No. 1 Effective Date.

---

Section 7. Loan Document. This Amendment constitutes a “Loan Document” under and as defined in the Credit Agreement.

Section 8. Reaffirmation of Guaranty. By its signature hereto, each Guarantor represents and warrants that such Guarantor has no defense to the enforcement of the Guaranty, and that according to its terms the Guaranty will continue in full force and effect to guarantee the Obligations and the other amounts described in the Guaranty following the execution of this Amendment.

Section 9. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 6.01 of the Credit Agreement and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Amendment and to agree to the various matters set forth herein. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement.

Section 10. Governing Law. THIS AMENDMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 11. Miscellaneous. The miscellaneous provisions set forth in Article X of the Credit Agreement apply to this Amendment. This Amendment may be signed in any number of counterparts, each of which shall be an original, and may be in the form of an Electronic Record and may be executed using Electronic Signatures in accordance with Section 10.02 of the Credit Agreement.

**Section 12. ENTIRE AGREEMENT. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

[Signature Pages follow.]



---

**EXECUTED** as of the first date above written.

BORROWER:

**SUNOCO LP**

By: SUNOCO GP LLC, its general partner

By: /s/ Scott Grischow

Name: Scott Grischow

Title: Senior Vice President, Finance and  
Treasurer

GUARANTORS:

**ALOHA PETROLEUM LLC**

**SUNMARKS, LLC**

**SUNOCO, LLC**

**SUNOCO FINANCE CORP.**

**SUNOCO NLR LLC**

**SUNOCO REFINED PRODUCTS LLC**

**SUNOCO RETAIL LLC**

Each by: /s/ Scott Grischow

Name: Scott Grischow

Title: Vice President, Investor Relations and  
Treasury

**SUNOCO MIDSTREAM LLC**

By: /s/ Joseph Kim

Name: Joseph Kim

Title: Chief Executive Officer

**ALOHA PETROLEUM, LTD.**

By: /s/ Edward Pak

Name: Edward Pak

Title: Assistant Secretary

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

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**NUSTAR ENERGY L.P.**

By: /s/ Scott Grischow

Name: Scott Grischow

Title: Senior Vice President, Finance and Treasurer

**NUSTAR LOGISTICS, L.P.**

By: RIVERWALK LOGISTICS, L.P., its general partner

By: NUSTAR GP, LLC, its general partner

By: /s/ Scott Grischow

Name: Scott Grischow

Title: Senior Vice President, Finance and Treasurer

**NUSTAR PIPELINE OPERATING PARTNERSHIP L.P.**

By: NUSTAR PIPELINE COMPANY, LLC, its general partner

By: /s/ Scott Grischow

Name: Scott Grischow

Title: Senior Vice President, Finance and Treasurer

**NUSTAR PERMIAN HOLDINGS, LLC**

By: /s/ Scott Grischow

Name: Scott Grischow

Title: Senior Vice President, Finance and Treasurer

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

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**NUSTAR PIPELINE PARTNERS L.P.**

By: NUSTAR PIPELINE COMPANY, LLC, its general  
partner

By: /s/ Scott Grischow

Name: Scott Grischow

Title: Senior Vice President, Finance and Treasurer

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**BANK OF AMERICA, N.A.**, as Administrative Agent, as an  
LC Issuer and as a Lender

By: /s/ Ajay Prakash

Name: Ajay Prakash

Title: Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**BARCLAYS BANK PLC**, as a Lender and (on and after the  
Parkland Acquisition Closing Date only) as an LC Issuer

By: /s/ Kevin Crealese

Name: Kevin Crealese

Title: Managing Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**ROYAL BANK OF CANADA**, as a Lender and (on and after the Parkland Acquisition Closing Date only) as an LC Issuer

By: /s/ Michael Sharp

Name: Michael Sharp

Title: Authorized Signatory

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW  
YORK BRANCH**, as a Lender

By: /s/ Cara Younger

Name: Cara Younger

Title: Managing Director

By: /s/ Andrew Pargament

Name: Andrew Pargament

Title: Managing Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**BANCO SANTANDER, S.A., NEW YORK BRANCH**, as a  
Lender

By: /s/ Max Wallins

Name: Max Wallins

Title: Managing Director

By: /s/ Michael Leonardos

Name: Michael Leonardos

Title: Executive Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]



---

**CANADIAN IMPERIAL BANK OF COMMERCE, NEW  
YORK BRANCH**, as a Lender

By: /s/ Kevin A. James

Name: Kevin A. James

Title: Authorized Signatory

By: /s/ Donovan C. Broussard

Name: Donovan C. Broussard

Title: Authorized Signatory

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

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**CITIBANK, N.A.**, as a Lender

By: /s/ Todd Mogil

Name: Todd Mogil

Title: Vice President

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

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**CREDIT AGRICOLE CORPORATE AND INVESTMENT  
BANK, as a Lender**

By: /s/ Andrew Sidford

Name: Andrew Sidford

Title: Managing Director

By: /s/ Gordon Yip

Name: Gordon Yip

Title: Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**JPMORGAN CHASE BANK, N.A.**, as a Lender

By: /s/ Kyle Gruen

Name: Kyle Gruen

Title: Authorized Officer

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

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**MIZUHO BANK, LTD.**, as a Lender

By: /s/ Edward Sacks

Name: Edward Sacks

Title: Managing Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**MORGAN STANLEY BANK, N.A.**, as a Lender

By: /s/ Aaron McLean

Name: Aaron McLean

Title: Authorized Signatory

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**MORGAN STANLEY SENIOR FUNDING, INC.**, as a Lender

By: /s/ Aaron McLean

Name: Aaron McLean

Title: Vice President

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**PNC BANK, NATIONAL ASSOCIATION**, as a Lender

By: /s/ Anvar Musayev

Name: Anvar Musayev

Title: Vice President

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]



---

**RAYMOND JAMES BANK**, as an LC Issuer and a Lender

By: /s/ Chad E Colby

Name: Chad E Colby

Title: Managing Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

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**REGIONS BANK**, as a Lender

By: /s/ Michael Kolosowsky

Name: Michael Kolosowsky

Title: Managing Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**SUMITOMO MITSUI BANKING CORPORATION**, as a  
Lender

By: /s/ Alkesh Nanavaty

Name: Alkesh Nanavaty

Title: Executive Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**THE BANK OF NOVA SCOTIA, HOUSTON BRANCH**, as a  
Lender

By: /s/ Joe Lattanzi

Name: Joe Lattanzi

Title: Managing Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**THE TORONTO-DOMINION BANK, NEW YORK  
BRANCH**, as a Lender

By: /s/ Jonathan Schwartz

Name: Jonathan Schwartz

Title: Authorized Signatory

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**TRUIST BANK**, as a Lender

By: /s/ Lincoln LaCour

Name: Lincoln LaCour

Title: Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

---

**TRUSTMARK NATIONAL BANK**, as a Lender

By: /s/ Michael Londono

Name: Michael Londono

Title: Senior Vice President

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

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**U.S. Bank National Association**, as a Lender

By: /s/ Beth Johnson

Name: Beth Johnson

Title: Senior Vice President

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]



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**WELLS FARGO BANK, N.A.**, as an LC Issuer and a Lender

By: /s/ Nathan Starr

Name: Nathan Starr

Title: Managing Director

[Signature Page to Amendment No. 1 to Third Amended and Restated Credit Agreement]

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**Annex A**

**Credit Agreement**

(See attached.)

DEAL#: 86770WAG1  
REV#: 86770WAH9

**THIRD AMENDED AND RESTATED CREDIT AGREEMENT**

Dated as of May 3, 2024

among

SUNOCO LP,  
as the Borrower,

BANK OF AMERICA, N.A.,  
as Administrative Agent,  
Swingline Lender  
and an LC Issuer,

and

The Lenders Party Hereto  
\$1,500,000,000 Five Year Modified Revolving Credit Facility

---

TRUIST SECURITIES, INC., BOFA SECURITIES, INC., BARCLAYS BANK PLC,  
CITIBANK, N.A., CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,  
JPMORGAN CHASE BANK, N.A., MIZUHO BANK, LTD., MUFG BANK, LTD., PNC  
CAPITAL MARKETS LLC, RBC CAPITAL MARKETS, LLC, BANCO SANTANDER, S.A.,  
NEW YORK BRANCH, SUMITOMO MITSUI BANKING CORPORATION, TD  
SECURITIES (USA) LLC and WELLS FARGO SECURITIES, LLC

as

Joint Lead Arrangers and as Joint Bookrunners

and

TRUIST BANK  
as Syndication Agent

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### THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This THIRD AMENDED AND RESTATED CREDIT AGREEMENT (“Agreement”) is entered into as of May 3, 2024, among SUNOCO LP, a Delaware limited partnership (the “Borrower”), BANK OF AMERICA, N.A., as Administrative Agent, Swingline Lender and an LC Issuer, and each lender from time to time party hereto (collectively, the “Lenders” and individually, a “Lender”).

A. The Borrower previously executed that certain Second Amended and Restated Credit Agreement dated as of April 7, 2022 (as amended or modified prior to the date hereof, the “Existing Credit Agreement”), among the Borrower, Bank of America, N.A., as Administrative Agent, Collateral Agent, Swingline Lender and LC Issuer, the other agents named therein and a syndicate of lenders party thereto, pursuant to which the lenders party thereto extended the Obligations (as defined in the Existing Credit Agreement, herein the “Existing Obligations”) to the Borrower.

B. The Borrower desires to modify and extend the Existing Obligations, and the Administrative Agent and the Lenders are willing to modify and extend the Existing Obligations by amending and restating the Existing Credit Agreement as set forth herein.

In consideration of the mutual covenants and agreements contained herein and in consideration of the loans which may hereafter be made by Lenders to, and the Letters of Credit that may hereafter be issued by the LC Issuer for the account of, the Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree that the Existing Credit Agreement shall be amended and restated in its entirety to read as follows:

#### ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

**1.01 Defined Terms.** As used in this Agreement, the following terms shall have the meanings set forth below:

“Acquired Business Debt Refinancing” means the repayment, redemption, discharge or defeasance, as applicable, of outstanding Indebtedness, accrued interest, fees and other amounts outstanding or otherwise due and payable thereon as a result of such repayment, redemption, discharge or defeasance under (a) the NuStar Subordinated Notes, (b) the NuStar Preferred Equity and (c) the NuStar Credit Agreement.

“Acquisition” means the purchase or other acquisition of property and assets or a business of any Person or of assets constituting a business unit, a line of business or division of any Person, or Equity Interests in a Person (including as a result of a merger or consolidation).

“Acquisition Agreement” means that Agreement and Plan of Merger, dated as of January 22, 2024 (together with the schedules and exhibits thereto) among the Borrower, Saturn Merger Sub, LLC, NuStar, NuStar GP, LLC, Riverwalk Logistics, L.P. and the General Partner.



“Acquisition Agreement Representations” means the representations made by or on behalf of NuStar and its Subsidiaries in the Acquisition Agreement that are material to the interests of the Lenders but only to the extent that the Borrower or its applicable Affiliates has the right (taking into account any applicable cure provisions) to terminate its obligation to consummate the Closing Date Acquisition (or otherwise does not have an obligation to close) under the Acquisition Agreement as a result of a breach of or a failure of such representations to be accurate in the Acquisition Agreement.

“Administrative Agent” means Bank of America, in its capacity as administrative agent for the Lenders hereunder.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Parties” has the meaning specified in Section 10.02(d).

“Aggregate Commitments” means the aggregate Commitments of all Lenders.

“Aggregate Letter of Credit Commitments” means the aggregate Letter of Credit Commitments of all LC Issuers.

“Aggregate Revolving Credit Loan Commitment Increase” has the meaning specified in Section 2.17(a).

“Aggregate Revolving Credit Loan Commitments” means the Revolving Credit Loan Commitments of all the Lenders. The initial amount of the Aggregate Revolving Credit Loan Commitments is \$1,500,000,000, subject to optional reductions pursuant to Section 2.16 and subject to increases as provided in Section 2.17.

“Agreed Currency” means Dollars or any Alternative Currency, as applicable.

“Agreement” means this Third Amended and Restated Credit Agreement, as amended or supplemented from time to time in accordance with the terms hereof.

“Agreement Currency” has the meaning specified in Section 10.23.

“Alternative Currency” means each of the following currencies: Euros, Sterling, Mexican Pesos and Canadian Dollars, together with each other currency (other than Dollars) that is approved in accordance with Section 1.10; provided that for each Alternative Currency, such requested currency is an Eligible Currency.

“Alternative Currency Equivalent” means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the LC Issuer on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Alternative Currency with Dollars. Any such determination by the LC Issuer shall be conclusive absent manifest error.

“Amendment No. 1” means that certain Amendment No. 1 to Third Amended and Restated Credit Agreement, dated as of May 16, 2025, by and among the Borrower, the Guarantors party thereto, the Lenders and LC Issuers party thereto and the Administrative Agent.

“Amendment No. 1 Effective Date” has the meaning specified in Amendment No. 1.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder.

“Anti-Money Laundering Laws” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules applicable to the Borrower or its Subsidiaries related to terrorism financing or money laundering, including any applicable provision of the Patriot Act and The Currency and Foreign Transactions Reporting Act (also known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

“Applicable Percentage” means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the aggregate Revolving Credit Loan Commitments and / or, if applicable, Incremental Term Loan Commitments, represented by such Lender’s Revolving Credit Loan Commitment and / or Incremental Term Loan Commitment, as the case may be, at such time, subject to adjustment as provided in Section 2.20(a)(iv). If the commitment of each Lender to make Loans and the obligation of the LC Issuer to make LC Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 1 or in the Assignment and Assumption, Increase Agreement, Incremental Amendment or other documentation contemplated hereby pursuant to which such Lender becomes a party hereto or obtains a Commitment hereunder, as applicable.

“Applicable Rate” means, subject to adjustment pursuant to Section 2.17(c), (1) with respect to the Revolving Credit Facility, (a) with respect to any Base Rate Loan, Term SOFR Loan or commitment fees hereunder, the percent per annum set forth below under the caption “Base Rate Margin,” “Term SOFR Margin,” or “Commitment Fee Rate,” respectively, (i) from the Closing Date to the first Business Day immediately following the date on which the Administrative Agent receives a Compliance Certificate pursuant to Section 6.01(b) for the first Fiscal Quarter of the Borrower ending after the Closing Date, based upon Level 2, and (ii) thereafter until the first Investment Grade Event, based upon the Level corresponding to the Net Leverage Ratio set forth in the Compliance Certificate most recently received by the Administrative Agent pursuant to Section 6.01(b):

| Level | Net Leverage Ratio                | Base Rate<br>Margin | Term SOFR<br>Margin | Commitment<br>Fee Rate |
|-------|-----------------------------------|---------------------|---------------------|------------------------|
| 1     | ≥ 4.75 to 1.00                    | 1.25%               | 2.25%               | .350%                  |
| 2     | ≥ 4.00 to 1.00 and < 4.75 to 1.00 | 1.00%               | 2.00%               | .350%                  |
| 3     | ≥ 3.50 to 1.00 and < 4.00 to 1.00 | .750%               | 1.75%               | .300%                  |
| 4     | ≥ 3.00 to 1.00 and < 3.50 to 1.00 | .500%               | 1.50%               | .300%                  |
| 5     | < 3.00 to 1.00                    | .250%               | 1.25%               | .250%                  |

and (b) on any day on or after the first Investment Grade Event, the percent per annum set forth below under the caption “Base Rate Margin,” “TermSOFR Margin,” or “Commitment Fee Rate,” respectively, based upon the Level corresponding to the Ratings by the Rating Agencies applicable on such date:

| Level | Ratings:<br>(Moody's/S&P/Fitch) | Base Rate<br>Margin | Term SOFR<br>Margin | Commitment<br>Fee Rate |
|-------|---------------------------------|---------------------|---------------------|------------------------|
| 1     | < Ba1 / BB+ / BB+               | .750%               | 1.75%               | .350%                  |
| 2     | Ba1 / BB+ / BB+                 | .625%               | 1.625%              | .275%                  |
| 3     | Baa3 / BBB- / BBB-              | .500%               | 1.50%               | .200%                  |
| 4     | Baa2 / BBB / BBB                | .250%               | 1.25%               | .150%                  |
| 5     | ≥ Baa1 / BBB+ / BBB+            | .125%               | 1.125%              | .125%                  |

For purposes of clause (a) above, any increase or decrease in the Applicable Rate resulting from a change in the Net Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.01(b); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then the Applicable Rate shall remain at the level determined by the most recently delivered Compliance Certificate and shall continue to apply until the first Business Day immediately following the date on which such Compliance Certificate is delivered, whereupon the Applicable Rate shall be adjusted based upon the calculation of the Net Leverage Ratio contained in such Compliance Certificate, and if the Applicable Rate would have been set at a higher level during the

period of non-delivery of the Compliance Certificate, the Borrower shall pay to the Administrative Agent, for the benefit of the Lenders, on demand all amounts which would have accrued hereunder had the Compliance Certificate been delivered when due. For purposes of clause (b) above, (i) if there is only one Rating, the Level corresponding to that Rating shall apply; (ii) if there are only two Ratings, then (A) if there is a one Level difference between the two Ratings, then the Level corresponding to the higher Rating shall be used, and (B) if there is a greater than one Level difference between the Ratings, then the Level that is one Level below the higher Rating will be used; (iii) if there are three Ratings, then (A) if all three are at different Levels, the middle Level shall apply and (B) if two Ratings correspond to the same Level and the third is different, the Level corresponding to the two same Levels shall apply; (iv) if the Ratings established or deemed to have been established by the Rating Agencies shall be changed (other than as a result of a change in the rating system of such Rating Agency), such change shall be effective as of the date on which it is first announced by the applicable Rating Agency and (v) if no Rating is determined, Level 1 shall apply. Changes in the Applicable Rate will occur automatically without prior notice as changes in the applicable Ratings occur, and each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change; and

(2) with respect to any Incremental Term Loan Facility, the interest rates and interest margins agreed upon by the Borrower and the Incremental Term Loan Lenders in the applicable Incremental Amendment.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arrangers” means each of Truist Securities, Inc., BofA Securities, Inc., Barclays Bank PLC, Citibank, N.A., Credit Agricole Corporate And Investment Bank, JPMorgan Chase Bank, N.A., Mizuho Bank, Ltd., MUFG Bank, Ltd., PNC Capital Markets LLC, RBC Capital Markets, LLC, Banco Santander, S.A., New York Branch, Sumitomo Mitsui Banking Corporation, TD Securities (USA) LLC and Wells Fargo Securities, LLC in their respective capacities as joint lead arranger.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

“Autoborrow Agreement” has the meaning specified in Section 2.02(e).

“Auto-Extension Letter of Credit” has the meaning specified in Section 2.07(b).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bank of America” means Bank of America, N.A., a national banking association.

“Base Rate” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate,” and (c) Term SOFR for a one-month tenor in effect on such day plus 1.00%; provided that if the Base Rate is less than zero it shall be deemed to be zero for purposes of this Agreement. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

“Base Rate Loan” means a Loan or portion of a Loan that bears interest based on the Base Rate.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership of a Loan Party required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Bona Fide Debt Fund” means any fund or investment vehicle that is primarily engaged in, or that advises funds or other investment vehicles that are engaged in, the making, purchasing, holding or otherwise investing in commercial loans, bonds and other similar extensions of credit or securities in the ordinary course and with respect to which no Disqualified Lender, directly or indirectly, possesses the power to direct or cause the direction of the investment policies of such entity.

“Borrower” means Sunoco LP, a Delaware limited partnership.

“Borrower Materials” has the meaning specified in Section 6.02.

“Borrowing” means Loans of the same Type made, Converted or Continued on the same date and, in the case of Term SOFR Loans, as to which a single Interest Period is in effect.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York or the state where the Administrative Agent’s Office is located.

“Canadian Dollars” means the lawful currency of Canada.

“Capital Lease” means a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP; provided that any lease that would have been characterized as an operating lease under GAAP as in effect prior to December 15, 2018 shall be treated as an operating lease for all purposes under this Agreement.

“Capital Lease Obligation” means, with respect to any Person and a Capital Lease, the amount of the obligation of such Person as the lessee under such Capital Lease which would, in accordance with GAAP, appear as a liability on a balance sheet of such Person.

“Cash” means money, currency or a credit balance in any deposit account.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent, LC Issuer or Swingline Lender (as applicable) and the Lenders, as collateral for LC Obligations, Obligations in respect of Swingline Loans, or obligations of Lenders to fund participations in respect of either thereof (as the context may require), cash or deposit account balances or, if the LC Issuer or Swingline Lender benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) the LC Issuer or Swingline Lender (as applicable). “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means Investments in:

(a) marketable obligations, maturing within 12 months after acquisition thereof, issued or unconditionally guaranteed by the United States or an instrumentality or agency thereof and entitled to the full faith and credit of the United States;

(b) demand deposits and time deposits (including certificates of deposit) maturing within 12 months from the date of deposit thereof, (i) with any office of any Lender or (ii) with a domestic office of any national or state bank or trust company which is organized under the Laws of the United States or any state therein or the District of Columbia, which has capital, surplus and undivided profits of at least \$500,000,000, and whose long-term certificates of deposit are rated BBB+ or Baa1 or better, respectively, by a Rating Agency;

(c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in subsection (a) above entered into with (i) any Lender or (ii) any other commercial bank meeting the specifications of subsection (b) above;

- (d) open market commercial paper, maturing within 270 days after acquisition thereof, which are rated at least P-1 by Moody's or A-1 by S&P; and
- (e) money market or other mutual funds substantially all of whose assets comprise securities of the types described in subsections (a) through (d) above.

"Cash Management Agreement" means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer and other cash management arrangements.

"Cash Management Bank" means any Person that, (a) at the time it enters into a Cash Management Agreement, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Cash Management Agreement or (b) at the time it entered into a Cash Management Agreement, was an Existing Lender or an Affiliate thereof, in its capacity as a party to such Cash Management Agreement.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means the existence of any of the following: (a) the failure of the General Partner to constitute the sole general partner of the Borrower, (b) Energy Transfer LP ceases to own, directly or indirectly, at least 51% of the Equity Interests in the General Partner which are entitled to vote for the board of directors or equivalent governing body of the General Partner or any Person (other than Energy Transfer LP) shall Control the General Partner or (c) a "change of control" or any comparable term under, and as defined in, any indenture, note agreement or other agreement governing any Indebtedness in excess of \$200,000,000 that results in an "event of default" under such Indebtedness, such Indebtedness becoming due and payable before its maturity, or such Indebtedness being subject to a repurchase, retirement or redemption right or option (whether or not exercised).

"Closing Date" means the first date all the conditions precedent in Section 4.01 and Section 4.02 are satisfied or waived in accordance with Section 10.01.

"Closing Date Acquisition" means the acquisition, by way of merger, of NuStar, by Saturn Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of the Borrower, with NuStar surviving the merger as a subsidiary of the Borrower, pursuant to the terms of the Acquisition Agreement.

“Closing Date Financial Statements” means the (a) audited consolidated balance sheets and related consolidated statements of operations and comprehensive income, equity and cash flows of the Borrower and its Subsidiaries prepared in accordance with GAAP for the three most recently completed fiscal years ended at least 60 days before the Closing Date, (b) unaudited consolidated balance sheets and related consolidated statements of operations and comprehensive income, equity and cash flows of the Borrower and its Subsidiaries prepared in accordance with GAAP for any subsequent fiscal quarter (other than, in each case, the fourth quarter of any fiscal year) ended at least 40 days prior to the Closing Date, and for the comparable period of the prior fiscal year, (c) audited consolidated balance sheets and related consolidated statements of income (loss), comprehensive income (loss), cash flows and partners’ equity and mezzanine equity of NuStar and its subsidiaries prepared in accordance with GAAP for the most recently completed fiscal year ended at least 90 days before the Closing Date, and (d) unaudited consolidated balance sheets and related condensed consolidated statements of comprehensive income, cash flows and partners’ equity and mezzanine equity of NuStar and its subsidiaries prepared in accordance with GAAP for any subsequent fiscal quarter (other than, in each case, the fourth quarter of any fiscal year) ended at least 45 days prior to the Closing Date, and for the comparable period of the prior fiscal year.

“Closing Date Senior Notes” means the (a) 7.00% senior notes due 2029 and (b) the 7.25% senior notes due 2032, in each case, issued by the Borrower pursuant to the Indenture, dated as of April 30, 2024 between the Borrower, as issuer and U.S. Bank Trust Company, National Association, as trustee.

“CME” means CME Group Benchmark Administration Limited.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commercial Operation Date” means the date on which a Material Project is substantially complete and commercially operable.

“Commission” means the United States Securities and Exchange Commission.

“Commitment” means, as to each Lender, its Revolving Credit Loan Commitment and, if applicable, Incremental Term Loan Commitment.

“Commitment Period” means the period from and including the Closing Date to the earliest of (a) the Revolving Credit Loan Maturity Date, (b) the date of termination of the Aggregate Revolving Credit Loan Commitments pursuant to Section 2.16, and (c) the date of termination of the Commitment of each Lender to make Loans and of the obligation of the LC Issuer to make LC Credit Extensions pursuant to Section 8.02.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communication” has the meaning specified in Section 10.02(c).



“Competitor” means (a) any Person that competes in the same or a substantially similar industry or line of business as any Loan Party which is separately identified by the Borrower to the Administrative Agent in writing prior to the Closing Date and (b) subject to the approval of the Administrative Agent in its reasonable discretion, any Person that competes in the same or a substantially similar industry or line of business as any Loan Party which is designated as a “Competitor” by the Borrower to the Administrative Agent in writing from time to time.

“Compliance Certificate” means a certificate substantially in the form of Exhibit B.

“Conflicts Committee” shall have the meaning given to that term in the partnership agreement of the Borrower, as the same may be amended from time to time, or any committee comprised solely of directors of the General Partner meeting the independence standards prescribed by the exchange upon which the Borrower’s common units representing limited partner interests in the Borrower are listed for trading.

“Conforming Changes” means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate or Term SOFR, as applicable, any conforming changes to the definitions of “Base Rate”, “SOFR”, “Term SOFR” and “Interest Period”, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of “Business Day” and “U.S. Government Securities Business Day”, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consenting Lenders” has the meaning specified in Section 2.18(c).

“Consolidated” refers to the consolidation of any Person, in accordance with GAAP, with its properly consolidated subsidiaries. References herein to a Person’s Consolidated financial statements, financial condition, results of operations, cash flows, assets, liabilities, etc. refer to the consolidated financial statements, financial condition, results of operations, cash flows, assets, liabilities, etc. of such Person and its properly consolidated subsidiaries. Notwithstanding the foregoing, when used in reference to the Borrower and its subsidiaries, “Consolidated” shall exclude the effect on the consolidated financial statements, financial condition, results of operations, cash flows, assets, liabilities, etc. of the Borrower and its subsidiaries of all Unrestricted Subsidiaries, determined as if neither the Borrower nor any of its subsidiaries held any Equity Interest in Unrestricted Subsidiaries.

“Consolidated EBITDA” means, for any period (without duplication), Consolidated Net Income for such period, plus (a) each of the following to the extent deducted in determining such Consolidated Net Income: (i) all Consolidated Interest Expense, (ii) all income taxes (including any franchise taxes to the extent based upon net income) of the Borrower and its Subsidiaries for such period, (iii) all depreciation and amortization (including amortization of intangible assets) of

the Borrower and its Subsidiaries for such period, (iv) any other non-cash charges or losses of the Borrower and its Subsidiaries for such period (including any non-cash losses resulting from the impairment of long-lived assets, goodwill or intangible assets) and (v) all transaction fees and expenses for acquisitions, investments, dispositions and equity or debt offerings, minus (b) each of the following: (i) all non-cash items of income or gain of the Borrower and its Subsidiaries which were included in determining such Consolidated Net Income for such period, and (ii) any cash payments made during such period in respect of items described in clause (a)(iv) above subsequent to the Fiscal Quarter in which the relevant non-cash charges or losses were reflected as a charge in determining Consolidated Net Income. Consolidated EBITDA shall be subject to the adjustments set forth in the following clauses (1) and (2) for all purposes under this Agreement:

(1) If, since the beginning of the four Fiscal Quarter period ending on the date for which Consolidated EBITDA is determined, the Borrower or any Subsidiary shall have made any disposition or acquisition of assets, shall have consolidated or merged with or into any Person (other than a Subsidiary), or shall have made any disposition of Equity Interests or an acquisition of Equity Interests, Consolidated EBITDA shall be calculated giving pro forma effect thereto as if the disposition, acquisition, consolidation or merger had occurred on the first day of such period. Such pro forma effect shall be determined (A) in good faith by the chief executive officer, chief financial officer, principal accounting officer or treasurer of the Borrower and (B) giving effect to any anticipated or proposed cost savings related to such disposition, acquisition, consolidation or merger, to the extent approved by Administrative Agent, such approval not to be unreasonably withheld or delayed.

(2) Consolidated EBITDA shall be increased by the amount of any applicable Material Project EBITDA Adjustments in respect of any Material Project of the Borrower and its Subsidiaries applicable to such period.

“Consolidated Funded Indebtedness” means as of any date, the sum of the following (without duplication): (a) all Indebtedness which is classified as “long-term indebtedness” on a Consolidated balance sheet of the Borrower and its Subsidiaries prepared as of such date in accordance with GAAP and any current maturities and other principal amount in respect of such Indebtedness due within one year but which was classified as “long-term indebtedness” at the creation thereof, (b) Indebtedness for borrowed money of the Borrower and its Subsidiaries outstanding under a revolving credit or similar agreement, notwithstanding the fact that any such borrowing is made within one year of the expiration of such agreement, (c) Capital Lease Obligations of the Borrower and its Subsidiaries, and (d) all Indebtedness in respect of any Guarantee by the Borrower or any of its Subsidiaries of Indebtedness of any Person other than the Borrower or any of its Subsidiaries, but excluding obligations of the Borrower or any Subsidiaries under Hybrid Securities, minus (e) the aggregate amount of unrestricted Cash and Cash Equivalents of the Borrower and its Subsidiaries on such date as determined in accordance with GAAP, not in excess of \$50,000,000; provided, however, that Consolidated Funded Indebtedness shall include only those liabilities under the Contingent Residual Support Agreements that would be required under the loss contingency recognition principles in FASB ASC 450-20-25 to be reflected on the Consolidated balance sheet of the Borrower on the date of determination; provided, further, that obligations under any Qualified Securitization Transaction shall not constitute Consolidated Funded Indebtedness.

“Consolidated Interest Expense” means, for any period, (a) all interest paid or accrued (that has resulted in a cash payment in the period or will result in a cash payment in future quarter(s)) during such period on, and all fees and related charges in respect of, Indebtedness which was deducted in determining Consolidated Net Income during such period, after giving effect to all interest rate Hedging Contracts and (b) all realized gains or losses in respect of interest rate Hedging Contracts.

“Consolidated Net Income” means, for any period (without duplication), the Borrower’s and its Subsidiaries’ gross revenues for such period, minus the Borrower’s and its Subsidiaries’ expenses and other proper charges against income (including taxes on income to the extent imposed), determined on a Consolidated basis. Consolidated Net Income shall be adjusted to exclude the effect of (a) any gain or loss from the sale of assets other than in the ordinary course of business, (b) any extraordinary gains or losses, (c) any non-cash gains or losses resulting from mark to market activity as a result of FASB ASC 815, (d) net income of any Subsidiary to the extent, but only to the extent, that the declaration or payment of cash Distributions by such Subsidiary of such net income is not, as of the date of determination, permitted by the operation of the terms of its charter or any Contractual Obligation, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary, and (e) income or losses attributable to Unrestricted Subsidiaries, unconsolidated joint ventures, any Person accounted for by the equity method of accounting, or any other Person that is not a Subsidiary, provided that Consolidated Net Income shall include any cash Distributions received by the Borrower or its Subsidiaries from Unrestricted Subsidiaries, unconsolidated joint ventures, any Person accounted for by the equity method of accounting, or any other Person that is not a Subsidiary, in each case to the extent actually received during such period (adjusted as provided in the following clauses (1) and (2) of this definition). The amount of Consolidated Net Income attributable to cash distributions with respect to any Person referred to in clause (e) (including in respect of any newly-acquired Equity Interests owned by the Borrower or any Subsidiary in respect of any Person that is an Unrestricted Subsidiary, an unconsolidated joint venture, any Person accounted for by the equity method of accounting, or any other Person that is not a Subsidiary) shall be subject to the adjustments set forth in the following clauses (1) and (2) for all purposes under this Agreement:

(1) If, since the beginning of the four Fiscal Quarter period ending on the date for which Consolidated Net Income is determined, such Person shall have made any disposition or acquisition of assets, shall have consolidated or merged with or into another Person (other than a Subsidiary), or shall have made any disposition or an acquisition of Equity Interests, Consolidated Net Income shall be calculated giving pro forma effect to the cash distributions that would have been made to the Borrower or its Subsidiaries as if the disposition, acquisition, consolidation or merger had occurred on the first day of such period. Such pro forma effect shall be determined (A) in good faith by the chief executive officer, chief financial officer, principal accounting officer or treasurer of the Borrower and (B) giving effect to any anticipated or proposed cost savings related to such disposition, acquisition, consolidation or merger, to the extent approved by Administrative Agent, such approval not to be unreasonably withheld or delayed; and

(2) Consolidated Net Income shall be increased by the amount of any projected cash distributions from such Person attributable to any applicable Material Project EBITDA Adjustments in respect of any Material Project of such Person applicable to such period.

“Consolidated Net Tangible Assets” means, at any date of determination, the total amount of Consolidated assets of the Borrower and its Subsidiaries after deducting therefrom: (a) all current liabilities (excluding (i) any current liabilities that by their terms are extendable or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed, and (ii) current maturities of long-term debt); and (b) the value (net of any applicable reserves and accumulated amortization) of all goodwill, trade names, trademarks, patents and other like intangible assets (other than any amounts attributable to third-party dealer distribution or supply contracts), all as set forth, or on a pro forma basis would be set forth, on the Consolidated balance sheet of the Borrower and its Subsidiaries for the most recently completed Fiscal Quarter, prepared in accordance with GAAP.

“Contingent Obligor” has the meaning specified in the definition of “Contingent Residual Support Agreements”.

“Contingent Residual Support Agreements” means any agreement entered into by the Borrower or any of its subsidiaries (the “Contingent Obligor”), in which the Contingent Obligor agrees to provide contingent residual support with respect to obligations (the “Original Obligation”) of another Person (the “Original Obligor”); provided that, the Contingent Obligor is required to make a payment pursuant to such agreement only to the extent that the obligee on the Original Obligation cannot obtain repayment of the Original Obligation from the Original Obligor after exhausting all other remedies and recourse available to such obligee.

“Continue,” “Continuation,” and “Continued” shall refer to the continuation pursuant to Section 2.04 of a Term SOFR Loan as a Term SOFR Loan from one Interest Period to the next Interest Period.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound pursuant to which such Person is obligated to perform an agreement or other undertaking.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Convert,” “Conversion,” and “Converted” shall refer to a conversion pursuant to Section 2.04 or Article III of one Type of Loan into another Type of Loan.

“Covered Party” has the meaning specified in Section 10.17(a).

“Credit Extension” means each of the following: (a) a Borrowing that is not a Continuation or Conversion, and (b) an LC Credit Extension.

“Daily Simple SOFR” with respect to any applicable determination date means the SOFR published on such date on the Federal Reserve Bank of New York’s website (or any successor source).

“Debt Assumption Agreements” means one or more Debt Assumption Agreements dated on or about the Closing Date by the Borrower in favor of, and for the benefit of, the lenders and other applicable creditors, of NuStar, NuStar Logistics, L.P. and NuStar Pipeline Operating Partnership, L.P., in respect of (a) the NuStar Credit Agreement, (b) the NuStar Subordinated Notes, (c) the NuStar Senior Notes and (d) the Go-Zone Bonds.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means, at the time in question, (a) for any Term SOFR Loan (up to the end of the applicable Interest Period), two percent (2%) per annum plus the interest rate (including the Applicable Rate) then in effect for such Loan, (b) for each Base Rate Loan or LC Obligation, two percent (2%) per annum plus the Applicable Rate for Base Rate Loans plus the Base Rate then in effect or (c) for each Letter of Credit, two percent (2%) per annum plus the Applicable Rate for Term SOFR Loans; provided, however, the Default Rate shall never exceed the Maximum Rate.

“Default Rate Period” means (i) any period during which any Event of Default specified in Section 8.01(a), (b) or (i) is continuing and (ii) upon the request of the Majority Lenders, any period during which any other Event of Default is continuing.

“Defaulting Lender” means, subject to Section 2.20(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any LC Issuer, any Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or any LC Issuer or Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, other than via an Undisclosed Administration (defined below), (i) become the subject of a

proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become subject to a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.20(b)) upon delivery of written notice of such determination to the Borrower, each LC Issuer, each Swingline Lender and each Lender. "Undisclosed Administration" means, in relation to a Lender or its parent company, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a Governmental Authority under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction supervision if applicable Law requires that such appointment is not to be publicly disclosed.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself, or whose government, is the subject of any Sanction.

"Disclosure Schedule" means Schedule 2 hereto.

"Disposition" means the sale, transfer, license, lease or other disposition of any property by any Person. The term "Dispose" shall have a correlative meaning.

"Disqualified Lender" means, at all times that no Event of Default under Section 8.01(a), (b) or (i) shall exist, (a) any Competitor, (b) any Person designated by the Borrower as a "Disqualified Lender" by written notice delivered to the Administrative Agent on or prior to the date hereof and (c) in the case of clauses (a) and (b) above, any of such Person's Affiliates identified in writing to the Administrative Agent or reasonably identifiable as such solely on the basis of its name, other than an Affiliate of such Person that is a Bona Fide Debt Fund; provided that, "Disqualified Lender" shall exclude any Person that the Borrower has designated as no longer being a "Disqualified Lender" by written notice delivered to the Administrative Agent from time to time.

"Distribution" means, as to any Person, with respect to any shares of any capital stock, any units, any partnership interests or other equity securities or ownership interests issued by such Person, (a) the retirement, redemption, purchase or other acquisition for value of any such securities, (b) the declaration or payment of any dividend on or with respect to any such securities, and (c) any other payment by such Person with respect to such securities.

"Dollar" and "\$" mean lawful money of the United States.

“Dollar Equivalent” means, for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount and (b) if such amount is expressed in an Alternative Currency, the equivalent of such amount in Dollars as determined by the applicable LC Issuer at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with such Alternative Currency. Any determination by such LC Issuer pursuant to clause (b) above shall be conclusive absent manifest error.

“Domestic Subsidiary” shall mean any Subsidiary, other than an Unrestricted Subsidiary, that is incorporated or organized under the laws of the United States of America, any state thereof or the District of Columbia.

“DQ List” has the meaning specified in Section 10.06(g)(iv).

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Yield” means, as to any Indebtedness, the effective yield on such Indebtedness in the reasonable determination of the Administrative Agent and the Borrower and consistent with generally accepted financial practices, taking into account the applicable interest rate margins, any interest rate floors (the effect of which floors shall be determined in a manner set forth in the proviso below) or similar devices and all fees, including upfront or similar fees or original issue discount, in each case amortized over the shorter of (a) the remaining Weighted Average Life to Maturity of such Indebtedness and (b) the four years following the date of incurrence thereof, payable by the Borrower generally to lenders or other institutions providing such Indebtedness, but excluding any arrangement, syndication, commitment, amendment, underwriting prepayment, structuring, ticking or other similar fees payable in connection therewith that are not generally shared with all relevant syndicate lenders and, if applicable, consent fees for an amendment paid generally to consenting lenders; provided that with respect to any Indebtedness that includes a “Term SOFR floor” or “Base Rate floor” or, in either case, similar or successor provisions, (i) to the extent that the Term SOFR, Base Rate, or Successor Rate (without giving effect to any floors in such definitions), as applicable, on the date that the Effective Yield is being calculated is less than such floor, the amount of such difference shall be deemed added to the interest rate margin for such Indebtedness for the purpose of calculating the Effective Yield and (ii) to the extent that the Term SOFR, Base Rate, or Successor Rate (without giving effect to any floors in such definitions), as applicable, on the date that the Effective Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the Effective Yield.

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“Elective Subsidiary Guarantor” means any Subsidiary of the Borrower that is not a Material Subsidiary, which the Borrower has elected to cause such Subsidiary to provide a Guarantee of the Obligations.

“Electronic Copy” has the meaning specified in Section 10.02(c).

“Eligible Assignee” means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; and (d) any other Person (other than a natural person) consented to by (i) the Administrative Agent and the LC Issuer, and (ii) unless an Event of Default has occurred and is continuing, the Borrower (each such consent not to be unreasonably withheld or delayed); provided that notwithstanding the foregoing, “Eligible Assignee” shall not include the Borrower or any of the Borrower’s Affiliates or subsidiaries or any Disqualified Lender.

“Eligible Currency” means any lawful currency other than Dollars that is readily available, freely transferable and convertible into Dollars in the international interbank market available to the LC Issuer in such market and as to which a Dollar Equivalent may be readily calculated. If, after the designation by the LC Issuer of any currency as an Alternative Currency (or if, with respect to any currency that constitutes an Alternative Currency on the Closing Date, after the Closing Date), any change in currency controls or exchange regulations or any change in the national or international financial, political or economic conditions are imposed in the country in which such currency is used, result in, in the reasonable opinion of the LC Issuer (in the case of any Letter of Credit to be denominated in an Alternative Currency), (a) such currency no longer being readily available, freely transferable and convertible into Dollars, (b) a Dollar Equivalent is no longer readily calculable with respect to such currency, or (c) providing such currency is impracticable in the reasonable determination of the LC Issuer (with such determination made on a consistent basis across similarly situated customers) (each of clauses (a), (b), and (c) a “Disqualifying Event”), then the Administrative Agent shall promptly notify the Lenders and the Borrower, and such country’s currency shall no longer be an Alternative Currency until such time as the Disqualifying Events(s) no longer exist(s).

“Environmental Laws” means any and all Laws relating to the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment including ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.



“ERISA” means the Employee Retirement Income Security Act of 1974, together with all rules and regulations promulgated with respect thereto.

“ERISA Affiliate” means the Borrower and its Subsidiaries and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control that, together with such entity, are treated as a single employer under Section 414 of the Code.

“ERISA Plan” means any employee pension benefit plan subject to Title IV of ERISA maintained by any ERISA Affiliate with respect to which any of the Borrower or any Subsidiary has a fixed or contingent liability.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor thereto), as in effect from time to time.

“Euro” and “€” mean the single currency of the Participating Member States.

“Event of Default” has the meaning given to such term in Section 8.01.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Excluded Swap Obligation” means, with respect to any Guarantor or any grantor party to any Guaranty, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Person’s failure to constitute an “eligible contract participant,” as defined in the Commodity Exchange Act and the regulations thereunder, at the time the Guarantee of such Person becomes or would become effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one Swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such Guarantee is or becomes illegal.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to Laws in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 10.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender acquired such interest in the Loan or Commitment or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient’s failure to comply with Section 3.01(g) and (d) any withholding Taxes imposed under FATCA.

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“Existing Credit Agreement” has the meaning specified in the recitals.

“Existing Lender” means any “Lender” (as defined in the Existing Credit Agreement) party to the Existing Credit Agreement immediately prior to the Closing Date.

“Existing Letters of Credit” means (a) the Letters of Credit (as defined in the Existing Credit Agreement) issued and outstanding under the Existing Credit Agreement and (b) the Letters of Credit (as defined in the NuStar Credit Agreement) issued and outstanding under the NuStar Credit Agreement, in each case, listed on Schedule 2.11.

“Existing Loan Documents” has the meaning given to the term “Loan Documents” in the Existing Credit Agreement.

“Existing Obligations” has the meaning specified in the recitals.

“Existing Senior Notes” means, collectively, (a) the 6.00% senior notes due 2027 under the Indenture, dated as of March 14, 2019, (b) the 5.875% senior notes due 2028 under the Indenture, dated as of January 23, 2018, (c) the 7.000% senior notes due 2028 under the Indenture, dated as of September 20, 2023, (d) the 4.500% senior notes due 2029 under the Indenture and (e) the 4.500% senior notes due 2030 under the Indenture, dated as of October 20, 2021, in each case, issued by the Borrower and Sunoco Finance Corp. (which is a Finance Co).

“Extended Maturity Date” has the meaning specified in Section 2.18(c).

“Extension Option” has the meaning specified in Section 2.18(a).

“FASB ASC” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing and any law or regulation adopted pursuant to any such intergovernmental agreement.

“Federal Funds Rate” means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; provided that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Fee Letters” means, collectively, (a) the letter agreement dated January 22, 2024 among the Borrower, the Administrative Agent and BofA Securities, Inc. and (b) the letter agreement dated January 22, 2024 among the Borrower, Truist Bank, Truist Securities, Inc., the Administrative Agent, and BofA Securities, Inc.

“Finance Co” means any direct or indirect wholly-owned Subsidiary of the Borrower incorporated to become or otherwise serving as a co-issuer or co-borrower of Indebtedness permitted by Section 7.01(a)(xi) of this Agreement, which Subsidiary meets the following conditions at all times: (a) the provisions of Section 6.09 have been complied with in respect of such Subsidiary, and such Subsidiary is not an Unrestricted Subsidiary and is a Subsidiary Guarantor, (b) such Subsidiary shall be a corporation and (c) such Subsidiary has not (i) incurred, directly or indirectly any Indebtedness or any other obligation or liability whatsoever other than the Indebtedness that it was formed to co-issue or co-borrow (including, for the avoidance of doubt, any additional series, tranche or issuance of such type of Indebtedness) and for which it serves as co-issuer or co-borrower, (ii) engaged in any business, activity or transaction, or owned any property, assets or Equity Interests other than (A) performing its obligations and activities incidental to the co-issuance or co-borrowing of the Indebtedness that it was formed to co-issue or co-borrow and (B) other activities incidental to the maintenance of its existence, including legal, tax and accounting administration, (iii) consolidated with or merged with or into any Person, or (iv) failed to hold itself out to the public as a legal entity separate and distinct from all other Persons.

“Fiscal Quarter” means a fiscal quarter of the Borrower ending on the last day of March, June, September or December.

“Fiscal Year” means a fiscal year of the Borrower ending on December 31.

“Fitch” means Fitch Ratings, Inc. or any successor to the ratings business thereof.

“Foreign Lender” means any Lender that is not a U.S. Person, including such a Lender when acting in the capacity of an LC Issuer.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to the LC Issuer, such Defaulting Lender’s Applicable Percentage of the outstanding LC Obligations other than LC Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender’s Applicable Percentage of Swingline Loans other than Swingline Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“GAAP” means those generally accepted accounting principles and practices in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or any generally recognized successor) and which, in the case of the Borrower and its Consolidated Subsidiaries, are applied for all periods after the date hereof in a manner consistent with the manner in which such principles and practices were applied

to the Initial Financial Statements. If any change in any such accounting principle or practice is required in order for such principle or practice to continue as a generally accepted accounting principle or practice, all reports and financial statements required hereunder with respect to the Borrower or with respect to the Borrower and its Consolidated Subsidiaries may be prepared in accordance with such change, but all calculations and determinations to be made hereunder may be made in accordance with such change only after notice of such change is given to each Lender, and the Borrower and Majority Lenders agree to such change insofar as it affects the accounting of the Borrower or of the Borrower and its Consolidated Subsidiaries.

“General Partner” means Sunoco GP LLC, a Delaware limited liability company, or the corporate, partnership or limited liability successor thereto.

“Go-Zone Bond” means any bond issued pursuant to a Go-Zone Bond Indenture.

“Go-Zone Bond Indentures” means, collectively: (a) the Lease Agreement between the Parish of St. James, State of Louisiana and NuStar Logistics, L.P., dated June 1, 2008, as amended by that certain First Supplement and Amendment to Lease Agreement (Series 2008), dated June 1, 2020, among the Parish of St. James, State of Louisiana, NuStar Logistics, L.P., NuStar and NuStar Pipeline Operating Partnership, L.P., and the related Indenture of Trust, dated as of June 1, 2008, as supplemented and amended by the First Supplement and Amendment to Indenture of Trust, dated as of June 1, 2020, in each case, between Parish of St. James, State of Louisiana and U.S. Bank National Association, as Trustee; (b) the Lease Agreement between the Parish of St. James, State of Louisiana and NuStar Logistics, L.P., dated July 1, 2010, as amended by that certain First Supplement and Amendment to Lease Agreement (Series 2010), dated June 1, 2020, among the Parish of St. James, State of Louisiana, NuStar Logistics, L.P., NuStar and NuStar Pipeline Operating Partnership, L.P., and the related Indenture of Trust, dated as of July 1, 2010, as supplemented and amended by the First Supplement and Amendment to Indenture of Trust, dated as of June 1, 2020, in each case, between Parish of St. James, State of Louisiana and U.S. Bank National Association, as Trustee; (c) the Lease Agreement between the Parish of St. James, State of Louisiana and NuStar Logistics, L.P., dated October 1, 2010, as amended by that certain First Supplement and Amendment to Lease Agreement (Series 2010A), dated June 1, 2020, among the Parish of St. James, State of Louisiana, NuStar Logistics, L.P., NuStar and NuStar Pipeline Operating Partnership, L.P., and the related Indenture of Trust, dated as of October 1, 2010, as supplemented and amended by the First Supplement and Amendment to Indenture of Trust, dated as of June 1, 2020, in each case, between Parish of St. James, State of Louisiana and U.S. Bank National Association, as Trustee; (d) the Lease Agreement between the Parish of St. James, State of Louisiana and NuStar Logistics, L.P., dated December 1, 2010, as amended by that certain First Supplement and Amendment to Lease Agreement (Series 2010B), dated June 1, 2020, among the Parish of St. James, State of Louisiana, NuStar Logistics, L.P., NuStar and NuStar Pipeline Operating Partnership, L.P., and the related Indenture of Trust, dated as of December 1, 2010, as supplemented and amended by the First Supplement and Amendment to Indenture of Trust, dated as of June 1, 2020, in each case, between Parish of St. James, State of Louisiana and U.S. Bank National Association, as Trustee; and (e) the Lease Agreement between the Parish of St. James, State of Louisiana and NuStar Logistics, L.P., dated August 1, 2011, as amended by that certain First Supplement and Amendment to Lease Agreement (Series 2011), dated June 1, 2020, among the Parish of St. James, State of Louisiana, NuStar Logistics, L.P., NuStar and NuStar Pipeline Operating Partnership, L.P., and the related Indenture of Trust, dated as of August 1, 2011, as supplemented and amended by the First Supplement and Amendment to Indenture of Trust, dated as of June 1, 2020, in each case, between Parish of St. James, State of Louisiana and U.S. Bank National Association, as Trustee.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The term “Guarantee” shall exclude endorsements in the ordinary course of business of negotiable instruments in the course of collection. The amount of any Guarantee shall be deemed to be an amount equal to the lesser of (i) the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made, or (ii) if not stated or determinable or if such Guarantee by its terms is limited to less than the full amount of such primary obligation, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith or the amount to which such Guarantee is limited. The term “Guarantee” as a verb has a corresponding meaning.

“Guaranteed Cash Management Agreement” means any Cash Management Agreement that is entered into by and between any Loan Party and any Cash Management Bank.

“Guaranteed Hedge Agreement” means any Hedging Contract permitted under Article VII that is entered into by and between any Loan Party and any Hedge Bank; provided, that any confirmation or other transaction entered into in respect of any such Hedging Contract after such Person ceases to be a Leader or an Affiliate of a Lender shall not constitute a Guaranteed Hedge Agreement.

“Guaranteed Parties” means, collectively, the Administrative Agent, the LC Issuer, the Swingline Lender, the Lenders, the Hedge Banks, the Cash Management Banks, and any other party for whose benefit a Guarantor has entered into a Guaranty.

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“Guarantors” means any Subsidiary Guarantor.

“Guaranty” means, collectively, the Subsidiary Guaranty and any other Guarantee of the Obligations made by the applicable Guarantors in favor of the Administrative Agent for the benefit of the Guaranteed Parties.

“Hazardous Materials” means any substances regulated under any Environmental Law, whether as pollutants, contaminants, or chemicals, or as industrial, toxic or hazardous substances or wastes, or otherwise.

“Hedge Bank” means any Person that, (a) at the time it enters into a Hedging Contract, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Hedging Contract or (b) at the time it entered into a Hedging Contract, was an Existing Lender or an Affiliate thereof, in its capacity as a party to such Hedging Contract.

“Hedging Contract” means (a) any agreement providing for options, swaps, floors, caps, collars, forward sales or forward purchases involving interest rates, commodities or commodity prices, equities, currencies, bonds, or indexes based on any of the foregoing, (b) any option, futures or forward contract traded on an exchange, and (c) any other derivative agreement or other similar agreement or arrangement.

“Hybrid Securities” means any hybrid securities consisting of trust preferred securities or deferrable interest subordinated debt securities with maturities of at least 20 years issued either by the Borrower or by wholly owned special purpose entities that are Subsidiaries.

“Increase” has the meaning specified in Section 2.17(a).

“Increase Agreement” has the meaning specified in Section 2.17(a).

“Increase Effective Date” has the meaning given to such term in Section 2.17(a).

“Incremental Amendment” has the meaning given to such term in Section 2.17(c).

“Incremental Term Loan Commitment” means the commitment of any Lender to make Incremental Term Loans to the Borrower.

“Incremental Term Loan Facility” means, at any time, the Incremental Term Loan Commitments of a specified tranche at such time (or, if the Incremental Term Loan Commitments of a specified tranche have terminated, the sum of all Incremental Term Loans outstanding at such time that were funded in connection with such Incremental Term Loan Commitments).

“Incremental Term Loan Lender” means a Lender with an Incremental Term Loan Commitment or an outstanding Incremental Term Loan.

“Incremental Term Loan Maturity Date” means the final maturity date of any Incremental Term Loan, as set forth in the applicable Incremental Amendment (as such date may be extended pursuant to Section 2.18).

“Incremental Term Loans” has the meaning assigned to such term in Section 2.17(a).

“Indebtedness” of any Person at any date means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person’s business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all mandatorily redeemable preferred Equity Interests of such Person, (h) all Guarantees of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, and (j) for the purposes of Section 8.01(g) only, all obligations of such Person in respect of Hedging Contracts. For the avoidance of doubt, obligations arising under performance guaranties entered into by the Borrower or any of its Subsidiaries constituting a Standard Securitization Undertaking shall not be “Indebtedness”.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower or any Guarantor under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Indemnitee” or “Indemnitees” has the meaning given to such term in Section 10.04(b).

“Information” has the meaning specified in Section 10.07.

“Initial Financial Statements” means the audited Consolidated financial statements of the Borrower for the fiscal year ending December 31, 2023.

“Interest Coverage Ratio” means, as of any date, the ratio of (a) Consolidated EBITDA for the period of four consecutive fiscal quarters ending on such date to (b) Consolidated Interest Expense for the period of four consecutive fiscal quarters ending on such date.

“Interest Payment Date” means, (a) as to any Term SOFR Loan, the last day of each Interest Period applicable to such Loan and the applicable Maturity Date; provided, however, that if any Interest Period for a Term SOFR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan, the last Business Day of each Fiscal Quarter and the applicable Maturity Date.

“Interest Period” means as to each Term SOFR Loan, the period commencing on the date such Term SOFR Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date one, three or six months thereafter, as selected by the Borrower in its Loan Notice; *provided that*:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period pertaining to a Term SOFR Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the applicable Maturity Date.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or Joint Venture Interest in such other Person and any arrangement pursuant to which the investor Guarantees obligations of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of determining the outstanding amount of an Investment, the amount of any Investment shall be the amount actually invested (without adjustment for subsequent increases or decreases in the value of such Investment) reduced by the cash proceeds received upon the sale, liquidation, repayment or disposition of such Investment (less all costs thereof) or other cash Distributions or proceeds received from such Investment, whether as earnings or as a return of capital, in an aggregate amount up to but not in excess of the amount of such Investment.

“Investment Grade Event” means (a) with respect to the senior, unsecured, non-credit enhanced long-term debt of the Borrower, the Borrower has received at least two of the following: a rating of at least (i) Baa3 by Moody’s, (ii) BBB- by S&P, and (iii) BBB- by Fitch and (b) with respect to any such rating from Moody’s, S&P, or Fitch that is lower than as set forth in the foregoing clauses (a)(i) through (iii), either (A) the senior, unsecured, non-credit enhanced long-term debt of the Borrower or (B) the corporate issuer rating of the Borrower is rated at least (1) Ba1 (stable) by Moody’s, (2) BB+ (stable) by S&P, or (3) BB+ (stable) by Fitch, as applicable.

“IRS” means the United States Internal Revenue Service.

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Laws & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the LC Issuer and the Borrower (or any Subsidiary) or in favor of the LC Issuer and relating to any such Letter of Credit.



“Joint Venture Interest” means an acquisition of or Investment in Equity Interests in any Person, held directly or indirectly by the Borrower, that will not be a Subsidiary or Unrestricted Subsidiary after giving effect to such acquisition or Investment.

“Judgment Currency” has the meaning specified in Section 10.23.

“Latest Maturity Date” means, at any date of determination, the latest maturity or expiration date applicable to any Loan or Commitment hereunder at such time, including the latest of (a) any Incremental Term Loan Maturity Date, (b) the Revolving Credit Loan Maturity Date and (c) any Extended Maturity Date.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“LC Advance” means, with respect to each Lender, such Lender’s funding of its participation in any LC Borrowing in accordance with its Applicable Percentage. All LC Advances shall be denominated in Dollars.

“LC Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing of Revolving Credit Loans. All LC Borrowings shall be denominated in Dollars.

“LC Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“LC Disbursement” means a payment made by the LC Issuer pursuant to a Letter of Credit.

“LC Issuer” means (a) (i) Bank of America, in its capacity as issuer and (ii) on and after the Parkland Acquisition Closing Date only, each of Barclays Bank PLC and Royal Bank of Canada, in each case of the foregoing clauses (i) and (ii), in their respective capacities as issuers of Letters of Credit hereunder, ~~or any successor issuer of Letters of Credit hereunder together with their respective successors,~~ (b) Wells Fargo Bank, N.A. with respect to any Existing Letters of Credit issued under the NuStar Credit Agreement and (c) ~~after the Closing Date,~~ each other Lender (if any) as the Borrower may from time to time select as an LC Issuer hereunder pursuant to Section 2.09(k); provided that such Lender has agreed to be an LC Issuer. As used herein, the term “LC Issuer” shall mean “each LC Issuer” or “the applicable LC Issuer,” as the context may require.

“LC Obligations” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time, including any automatic or scheduled increases provided for by the terms of such Letters of Credit, determined without regard to whether any conditions to drawing could be met at that time, plus (b) the aggregate amount of all Unreimbursed Amounts, including all LC Borrowings. The LC Obligations of any Lender at any time shall be its Applicable Percentage of the total LC Obligations at such time. For all purposes of this

Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Article 29(a) of the UCP or Rule 3.13 or Rule 3.14 of the ISP or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be “outstanding” and “undrawn” in the amount so remaining available to be paid, and the obligations of the Borrower and each Lender shall remain in full force and effect until the LC Issuer and the Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

“Lender” has the meaning given to such term in the introductory paragraph hereto. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender.

“Lender Recipient Party” means collectively, the Lenders, the Swingline Lender, and the LC Issuer.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

“Letter of Credit” means any standby letter of credit issued hereunder and shall include the Existing Letters of Credit. Letters of Credit may be issued in Dollars or in an Alternative Currency.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the LC Issuer.

“Letter of Credit Commitment” means, with respect to each LC Issuer, the commitment of such LC Issuer to issue Letters of Credit hereunder. As of the Amendment No. 1 Effective Date, (a) the amount of each LC Issuer’s Letter of Credit Commitment is set forth opposite the name of such LC Issuer on Schedule 1-A to Amendment No. 1 and (b) the Aggregate Letter of Credit Commitments is equal to \$100,000,000. On the Parkland Acquisition Closing Date, unless the Aggregate Letter of Credit Commitments have, as of such date, otherwise been increased to an amount equal to or greater than \$250,000,000, (a) each of Barclays Bank PLC and Royal Bank of Canada shall, without any further amendment to this Agreement or further action by any party, become an LC Issuer hereunder, (b) the amount of each LC Issuer’s Letter of Credit Commitment shall be as set forth on Schedule 1-B to Amendment No. 1 and (c) the Aggregate Letter of Credit Commitments will be equal to \$250,000,000. On and after the Amendment No. 1 Effective Date, each LC Issuer’s Letter of Credit Commitment from time to time shall be such amount as shall be designated in writing to the Administrative Agent by the Borrower and such LC Issuer, provided that, any LC Issuer shall be permitted at any time and from time to time to increase its Letter of Credit Commitment, with the Borrower’s written consent, upon providing five (5) days’ prior written notice thereof to the Administrative Agent; provided however, that no increase to any LC Issuer’s Letter of Credit Commitment shall result in the Aggregate Letter of Credit Commitments to exceed the Aggregate Revolving Credit Loan Commitments then in effect. The Letter of Credit Commitments are part of, and not in addition to, the Aggregate Revolving Credit Loan Commitments.

“Letter of Credit Expiration Date” means the day that is five Business Days prior to the end of the Commitment Period (or if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee” has the meaning specified in Section 2.12(c).

“Letter of Credit Report” means a certificate substantially in the form of Exhibit H or any other form approved by the Administrative Agent.

~~“Letter of Credit Sublimit” means an amount equal to \$100,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Credit Loan Commitments.~~

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

“Loan Documents” means this Agreement, each Note, each Issuer Document, each Guaranty, and any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.19 of this Agreement, the Fee Letters, and all other agreements, certificates, documents, instruments and writings at any time delivered in connection herewith or therewith (exclusive of term sheets and commitment letters).

“Loan Notice” means a notice of (a) a Borrowing, (b) a Conversion of Loans from one Type to the other, pursuant to Section 2.04, or (c) a Continuation of Term SOFR Loans, pursuant to Section 2.04, which, if in writing, shall be substantially in the form of Exhibit C or such other forms as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Loan Party” means the Borrower or any Subsidiary Guarantor.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement, including the Revolving Credit Loans, the Incremental Term Loans and the Swingline Loans.

“Majority Lenders” means, as of any date of determination, Lenders having more than 50% of the Aggregate Commitments and outstanding Loans (with the aggregate amount of each Lender’s risk participation and funded participation in LC Obligations and Swingline Loans being deemed “held” by such Lender for purposes of this definition) or, if the Commitment of each Lender to make Loans and the obligation of the LC Issuer to make LC Credit Extensions have been terminated pursuant to Section 8.02, Lenders holding in the aggregate more than 50% of all Loans outstanding (with the aggregate amount of each Lender’s risk participation and funded participation in LC Obligations and Swingline Loans being deemed “held” by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Lenders.

“Material Adverse Effect” means a material adverse change in, or a material adverse effect on (i) the results of operations, business, financial condition or assets of the Borrower and its Subsidiaries, taken as a whole, or (ii) the ability of the Loan Parties (taken as a whole) to perform their obligations under this Agreement, the Notes or any other applicable Loan Document, or (iii) the legality, validity, binding effect or enforceability of this Agreement, the Notes or any other Loan Document.

“Material Project” means, in respect of a Person, the construction or expansion of any capital project of such Person, the aggregate capital cost of which (inclusive of capital costs expended prior to the acquisition thereof) is reasonably expected by the Borrower to exceed, or exceeds \$20,000,000.

“Material Project EBITDA Adjustments” shall mean, with respect to each Material Project of a Person:

(A) prior to the Commercial Operation Date of a Material Project (and including the Fiscal Quarter in which such Commercial Operation Date occurs) a percentage (based on the then-current completion percentage of such Material Project) of an amount determined by the Borrower (and approved by the Administrative Agent) as the projected Consolidated EBITDA attributable to such Material Project for the first 12-month period (except an annualized amount for such other period as may be proposed by the Borrower and approved by Majority Lenders shall be used) following the scheduled Commercial Operation Date of such Material Project (such amount to be determined based on customer contracts relating to such Material Project, the creditworthiness of the other parties to such contracts, projected revenues from such contracts, capital costs and expenses, scheduled Commercial Operation Date and other factors deemed appropriate by the Administrative Agent) which may, at the Borrower's option, be added to actual Consolidated EBITDA for the Fiscal Quarter in which construction or expansion of such Material Project commences and for each Fiscal Quarter thereafter until the Commercial Operation Date of such Material Project (including the Fiscal Quarter in which such Commercial Operation Date occurs, but without duplication of any actual Consolidated EBITDA attributable to such Material Project following such Commercial Operation Date); provided that if the actual Commercial Operation Date does not occur by the scheduled Commercial Operation Date, the foregoing amount shall be reduced, for quarters ending after the scheduled Commercial Operation Date to (but excluding) the first full quarter after the actual Commercial Operation Date, by the following percentage amounts depending on the period of delay (based on the actual period of delay or then-estimated delay, whichever is longer): (i) 90 days or less, 0%, (ii) longer than 90 days, but not more than 180 days, 25%, (iii) longer than 180 days but not more than 270 days, 50%, (iv) longer than 270 days but not more than 365 days, 75%, and (v) longer than 365 days, 100%; and

(B) beginning with the first full Fiscal Quarter following the Commercial Operation Date of a Material Project and for the two immediately succeeding Fiscal Quarters, an amount to be approved by the Administrative Agent as the projected Consolidated EBITDA attributable to such Material Project (determined in the same manner set forth in clause (A) above) for the balance of the four full Fiscal Quarter period following such Commercial Operation Date, may, at the Borrower's option, be added to actual Consolidated EBITDA for such Fiscal Quarters, but without duplication of any actual Consolidated EBITDA attributable to such Material Project following such Commercial Operation Date included in Consolidated EBITDA.

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Notwithstanding the foregoing, no such additions shall be allowed with respect to any Material Project unless:

(a) not later than 20 days (or such shorter time period as may be agreed by the Administrative Agent) prior to the delivery of a certificate required by the terms and provisions of Section 6.01(b) if Material Project EBITDA Adjustments will be made to Consolidated EBITDA in determining compliance with Section 7.12, the Borrower shall have delivered to the Administrative Agent a proposed determination of Material Project EBITDA Adjustments setting forth (i) the scheduled Commercial Operation Date for such Material Project and (ii) projections of Consolidated EBITDA attributable to such Material Project, along with a reasonably detailed explanation of the basis therefor, and

(b) prior to the date such certificate is required to be delivered, the Administrative Agent shall have approved (such approval not to be unreasonably withheld or delayed) such projections and shall have received such other information and documentation as the Administrative Agent may reasonably request, all in form and substance satisfactory to the Administrative Agent; and

(c) the aggregate amount of all Material Project EBITDA Adjustments during any period shall be limited to 20% of the total actual Consolidated EBITDA of the Borrower and its Subsidiaries for such period (which total actual Consolidated EBITDA shall be determined without including any Material Project EBITDA Adjustments).

“Material Subsidiary” means any Subsidiary that is a “significant subsidiary” as defined in Article I, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act of 1933, as amended, as such regulation is in effect on any date of determination.

“Maturity Date” means an Incremental Term Loan Maturity Date, the Extended Maturity Date or the Revolving Credit Loan Maturity Date, as the context shall require.

“Maximum Rate” has the meaning given to such term in Section 10.09.

“Minimum Collateral Amount” means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 102% of the Fronting Exposure of the LC Issuer and the Swingline Lender with respect to Letters of Credit or Swingline Loans issued and outstanding at such time and (b) otherwise, an amount determined by the Administrative Agent, the LC Issuer and the Swingline Lender in their sole discretion.

“Moody’s” means Moody’s Investors Service, Inc., or its successor.

“Net Leverage Ratio” means the ratio of (a) Consolidated Funded Indebtedness outstanding on the specified date to (b) Consolidated EBITDA for the specified four Fiscal Quarter period.

“New Lenders” has the meaning given to such term in Section 2.17(a).

“Non-Consenting Lenders” has the meaning specified in Section 2.18(c).

“Non-Extension Notice Date” has the meaning specified in Section 2.07(b).

“Note” means a promissory note or amended and restated promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit D.

“Notice of Additional LC Issuer” means a certificate substantially in the form of Exhibit K or any other form approved by the Administrative Agent.

“Notice of Extension” has the meaning specified in Section 2.18(a).

“Notice of Loan Prepayment” means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit J or such other forms as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“NuStar” means NuStar Energy, L.P. a Delaware limited partnership.

“NuStar Credit Agreement” means that certain Second Amended and Restated 5-Year Revolving Credit Agreement, dated as of January 28, 2022, by and among, *inter alios*, NuStar Logistics, L.P., NuStar, the lenders from time to time party thereto and Wells Fargo Bank, National Association, as administrative agent.

“NuStar Preferred Equity” means the NuStar’s (a) 8.50% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units, (b) 7.625% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units, and (c) 9.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units.

“NuStar Receivables Facility” means that certain Receivables Financing Agreement, dated as of June 15, 2015, among NuStar, as initial servicer, NuStar Finance LLC, as borrower, PNC Bank, National Association, as a lender, group agent and administrative agent and the other lenders that may from time to time be party thereto.

“NuStar Receivables Purchase Agreement” means that certain Purchase and Sale Agreement, dated as of June 15, 2015, among NuStar, as servicer, NuStar Finance LLC, as buyer, and the originators party thereto from time to time.

“NuStar Senior Notes” means, collectively, the (a) 5.75% senior notes due 2025, (b) the 6.00% senior notes due 2026, (c) the 5.625% senior notes due 2027 and (d) the 6.375% senior notes due 2030, in each case, issued by NuStar Logistics, L.P. and, as of the Closing Date, guaranteed by NuStar and NuStar Pipeline Operating Partnership, L.P., under the Indenture, dated as of July 15, 2002 among NuStar Logistics, L.P., the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee.

“NuStar Subordinated Notes” means the 7.625% Fixed-to-Floating Rate Subordinated Notes due 2043 issued by NuStar Logistics, L.P. and, as of the Closing Date, guaranteed by NuStar and NuStar Pipeline Operating Partnership, L.P., under the Indenture, dated as of January 22, 2013.

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower or any Guarantor arising under any Loan Document, Guaranteed Hedge Agreement or Guaranteed Cash Management Agreement or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Borrower or any Guarantor of any proceeding under any Debtor Relief Laws naming it as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that the Obligations shall not include any Excluded Swap Obligations.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Original Obligation” has the meaning specified in the definition of “Contingent Residual Support Agreements”.

“Original Obligor” has the meaning specified in the definition of “Contingent Residual Support Agreements”.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

“Overnight Rate” means, for any day, with respect to any amount denominated in Dollars, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent, the LC Issuer, or the Swingline Lender, as the case may be, in accordance with banking industry rules on interbank compensation.

“Participant” has the meaning given to such term in Section 10.06(d).

“Participant Register” has the meaning specified in Section 10.06(d).

“Participating Member State” means any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Parkland” means Parkland Corporation, a corporation formed under the laws of the Province of Alberta.

“Parkland Acquisition” means the acquisition, directly or indirectly, of all of the issued and outstanding common shares of Parkland by the Borrower, by way of an arrangement in accordance with the Plan of Arrangement (as defined in the Parkland Acquisition Agreement) under Section 193 of the *Business Corporations Act* (Alberta), pursuant to the terms of the Parkland Acquisition Agreement.

“Parkland Acquisition Agreement” means that certain Arrangement Agreement, dated May 4, 2025 (together with all schedules, appendices and exhibits thereto), among the Borrower, 2709716 Alberta Ltd., a corporation formed under the laws of the Province of Alberta, Nustar GP Holdings, LLC and Parkland.

“Parkland Acquisition Closing Date” means the “Effective Date” (as defined in the Parkland Acquisition Agreement).

“Parkland Existing Notes” means Indebtedness outstanding under Parkland’s existing (a) 5.875% Senior Notes due 2027, (b) 6.000% Senior Notes due 2028, (c) 4.375% Senior Notes due 2029, (d) 4.500% Senior Notes due 2029, (e) 4.625% Senior Notes due 2030 and (f) 6.625% Senior Notes due 2032.

“Parkland Transactions” means, collectively, (a) the execution and delivery of Amendment No. 1, (b) the consummation of the Parkland Acquisition, (c) the issuance of any Letters of Credit and Borrowings of Revolving Credit Loans and the use of proceeds thereof on the Parkland Acquisition Closing Date, (d) the repayment and/or refinancing of certain existing Indebtedness of Parkland and its subsidiaries, and (e) the payment of fees, premiums, costs and expenses incurred in connection with or related to any of the foregoing

“Parkland Indenture” means each indenture governing any Parkland Existing Notes.

“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“Permitted Liens” has the meaning given to such term in Section 7.02.

“Permitted Parkland Acquisition Bridge Debt” means Indebtedness of the Borrower or any Subsidiary in an aggregate outstanding principal amount not to exceed \$2,650,000,000, the proceeds of which will be used to finance a portion of the consideration for the Parkland Acquisition on the Parkland Acquisition Closing Date; provided that (a) the obligors, whether direct or contingent, in respect of such Indebtedness do not include any Person that is not an obligor (including pursuant to the Subsidiary Guaranty) of the Obligations, (b) such Indebtedness is unsecured, (c) the scheduled maturity date of such Indebtedness is within three-hundred sixty-five (365) days after the date of incurrence thereof and (d) such Indebtedness does not contain any financial covenants that are more restrictive than those contained in, or that are not otherwise contained in, this Agreement.

“Permitted Parkland Backstop Bridge Cap” means, as of any date of determination, an amount equal to (a) \$3,400,000,000 minus (b) an amount equal to the sum, without duplication, of:



(i) 100% of the aggregate outstanding principal amount of any series of Parkland Existing Notes on the 91<sup>st</sup> day after May 4, 2025, in the event that (x) no “Ratings Decline” (as defined in the applicable Parkland Indenture) has occurred with respect to such series of Parkland Existing Notes and (y) the rating of such series of Parkland Existing Notes has not, at any time after May 4, 2025, been under publicly announced consideration for possible downgrade by an applicable rating agency;

(ii) 100% of the aggregate outstanding principal amount of any series of Parkland Existing Notes on the date that (x) a consent from holders of each series of Parkland Existing Notes to any change of control arising out of the Parkland Acquisition and the related transactions or otherwise a waiver of the requirement to make a “Change of Control Offer” (as defined in the applicable Parkland Indenture) pursuant to each Parkland Indenture is obtained with respect to any series of Parkland Existing Notes or (y) a “Change of Control Offer” (as defined in the applicable Parkland Indenture) is no longer possible under the applicable Parkland Indenture as a result of such Parkland Existing Notes having been repaid, redeemed, satisfied and discharged or otherwise terminated (including pursuant to an exchange offer therefor);

(iii) 100% of the aggregate outstanding principal amount of any series of Parkland Existing Notes on the 91<sup>st</sup> day after the Amendment No. 1 Effective Date in the event that (x) no “Ratings Decline” (as defined in the applicable Parkland Indenture) has occurred with respect to an applicable series of Parkland Existing Notes and (y) the rating of such series of Parkland Existing Notes has not, at any time after May 4, 2025, been under publicly announced consideration for possible downgrade by an applicable rating agency; and

(iv) on any “Change of Control Payment Date” (as defined in the applicable Parkland Indenture) with respect to a series of Parkland Existing Notes, 100% of the aggregate outstanding principal amount of Parkland Existing Notes held by holders of such series of Parkland Existing Notes that do not elect to participate in the applicable “Change of Control Offer” (as defined in the applicable Parkland Indenture);

in each case for the foregoing clauses (i) through (iv), on or prior to such date of determination; provided that no additional Permitted Parkland Backstop Bridge Debt may be incurred on or after the date that is 121 days after the Amendment No. 1 Effective Date (or, if such date is not a Business Day, the immediately succeeding Business Day).

“Permitted Parkland Backstop Bridge Debt” means Indebtedness of the Borrower or any Subsidiary in an aggregate outstanding principal amount not to exceed the Permitted Parkland Backstop Bridge Cap, the proceeds of which will be used to refinance the applicable Parkland Existing Notes tendered by the holders thereof in any “Change of Control Offer” (as defined in the applicable Parkland Indenture) conducted in accordance with the applicable Parkland Indenture in connection with the Parkland Acquisition and any related transactions; provided that (a) the obligors, whether direct or contingent, in respect of such Indebtedness do not include any Person that is not an obligor (including pursuant to the Subsidiary Guaranty) of the Obligations, (b) such Indebtedness is unsecured, (c) the scheduled maturity date of any loans under such Indebtedness is within three-hundred sixty-five (365) days after the date of incurrence of such loans and (d) such Indebtedness does not contain any financial covenants that are more restrictive than those contained in, or that are not otherwise contained in, this Agreement.

“Permitted Parkland Bridge Debt” means any Permitted Parkland Acquisition Bridge Debt and/or any Permitted Parkland Backstop Bridge Debt, as the context may require.

“Permitted Priority Debt” means (i) Indebtedness of a Subsidiary, whether or not secured, other than Indebtedness permitted under clauses (i) through (x) and (xii) through (xiv) of Section 7.01(b) and (ii) Indebtedness of the Borrower or any Subsidiary secured by Liens on property of the Borrower or any Subsidiary, other than Liens permitted under subsections (a) through (r), and (t) of Section 7.02, not to exceed at any one time outstanding in the aggregate under clauses (i) and (ii), but without duplication, an aggregate principal amount equal to 20% of Consolidated Net Tangible Assets.

“Permitted Refinancing Debt” means any modification, refinancing, refunding, renewal or extension of any Indebtedness; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed or extended except by an amount equal to unpaid accrued interest, breakage and premium thereon plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder; (b) such modification, refinancing, refunding, renewal or extension (i) has a final maturity date the same as or later than the final maturity date of the Indebtedness so modified, refinanced, refunded, renewed or extended and (ii) except for any revolving Indebtedness, has a Weighted Average Life to Maturity the same as or greater than the Weighted Average Life to Maturity of the Indebtedness so modified, refinanced, refunded, renewed or extended; (c) to the extent such Indebtedness being modified, refinanced, refunded, renewed or extended is secured, such modification, refinancing, refunding, renewal or extension is secured by no more collateral than the Indebtedness being modified, refinanced, refunded, renewed or extended and the property constituting such collateral is not changed and (d) the obligors, whether direct or contingent, in respect of such Indebtedness being modified, refinanced, refunded, renewed or extended are not changed.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Mexican Pesos” means the lawful currency of Mexico.

“Plan of Reorganization” has the meaning specified in Section 10.06(g)(iii).

“Platform” has the meaning specified in Section 6.02.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Lender” has the meaning specified in Section 6.02.

“OFC Credit Support” has the meaning specified in Section 10.17.

“Qualified Securitization Assets” means (a) any accounts or notes receivable owed to the Borrower or any Subsidiary (whether now existing or arising or acquired in the future) arising in the ordinary course of business from the sale of goods or services, (b) all collateral securing such accounts or notes receivable, (c) all contracts and contract rights and all guarantees or other obligations owed to the Borrower or a Subsidiary, in each case in respect of such accounts or notes

receivable, and (d) all proceeds of such accounts or notes receivable and other assets (including contract rights) related to the foregoing which, in the case of clauses (a), (b), and (c) of this definition, are of the type customarily transferred or in respect of which security interests are customarily granted in connection with a securitization, factoring or similar monetization of similar assets.

“Qualified Securitization Attributed Indebtedness” means, as of any date of determination, the aggregate principal amount, unrecovered capital amount, or other similar amount outstanding in respect of any and all Qualified Securitization Transactions of the Borrower and its Subsidiaries.

“Qualified Securitization Entity” means (a) any Unrestricted Subsidiary or (b) any Wholly Owned Subsidiary of the Borrower, in each case, formed solely for the purpose of effecting a Qualified Securitization Transaction and engaging in activities reasonably related or incidental thereto, including, as of the Closing Date, NuStar Finance LLC.

“Qualified Securitization Transaction” means any transaction or series of transactions that may be entered into by the Borrower or any Subsidiary of the Borrower pursuant to which the Borrower or any Subsidiary of the Borrower may make a contribution to capital of, or sell, convey or otherwise transfer, any Qualified Securitization Assets to any Qualified Securitization Entity, or any other Person, including any intercompany Indebtedness incurred in connection therewith; provided that each of the following requirements is satisfied:

(a) all Qualified Securitization Attributed Indebtedness arising in connection with any such transaction or series of transactions is non-recourse to the Borrower and any Subsidiary (other than any Subsidiary that is a Qualified Securitization Entity) in all respects other than pursuant to Standard Securitization Undertakings;

(b) any Lien or other security provided for any Qualified Securitization Attributed Indebtedness in connection with such transaction or series of transactions is limited to assets described in Section 7.02(t); and

(c) all Qualified Securitization Attributed Indebtedness incurred in connection with any such transactions or series of transactions, collectively, does not exceed \$700,000,000 at any time outstanding.

“Quarterly Testing Date” means the last day of each Fiscal Quarter.

“Rating” means, as to each Rating Agency and on any day, the rating maintained by such Rating Agency on such day for senior, unsecured, non-credit enhanced long-term debt of the Borrower.

“Rating Agency” means Fitch, S&P or Moody’s.

“Receivables Repurchase Obligation” means any obligation of a seller of receivables in a Qualified Securitization Transaction to repurchase Qualified Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of such assets or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

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“Recipient” means (a) the Administrative Agent, (b) any Lender and (c) the LC Issuer, as applicable.

“Register” has the meaning given to such term in Section 10.06(c).

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Removal Effective Date” has the meaning specified in Section 9.06(b).

“Rescindable Amount” has the meaning specified in Section 2.14(b)(ii).

“Resignation Effective Date” has the meaning specified in Section 9.06(a).

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the chief executive officer, president, chief financial officer, or treasurer of any Loan Party or its general partner and, solely for purposes of notices given pursuant to Article II, any other officer of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of such Loan Party or its general partner shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such entity and such Responsible Officer shall be conclusively presumed to have acted on behalf of such entity. To the extent reasonably requested by the Administrative Agent, each Responsible Officer will provide an incumbency certificate and to the extent requested by the Administrative Agent, appropriate authorization documentation, in form and substance reasonably satisfactory to the Administrative Agent.

“Revaluation Date” means with respect to any Letter of Credit, each of the following: (a) each date of issuance, amendment and/or extension of a Letter of Credit denominated in an Alternative Currency, (b) each date of any payment by the LC Issuer under any Letter of Credit denominated in an Alternative Currency, (c) in the case of all Existing Letters of Credit denominated in an Alternative Currency, the Closing Date, and (d) such additional dates as the LC Issuer shall determine or the Majority Lenders shall require.

“Revolving Credit Facility” means, at any time, the Aggregate Revolving Credit Loan Commitments at such time (or, if the Aggregate Revolving Credit Loan Commitments have terminated, all Revolving Credit Loans, Swingline Loans and LC Obligations outstanding).

“Revolving Credit Facility Usage” means, at the time in question, the aggregate amount of all Revolving Credit Loans, Swingline Loans and LC Obligations outstanding after giving effect to (a) any borrowings, and prepayments or repayments of Revolving Credit Loans and Swingline Loans, as the case maybe, occurring on such date; and (b) any LC Credit Extension occurring on such date and any other changes in the aggregate amount of the LC Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

“Revolving Credit Loan” means a Loan made pursuant to Section 2.01.

“Revolving Credit Loan Commitment” means, as to each Lender, its obligation (a) to make Revolving Credit Loans to the Borrower pursuant to Section 2.01, and (b) to purchase participations in LC Obligations and Swingline Loans, in an aggregate principal amount at any one time outstanding not to exceed the Revolving Credit Loan Commitment amount set forth opposite such Lender’s name on Schedule 1 or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

“Revolving Credit Loan Maturity Date” means May 3, 2029, as may be extended pursuant to Section 2.18 with respect to the Consenting Lenders only.

“S&P” means Standard & Poor’s Ratings Services (a division of McGraw Hill, Inc.) or its successor.

“Sanctions” means international economic or financial sanctions, trade embargoes and anti-terrorism laws, including but not limited to those imposed, administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, His Majesty’s Treasury or other relevant sanctions authority.

“Scheduled Unavailability Date” has the meaning specified in Section 3.03(b).

“SOFR” means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

“SOFR Adjustment” means 0.10%.

“Solvency Certificate” means a certificate substantially in the form of Exhibit E.

“Specified Acquisition” means an Acquisition by the Borrower, a Subsidiary, an Unrestricted Subsidiary or a joint venture in which the Borrower or any Subsidiary owns Equity Interests for a purchase price of not less than \$50,000,000.

“Specified Acquisition Period” means a period elected by the Borrower that commences on the date elected by the Borrower, by notice to the Administrative Agent, following the occurrence of a Specified Acquisition and ending on the earliest of (a) the third Quarterly Testing Date occurring after the consummation of such Specified Acquisition, (b) the date designated by the Borrower as the termination date of such Specified Acquisition Period, or (c) the Quarterly Testing Date on which the Borrower is in compliance with Section 7.12(a)(ii) as such compliance is determined as if such period was not a Specified Acquisition Period; provided, in the event the Net Leverage Ratio exceeds 5.00 to 1.00 from and after the first occurrence of an Investment Grade Event as of the end of any Fiscal Quarter in which a Specified Acquisition has occurred, the

Borrower shall be deemed to have so elected a Specified Acquisition Period with respect thereto on such last day of such Fiscal Quarter, and provided, further, following the election (or deemed election) of a Specified Acquisition Period, the Borrower may not elect (or be deemed to have elected) a subsequent Specified Acquisition Period unless, at the time of such subsequent election, the Net Leverage Ratio does not exceed 5.00 to 1.00 from and after the first occurrence of an Investment Grade Event; and provided further with respect to a Specified Acquisition by an Unrestricted Subsidiary or a joint venture, a Specified Acquisition Period may be elected by the Borrower (or may be deemed elected by the Borrower) only if the consideration for such Specified Acquisition is raised by the Borrower or a Subsidiary. Only one Specified Acquisition Period may be elected (or deemed elected) with respect to any particular Specified Acquisition.

“Specified Representations” means those representations and warranties of the Borrower in (a) Sections 5.02, 5.03, 5.04(i)(2) and (3), and 5.05, in each case, solely with respect to the Loan Parties and (b) Sections 5.13, 5.14, and 5.16.

“Spot Rate” for a currency means the rate determined by the LC Issuer to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two (2) Business Days prior to the date as of which the foreign exchange computation is made; provided that the LC Issuer may obtain such spot rate from another financial institution designated by the LC Issuer in its reasonable discretion if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency; and provided further that the LC Issuer may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Alternative Currency.

“Standard Securitization Undertakings” means representations, warranties, covenants and indemnities entered into by the Borrower or any Subsidiary of the Borrower which the Borrower has determined in good faith to be customary in a transaction of the type contemplated by the definition of Qualified Securitization Transaction, including, without limitation, those relating to the servicing of the assets of a Qualified Securitization Entity, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Sterling” or “£” mean the lawful currency of the United Kingdom.

“subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares or securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person.

“Subsidiary” means any subsidiary of the Borrower other than an Unrestricted Subsidiary.

“Subsidiary Guarantor” means (a) any Material Subsidiary of the Borrower that is a Domestic Subsidiary and (b) any Elective Subsidiary Guarantor, in each case, that now or hereafter becomes party to the Subsidiary Guaranty pursuant to Section 6.09(d), including NuStar, NuStar Logistics, L.P., and NuStar Pipeline Operating Partnership L.P., unless and until such time as such Subsidiary has been released from its obligations under the Subsidiary Guaranty in accordance with the terms of the Loan Documents; provided that, in no event, shall a Qualified Securitization Entity be required to be a Subsidiary Guarantor.

“Subsidiary Guaranty” means that certain Fourth Amended and Restated Guaranty Agreement dated as of the Closing Date among each Subsidiary Guarantor party thereto and the Administrative Agent, substantially in the form of Exhibit F.

“Successor Rate” has the meaning specified in Section 3.03(b).

“Supported QFC” has the meaning specified in Section 10.17.

“Swap” means any agreement, contract, or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swap Obligation” means, with respect to any person, any obligation to pay or perform under any Swap.

“Swingline Lender” means Bank of America, in its capacity as provider of Swingline Loans hereunder.

“Swingline Loan” means a Loan made pursuant to Section 2.02.

“Swingline Loan Notice” means a notice of a Swingline Loan pursuant to Section 2.03(c), which shall be substantially in the form of Exhibit I or such other forms approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Swingline Sublimit” means an amount equal to the lesser of (a) \$100,000,000 and (b) the Aggregate Revolving Credit Loan Commitments. The Swingline Sublimit is part of, and not in addition to, the Aggregate Revolving Credit Loan Commitments.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Loan Facility” means a term loan facility (other than any facility which constitutes an Incremental Term Loan Facility) that may consist of one or more series of senior unsecured notes, in each case as determined by the Borrower; provided that (i) the obligors, whether direct or contingent, in respect of such Term Loan Facility do not include any Person that is not an obligor (including pursuant to the Subsidiary Guaranty) of the Obligations, (ii) such Term Loan Facility is unsecured, (iii) in the event that the Effective Yield for any such Term Loan Facility is greater than the Effective Yield for any tranche of Incremental Term Loans by more than 0.50% per annum, then solely with respect to any tranche of Incremental Term Loans, the interest rate margin for Base Rate Loans or Term SOFR Loans applicable to such tranche of Incremental Term Loans shall automatically be increased to the extent necessary so that the Effective Yield for such tranche

of Incremental Term Loans is equal to the Effective Yield for such Term Loan Facility minus 0.50% per annum; provided, further, that if such Term Loan Facility includes an interest rate floor greater than the applicable interest rate floor under any tranche of Incremental Term Loans, and such interest rate floor is in effect with respect to such Term Loan Facility on the date of determination and results in a higher interest margin, in such case, the interest rate floor (but not the interest rate margin, unless the Borrower otherwise elects in its sole discretion) applicable to any tranche of Incremental Term Loans shall be automatically increased to the extent of such differential between interest rate floors; provided that each basis point increase in the interest rate floor of any tranche of Incremental Term Loans shall count as one basis point of increase in the interest rate margin to any tranche of Incremental Term Loans for purposes of eliminating the differential between the Effective Yield for such Term Loan Facility and such Effective Yield for such tranche of Incremental Term Loans, (iv) the obligations under such Term Loan Facility shall not mature earlier than the then-effective Latest Maturity Date and shall not have a Weighted Average Life to Maturity that is shorter than the Weighted Average Life to Maturity of any tranche of Incremental Term Loans outstanding immediately prior to the incurrence of such Term Loan Facility and (v) such Term Loan Facility does not contain (A) any financial covenants that are more restrictive than those contained in, or that are not otherwise contained in, this Agreement or (B) any other covenants or events of default that are materially more onerous, taken as a whole, to the Borrower and its Subsidiaries than those contained in this Agreement.

“Term Loan Refinancing Indebtedness” means any refinancings, renewals or extensions of all or any part of any obligations under any Term Loan Facility, including without limitation with one or more new unsecured term loan facilities or one or more series of senior unsecured notes, in each case as determined by the Borrower; provided that (i) such Term Loan Refinancing Indebtedness is unsecured, (ii) the maturity date of any such Term Loan Refinancing Indebtedness is no earlier than the latest maturity date on which any of the loans under any Term Loan Facility then in effect as of the date such Term Loan Refinancing Indebtedness is incurred, (iii) the Weighted Average Life to Maturity of each series of Term Loan Refinancing Indebtedness is no shorter than the current Weighted Average Life to Maturity of the then outstanding loans under any Term Loan Facility as of the date such Term Loan Refinancing Indebtedness is incurred, (iv) the documents or instruments governing such Term Loan Refinancing Indebtedness do not contain representations and warranties, covenants or events of default which are materially more onerous to the Borrower and its Subsidiaries than those contained in the Term Loan Facility as of the date such Term Loan Refinancing Indebtedness is incurred, except for covenants or other provisions applicable only to periods after the then effective Latest Maturity Date or earlier repayment in full of the Loans; provided that such Term Loan Refinancing Indebtedness may contain additional or more restrictive financial covenants than the Term Loan Facility so long as such financial covenants are added for the benefit of the Lenders hereunder, (v) the principal amount of such Term Loan Refinancing Indebtedness does not exceed the principal amount of the obligations under any Term Loan Facility being refinanced, renewed or extended except by an amount equal to accrued interest, breakage and premium thereon plus reasonable fees and expenses, payable in connection therewith, and (vi) the obligors, whether direct or contingent, in respect of such Term Loan Refinancing Indebtedness do not include any Person that is not an obligor (including pursuant to the Subsidiary Guaranty) of the Obligations and any loans under any Term Loan Facility outstanding after giving effect to the incurrence of such Term Loan Refinancing Indebtedness and any other transactions consummated contemporaneously therewith.



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“Term SOFR” means:

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, *plus* the SOFR Adjustment for such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to such date with a term of one month commencing that day; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, *plus* the SOFR Adjustment for such term;

*provided* that if the Term SOFR determined in accordance with either of the foregoing clauses (a) or (b) of this definition would otherwise be less than zero, the Term SOFR shall be deemed zero for purposes of this Agreement.

“Term SOFR Loan” means a Loan that bears interest at a rate based on clause (a) of the definition of Term SOFR.

“Term SOFR Replacement Date” has the meaning specified in Section 3.03(b).

“Term SOFR Screen Rate” means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Administrative Agent) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“Termination Event” means (a) the occurrence with respect to any ERISA Plan of (i) a reportable event described in Sections 4043(c)(5) or (6) of ERISA or (ii) any other reportable event described in Section 4043(c) of ERISA other than a reportable event not subject to the provision for 30 day notice to the Pension Benefit Guaranty Corporation pursuant to a waiver by such corporation under Section 4043(a) of ERISA, or (b) the withdrawal of any ERISA Affiliate from an ERISA Plan during a plan year in which it was a “substantial employer” as defined in Section 4001(a)(2) of ERISA, or (c) the filing of a notice of intent to terminate any ERISA Plan or the treatment of any ERISA Plan amendment as a termination under Section 4041 of ERISA, or (d) the institution of proceedings to terminate any ERISA Plan by the Pension Benefit Guaranty Corporation under Section 4042 of ERISA, or (e) any other event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any ERISA Plan.

“Trade Date” has the meaning specified in Section 10.06(g).

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement and by each Loan Party of the other Loan Documents to which it is a party, the borrowing of Loans and the use of the proceeds thereof on the Closing Date, the refinancing hereunder of the Existing Credit Agreement, the consummation of the Closing Date Acquisition, the Acquired Business Debt Refinancing and the payment of fees and expenses related thereto.

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“Tribunal” means any government, any arbitration panel, any court or any governmental department, commission, board, bureau, agency or instrumentality of the United States or any state, province, commonwealth, nation, territory, possession, county, parish, town, township, village or municipality, whether now or hereafter constituted or existing.

“Type” means with respect to any Loan, its character as a Base Rate Loan or a Term SOFR Loan.

“UCC” means the Uniform Commercial Code as in effect in the State of New York from time to time.

“UCP” means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce (“ICC”) Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“United States” and “U.S.” mean the United States of America.

“Unreimbursed Amount” has the meaning specified in Section 2.09(a).

“Unrestricted Subsidiaries” means any subsidiary of the Borrower which is designated as an Unrestricted Subsidiary pursuant to Section 6.09.

“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Person” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regimes” has the meaning specified in Section 10.17.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(g)(iii).

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

“Wholly Owned Subsidiary” means, with respect to a Person, any subsidiary of such Person, all of the issued and outstanding stock, limited liability company membership interests, or partnership interests of which (including all rights or options to acquire such stock or interests) are directly or indirectly (through one or more subsidiaries) owned by such Person, excluding any general partner interests owned, directly or indirectly, by General Partner in any such subsidiary that is a partnership, in each case which general partner interests do not exceed two percent (2%) of the aggregate ownership interests of any such partnership and directors’ qualifying shares if applicable.

“Withholding Agent” means the Borrower, any Guarantor and the Administrative Agent.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

**1.02 Other Interpretive Provisions.** With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any organization document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall

be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law, rule or regulation shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

### **1.03 Accounting Terms.**

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Initial Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP would affect any provision set forth in any Loan Document, and either the Borrower or the Majority Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such provision to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Majority Lenders); provided that, until so amended, (i) such provision shall continue to be interpreted in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders a reconciliation between calculations of any applicable ratio or requirement made before and after giving effect to such change in GAAP.

**1.04 Rounding.** Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

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**1.05 Times of Day.** Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

**1.06 Letter of Credit Amounts.** Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

**1.07 Divisions.** For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

**1.08 Interest Rates.** The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to any reference rate referred to herein or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

**1.09 Exchange Rates; Currency Equivalents.** (a) The LC Issuer shall determine the Dollar Equivalent amounts of LC Obligations that are denominated in Alternative Currencies. Such Dollar Equivalent shall become effective as of such Revaluation Date and shall be the Dollar Equivalent of such amounts until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the LC Issuer.

(b) Wherever in this Agreement in connection with the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the LC Issuer.

#### **1.10 Additional Alternative Currencies**

(a) The Borrower may from time to time request that Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency"; provided that such requested currency is an Eligible Currency. Any such request shall be subject to the approval of the Administrative Agent and the LC Issuer.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 a.m., twenty (20) Business Days prior to the date of the desired LC Credit Extension (or such other time or date as may be agreed by the Administrative Agent and the LC Issuer, in their sole discretion). In the case of any such request, the Administrative Agent shall immediately notify the LC Issuer thereof. The LC Issuer shall notify the Administrative Agent, not later than 11:00 a.m., ten (10) Business Days after receipt of such request whether it consents, in its sole discretion to the issuance of Letters of Credit in such requested currency.

(c) Any failure by the LC Issuer to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such LC Issuer to permit Letters of Credit to be issued in such requested currency. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.10, the Administrative Agent shall promptly so notify the Borrower.

### **ARTICLE II THE COMMITMENTS AND CREDIT EXTENSIONS**

**2.01 Loans.** Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans in Dollars ("Revolving Credit Loans") to the Borrower upon the Borrower's request from time to time during the Commitment Period, provided that (a) subject to Sections 3.03, 3.04 and 3.06, all Lenders are requested to make Revolving Credit Loans of the same Type in accordance with their respective Applicable Percentages and as part of the same Borrowing, and (b) after giving effect to such Revolving Credit Loans, the Revolving Credit Facility Usage does not exceed the Aggregate Revolving Credit Loan Commitments, and the Loans of any Lender plus such Lender's Applicable Percentage of all LC Obligations does not exceed such Lender's Revolving Credit Loan Commitment. The aggregate amount of all Revolving Credit Loans that are Base Rate Loans in any Borrowing must be equal to \$5,000,000 or any higher integral multiple of \$1,000,000. The aggregate amount of all Term SOFR Loans in any Borrowing must be equal to \$5,000,000 or any higher integral multiple of \$1,000,000. The Borrower may have no more than fifteen (15) Borrowings of Term SOFR Loans outstanding at any time. Subject to the terms and conditions of this Agreement, the Borrower may borrow, repay, and reborrow under this Section 2.01.

## 2.02 Swingline Loans.

(a) Subject to the terms and conditions of this Agreement, the Swingline Lender agrees to make Swingline Loans to the Borrower from time to time during the Commitment Period in an aggregate amount not to exceed at any time outstanding the amount of the Swingline Sublimit, notwithstanding the fact that such Swingline Loans, when aggregated with the Applicable Percentage of the outstanding amount of Loans and LC Obligations of the Lender acting as Swingline Lender, may exceed the amount of such Lender's Revolving Credit Loan Commitment; provided, that after giving effect to any amount requested, (i) the aggregate principal amount of all outstanding Swingline Loans does not exceed the Aggregate Revolving Credit Loan Commitments, and (ii) the aggregate outstanding amount of the Loans of any Lender, plus such Lender's Applicable Percentage of the outstanding amount of all LC Obligations, plus such Lender's Applicable Percentage of the outstanding amount of all Swingline Loans does not exceed such Lender's Revolving Credit Loan Commitment; provided further that the Swingline Lender will not make a Swingline Loan from and after the date which is one (1) day after it has received irrevocable written notice from the Borrower or any Lender that one or more of the applicable conditions to Credit Extensions specified in Section 4.02 is not then satisfied until such conditions are satisfied or waived in accordance with the provisions of this Agreement (and the Swingline Lender shall be entitled to conclusively rely on any such notice and shall have no obligation to independently investigate the accuracy of such notice and shall have no liability to the Borrower in respect thereof if such notice proves to be inaccurate). Each Swingline Loan shall be a Base Rate Loan. The aggregate amount of Swingline Loans in any Borrowing shall not be subject to a minimum amount or increment.

(b) Swingline Loans shall be refunded by the Lenders on demand by the Swingline Lender. Such refundings shall be made by each Lender in accordance with its Applicable Percentage and shall thereafter be reflected as Loans of the Lenders on the books and records of the Administrative Agent. Each Lender shall fund its Applicable Percentage of Revolving Credit Loans as required to repay Swingline Loans outstanding to the Swingline Lender upon demand by the Swingline Lender but in no event later than 1:00 p.m. on the next succeeding Business Day after such demand is made. No Lender's obligation to fund its Applicable Percentage of a Swingline Loan shall be affected by any other Lender's failure to fund its Applicable Percentage of a Swingline Loan, nor shall any Lender's Applicable Percentage be increased as a result of any such failure of any other Lender to fund its Applicable Percentage of a Swingline Loan.

(c) The Borrower shall pay to the Swingline Lender the amount of each Swingline Loan (unless such Swingline Loan is fully refunded by the Lenders pursuant to Section 2.02(b)): on the earliest to occur of (i) demand by the Swingline Lender and (ii) the Revolving Credit Loan Maturity Date. If any portion of any such amount paid to the Swingline Lender shall be recovered by or on behalf of the Borrower from the Swingline Lender in bankruptcy or otherwise, the loss of the amount so recovered shall be ratably shared among all the Lenders in accordance with their Applicable Percentages (unless the amounts so recovered by or on behalf of the Borrower pertain to a Swingline Loan extended after the occurrence and during the continuance of an Event of Default of which the Administrative Agent has received notice in the manner required pursuant to Section 10.02 and which such Event of Default has not been waived by the Majority Lenders or the Lenders, as applicable).

(d) Each Lender acknowledges and agrees that its obligation to refund Swingline Loans in accordance with the terms of this Section 2.02 is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, non-satisfaction of the conditions set forth in Article IV. Further, each Lender agrees and acknowledges that if prior to the refunding of any outstanding Swingline Loans pursuant to this Section 2.02, one of the events described in subsections (i)(i), (i)(ii) or (i)(iii) of Section 8.01 shall have occurred, each Lender will, on the date the applicable Revolving Credit Loan would have been made, purchase an undivided, irrevocable and unconditional participating interest in the Swingline Loans to be refunded in an amount equal to its Applicable Percentage of the aggregate amount of such Swingline Loans. Each Lender will immediately transfer to the Swingline Lender, in immediately available funds, the amount of its participation, and upon receipt thereof, the Swingline Lender will deliver to such Lender a certificate evidencing such participation dated the date of receipt of such funds and for such amount. Whenever, at any time after the Swingline Lender has received from any Lender such Lender's participating interest in a Swingline Loan, the Swingline Lender receives any payment on account thereof, the Swingline Lender will distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded). Notwithstanding the foregoing provisions of this Section 2.02(d), a Lender shall have no obligation to refund a Swingline Loan pursuant to Section 2.02(b) if (i) a Default shall exist at the time such refunding is requested by the Swingline Lender, (ii) such Default had occurred and was continuing at the time such Swingline Loan was made by the Swingline Lender and (iii) such Lender notified the Swingline Lender in writing, not less than one Business Day prior to the making by the Swingline Lender of such Swingline Loan, that such Default has occurred and is continuing and that such Lender will not refund Swingline Loans made while such Default is continuing.

(e) In order to facilitate the borrowing of Swingline Loans, the Borrower and the Swingline Lender may mutually agree to, and are hereby authorized to, enter into an Autoborrow Agreement in form and substance satisfactory to the Administrative Agent and the Swingline Lender (including that certain Autoborrow Agreement dated July 27, 2018) (the "Autoborrow Agreement") providing for the automatic advance by the Swingline Lender of Swingline Loans under the conditions set forth in such agreement. At any time an Autoborrow Agreement is in effect, the requirements for Swingline Loans set forth in the immediately preceding paragraph shall not apply, and all Swingline Loans shall be made in accordance with the Autoborrow Agreement; provided that any automatic advance made by the Swingline Lender in reliance of the Autoborrow Agreement shall be deemed a Swingline Loan as of the time such automatic advance is made notwithstanding any provision in the Autoborrow Agreement to the contrary. For purposes of determining the Revolving Credit Facility Usage under the Aggregate Revolving Credit Loan Commitments at any time during which an Autoborrow Agreement is in effect, the Revolving Credit Facility Usage of all Swingline Loans shall be deemed to be the amount of the Swingline Sublimit. For purposes of any Swingline Loan pursuant to the Autoborrow Agreement, all references to Bank of America in the Autoborrow Agreement shall be deemed to be a reference to Bank of America, in its capacity as Swingline Lender hereunder.



**2.03 Requests for New Loans.** The Borrower must give to the Administrative Agent irrevocable written notice (or telephonic notice promptly confirmed in writing) of any requested Borrowing of Loans to be funded by Lenders, except, with regard to Swingline Loans subject to an Autoborrow Agreement. Each such notice must:

(a) specify (i) the aggregate amount of any such Borrowing of Base Rate Loans and the date on which such Base Rate Loans are to be advanced, (ii) the aggregate amount of any such Borrowing of Term SOFR Loans, the date on which such Term SOFR Loans are to be advanced (which shall be the first day of the Interest Period which is to apply thereto), and the length of the applicable Interest Period, or (iii) the aggregate amount of any such Borrowing of Swingline Loans and the date on which such Swingline Loans are to be advanced;

(b) be given by (A) telephone or (B) a Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Administrative Agent of a Loan Notice;

(c) with regard to Swingline Loans, be given by (A) telephone or (B) a Swingline Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Swingline Lender and the Administrative Agent of a Swingline Loan Notice; and

(d) be received by the Administrative Agent not later than 11:00 a.m. on (i) the day on which any such Base Rate Loans or Swingline Loans are to be made, (ii) the third Business Day preceding the day on which any such Term SOFR Loans (other than any Term SOFR Loans to be made on the Closing Date) are to be made or (iii) solely in the case of any Term SOFR Loans to be made on the Closing Date, the second Business Day preceding the Closing Date; provided that, any Borrowing made on the Closing Date or any of the three (3) Business Days following the Closing Date shall be made as Base Rate Loans unless the Borrower delivers a funding indemnity letter reasonably acceptable to the Administrative Agent prior to delivery of the applicable Loan Notice.

Each such telephonic request shall be deemed a representation, warranty, acknowledgment and agreement by the Borrower as to the matters which are required to be set out in such written confirmation. Upon receipt of any such Loan Notice, the Administrative Agent shall give each Lender prompt notice of the terms thereof. Upon receipt of any such Loan Notice requesting Swingline Loans, the Administrative Agent shall give the Swingline Lender prompt notice of the terms thereof. In the case of Revolving Credit Loans or Incremental Term Loans, if all conditions precedent to such new Loans have been met, each Lender will on the date requested promptly, and in no event later than 2:00 p.m. (or, in the case of Incremental Term Loans, such other time as shall be agreed to by the Incremental Term Loan Lenders), remit to the Administrative Agent at the Administrative Agent's Office the amount of such Lender's Loan in immediately available funds, and upon receipt of such funds, unless to its actual knowledge any conditions precedent to such Loans have been neither met nor waived as provided herein, the Administrative Agent shall promptly make such Loans available to the Borrower. In the case of Swingline Loans, if all conditions precedent to such new Loans have been met, the Swingline Lender will on the date requested promptly remit to the Administrative Agent at the Administrative Agent's Office the amount of such Swingline Loan in immediately available funds, and upon receipt of such funds, unless to its actual knowledge any conditions precedent to such Swingline Loan have been neither met nor waived as provided herein, the Administrative Agent shall promptly make such Loans available to the Borrower. If no Interest Period is specified in any such notice with respect to any conversion to or continuation as a Term SOFR Loan, the Borrower shall be deemed to have selected an Interest Period of one month's duration. Revolving Credit Loans to be made for the purpose of refunding Swingline Loans shall be made by the Lenders as provided in Section 2.02(b).

With respect to SOFR or TermSOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

**2.04 Continuations and Conversions of Existing Loans.** The Borrower may make the following elections with respect to Revolving Credit Loans already outstanding: to Convert, in whole or in part, Base Rate Loans to TermSOFR Loans, to Convert, in whole or in part, TermSOFR Loans to Base Rate Loans on the last day of the Interest Period applicable thereto, and to Continue, in whole or in part, TermSOFR Loans beyond the expiration of such Interest Period by designating a new Interest Period to take effect at the time of such expiration. In making such elections, the Borrower may combine existing Revolving Credit Loans made pursuant to separate Borrowings into one new Borrowing or divide existing Revolving Credit Loans made pursuant to one Borrowing into separate new Borrowings, provided, that (i) the Borrower may have no more than fifteen (15) Borrowings of TermSOFR Loans outstanding at any time, (ii) the aggregate amount of all Base Rate Loans in any Borrowing must be equal to \$5,000,000 or any higher integral multiple of \$1,000,000, and (iii) the aggregate amount of all Term SOFR Loans in any Borrowing must be equal to \$5,000,000 or any higher integral multiple of \$1,000,000. To make any such election, the Borrower must give to the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of any such Conversion or Continuation of existing Loans, with a separate notice given for each new Borrowing. Each such notice must:

(a) specify the existing Loans which are to be Continued or Converted;

(b) specify (i) the aggregate amount of any Borrowing of Base Rate Loans into which such existing Loans are to be Converted and the date on which such Conversion is to occur, or (ii) the aggregate amount of any Borrowing of Term SOFR Loans into which such existing Loans are to be Continued or Converted, the date on which such Continuation or Conversion is to occur (which shall be the first day of the Interest Period which is to apply to such TermSOFR Loans), and the length of the applicable Interest Period;

(c) be given by (A) telephone or (B) a Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Administrative Agent of a Loan Notice; and

(d) be received by the Administrative Agent not later than 11:00 a.m. on (i) the day on which any such Conversion to Base Rate Loans is to occur, or (ii) the third Business Day preceding the day on which any such Continuation or Conversion to TermSOFR Loans is to occur.

Each such written request or confirmation must be made in the form and substance of the Loan Notice, duly completed. Each such telephonic request shall be deemed a representation, warranty, acknowledgment and agreement by the Borrower as to the matters which are required to be set out in such written confirmation. Upon receipt of any such Loan Notice, the Administrative Agent shall give each Lender prompt notice of the terms thereof. Each Loan Notice shall be irrevocable and binding on the Borrower. During the continuance of any Event of Default, the Borrower may not make any election to Convert existing Loans into Term SOFR Loans or Continue existing Loans as Term SOFR Loans beyond the expiration of their respective and corresponding Interest Period then in effect without the consent of the Majority Lenders and upon the expiration of their respective and corresponding Interest Periods, any outstanding Term SOFR Loans shall automatically be converted to Base Rate Loans without any further actions by any party. If (due to the existence of an Event of Default or for any other reason) the Borrower fails to timely and properly give any Loan Notice with respect to a Borrowing of existing Term SOFR Loans at least three Business Days prior to the end of the Interest Period applicable thereto, such Term SOFR Loans, to the extent not prepaid at the end of such Interest Period, shall automatically be Converted into Base Rate Loans at the end of such Interest Period. No new funds shall be repaid by the Borrower or advanced by any Lender in connection with any Continuation or Conversion of existing Loans pursuant to this section, and no such Continuation or Conversion shall be deemed to be a new advance of funds for any purpose; such Continuations and Conversions merely constitute a change in the interest rate, Interest Period or Type applicable to already outstanding Loans.

**2.05 Use of Proceeds.** The Borrower shall use the proceeds of all Loans (other than any Loans made on the Closing Date) (a) for working capital purposes, (b) for purchases of common Equity Interests of the Borrower or other Distributions, (c) for acquisitions of assets or Equity Interests otherwise permitted under the terms of this Agreement and (d) for general business purposes. The Borrower shall use the proceeds of any Loans made on the Closing Date, if any, to refinance outstanding Indebtedness under the Existing Credit Agreement and to pay fees and expenses related thereto. The Letters of Credit shall be used for general business purposes of the Borrower and its Subsidiaries. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the FRB, including Regulations T, U and X. The Borrower represents and warrants that the Borrower is not engaged principally, or as one of the Borrower's important activities, in the business of extending credit to others for the purpose of purchasing or carrying such margin stock.

**2.06 Prepayments of Loans.**

(a) Voluntary Prepayments. The Borrower may, upon three Business Days' notice by delivery of a Notice of Loan Prepayment to the Administrative Agent (which notice shall be irrevocable except that such notice may state that such notice is conditioned upon the effectiveness of other credit facilities or the receipt of the proceeds from the incurrence of other Indebtedness or any other event, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date) if such condition is not satisfied, and the Administrative Agent will promptly give notice to the other Lenders), from time to time and without premium or penalty (other than Term SOFR Loan breakage costs, if any, pursuant to Section 3.05) prepay the Loans, in whole or in part, so long as the aggregate amounts of all partial prepayments of principal on the Loans equals \$5,000,000 or any higher integral multiple of

\$1,000,000. Each such notice shall specify the date and amount of such prepayment, the Type of such Loan being prepaid and whether such Loans are Incremental Term Loans or Revolving Credit Loans and, if Term SOFR Loans are to be prepaid, the Interest Period(s) of such Loans. Each prepayment of principal under this section shall be accompanied by all interest then accrued and unpaid on the principal so prepaid. Any principal or interest prepaid pursuant to this section shall be in addition to, and not in lieu of, all payments otherwise required to be paid under the Loan Documents at the time of such prepayment.

(b) Scheduled Repayments of Incremental Term Loans. The Borrower shall pay to the Administrative Agent for the account of the applicable Incremental Term Loan Lenders on the dates set forth in the applicable Incremental Amendment, or if any such date is not a Business Day, on the immediately preceding Business Day, a principal amount of Incremental Term Loans as set forth in the applicable Incremental Amendment. To the extent not previously paid, all Incremental Term Loans shall be due and payable on the applicable Incremental Term Loan Maturity Date.

(c) If for any reason the Revolving Credit Facility Usage at any time exceeds the Aggregate Revolving Credit Loan Commitments then in effect, the Borrower shall immediately prepay Revolving Credit Loans and/or Swingline Loans and/or Cash Collateralize the LC Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the LC Obligations pursuant to this Section 2.06(c) unless after the prepayment in full of the Revolving Credit Loans and Swingline Loans the Revolving Credit Facility Usage exceeds the Aggregate Revolving Credit Loan Commitments then in effect.

## **2.07 Letters of Credit.**

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the LC Issuer, in reliance on the agreements of the Lenders set forth in this Section 2.07, to issue, at any time and from time to time during the Commitment Period, Letters of Credit denominated in an Agreed Currency for its own account or the account of any of its Subsidiaries in such form as is acceptable to the Administrative Agent and the LC Issuer in its reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Commitments; provided that any Letter of Credit denominated in an Alternative Currency shall be issued by Bank of America in its capacity as LC Issuer.

(b) Notice of Issuance, Amendment, Extension, Reinstatement or Renewal. To request the issuance of a Letter of Credit (or the amendment of the terms and conditions, extension of the terms and conditions, extension of the expiration date, or reinstatement of amounts paid, or renewal of an outstanding Letter of Credit), the Borrower shall deliver (or transmit by electronic communication, if arrangements for doing so have been approved by the LC Issuer) to the LC Issuer and to the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and the LC Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, extended, or renewed, and specifying the date of issuance, amendment, extension, reinstatement or renewal (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 2.07(d)), the amount and currency of such

Letter of Credit, the name and address of the beneficiary thereof, the purpose and nature of the requested Letter of Credit and such other information as shall be necessary to prepare, amend, extend, or renew such Letter of Credit. If requested by the LC Issuer, the Borrower also shall submit any Issuer Documents in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any Issuer Documents, the terms and conditions of this Agreement shall control.

If the Borrower so requests in any applicable Letter of Credit Application (or the amendment of an outstanding Letter of Credit), the LC Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an “Auto-Extension Letter of Credit”); provided that any such Auto-Extension Letter of Credit shall permit the LC Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the “Non-Extension Notice Date”) in each such twelve-month period to be agreed upon by the Borrower and the LC Issuer at the time such Letter of Credit is issued. Unless otherwise directed by the LC Issuer, the Borrower shall not be required to make a specific request to the LC Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the LC Issuer to permit the extension of such Letter of Credit at any time to an expiration date not later than the date permitted pursuant to Section 2.07(d); provided, that the LC Issuer shall not (i) permit any such extension if (A) the LC Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its extended form under the terms hereof (except that the expiration date may be extended to a date that is no more than one year from the then-current expiration date), or (B) it has received notice (which may be in writing or by telephone (if promptly confirmed in writing)) on or before the day that is seven Business Days before the Non-Extension Notice Date from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions set forth in Section 4.02 is not then satisfied, and in each such case directing the LC Issuer not to permit such extension.

(c) Limitations on Amounts, Issuance and Amendment. A Letter of Credit shall be issued, amended, extended or renewed only if (and upon issuance, amendment, extension, reinstatement or renewal of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, extension, reinstatement or renewal (~~xy~~) the Revolving Credit Facility Usage does not exceed the Aggregate Revolving Credit Loan Commitments at such time, (~~yz~~) the aggregate outstanding amount of the Loans of any Lender, plus such Lender's Applicable Percentage of the outstanding amount of all LC Obligations, plus such Lender's Applicable Percentage of the outstanding amount of all Swingline Loans does not exceed such Lender's Revolving Credit Loan Commitment, (y) the aggregate amount of all Letters of Credit issued by the applicable LC Issuer does not exceed such LC Issuer's Letter of Credit Commitment and (z) the outstanding amount of the LC Obligations does not exceed the Aggregate Letter of Credit ~~Submit~~ Commitments then in effect.

(i) The LC Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the LC Issuer from issuing the Letter of Credit, or any Law applicable to the LC Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the LC Issuer shall prohibit, or request that the LC Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon the LC Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which the LC Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the LC Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the LC Issuer in good faith deems material to it;

(B) the issuance of the Letter of Credit would violate one or more policies of the LC Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the LC Issuer, the Letter of Credit is in an initial stated amount less than \$500,000;

(D) the Letter of Credit is to be denominated in a currency other than an Agreed Currency;

(E) there has occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the LC Issuer applied on a consistent basis across similarly situated customers would make it impracticable for such Letter of Credit to be denominated in an Alternative Currency;

(F) any Lender is at that time a Defaulting Lender, unless the LC Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the LC Issuer (in its sole discretion) with the Borrower or such Lender to eliminate the LC Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.20(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other LC Obligations as to which the LC Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(G) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(ii) The LC Issuer shall be under no obligation to amend any Letter of Credit if (A) the LC Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(d) Expiration Date. Each Letter of Credit shall have a stated expiration date no later than the earlier of (i) the date twelve months after the date of the issuance of such Letter of Credit (or, in the case of any extension of the expiration date thereof, whether automatic or by amendment, twelve months after the then-current expiration date of such Letter of Credit) and (ii) the Letter of Credit Expiration Date.

(e) LC Issuer Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each LC Issuer shall, in addition to its notification obligations set forth elsewhere in this Section 2.07, provide the Administrative Agent a Letter of Credit Report, as set forth below:

(i) reasonably prior to the time that such LC Issuer issues, amends, renews, increases or extends a Letter of Credit, the date of such issuance, amendment, renewal, increase or extension and the stated amount of the applicable Letters of Credit after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed);

(ii) on each Business Day on which such LC Issuer makes a payment pursuant to a Letter of Credit, the date and amount of such payment;

(iii) on any Business Day on which the Borrower fails to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to such LC Issuer on such day, the date of such failure and the amount of such payment;

(iv) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such LC Issuer; and

(v) for so long as any Letter of Credit issued by an LC Issuer is outstanding, such LC Issuer shall deliver to the Administrative Agent (A) on the last Business Day of each calendar month, (B) at all other times a Letter of Credit Report is required to be delivered pursuant to this Agreement, and (C) on each date that (1) an LC Credit Extension occurs or (2) there is any expiration, cancellation and/or disbursement, in each case, with respect to any such Letter of Credit, a Letter of Credit Report appropriately completed with the information for every outstanding Letter of Credit issued by such LC Issuer.

## **2.08 Reserved.**

## **2.09 Reimbursement and Participations.**

(a) Reimbursement. If the LC Issuer shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse the LC Issuer in respect of such LC Disbursement in the Dollar Equivalent of the amount of such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 12:00 noon on (i) the Business Day that the Borrower receives notice of such LC Disbursement, if such notice is received prior to 10:00 a.m. or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time, provided that, if such LC Disbursement is not less than \$1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.02 or Section 2.03 that such payment be financed with a Borrowing of Base Rate Loans or Swingline Loan in the Dollar Equivalent of the amount of such LC Disbursement and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Borrowing of Base Rate Loans or Swingline Loan. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the Dollar Equivalent of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof (the "Unreimbursed Amount") and such Lender's Applicable

Percentage thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the date of payment by the LC Issuer under a Letter of Credit in an amount equal to the Dollar Equivalent of the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.01 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Revolving Credit Loan Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Loan Notice). Any notice given by the LC Issuer or the Administrative Agent pursuant to this Section 2.09(a) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

**(b) Participations.**

(i) By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount or extending the expiration date thereof), and without any further action on the part of the LC Issuer or the Lenders, the LC Issuer hereby grants to each Lender, and each Lender hereby acquires from the LC Issuer, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this Section 2.09(b) in respect of Letters of Credit is absolute, unconditional and irrevocable and shall not be affected by any circumstance whatsoever, including any amendment, extension, reinstatement or renewal of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments.

(ii) In consideration and in furtherance of the foregoing, each Lender hereby absolutely, unconditionally and irrevocably agrees to pay to the Administrative Agent in Dollars, for account of the LC Issuer, such Lender's Applicable Percentage of each LC Disbursement made by the LC Issuer (expressed in Dollars in the amount of the Dollar Equivalent thereof) not later than 1:00 p.m. on the Business Day specified in the notice provided by the Administrative Agent to the Lenders pursuant to Section 2.09(a) until such LC Disbursement is reimbursed by the Borrower or at any time after any reimbursement payment is required to be refunded to the Borrower for any reason, including after the Maturity Date. Such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each such payment shall be made in the same manner as provided in Section 2.03 with respect to Loans made by such Lender (and Section 2.03 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the LC Issuer the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to Section 2.09(a), the Administrative Agent shall distribute such payment to the LC Issuer or, to the extent that the Lenders have made payments pursuant to this Section 2.09(b) to reimburse the LC Issuer, then to such Lenders and the LC Issuer as their interests may appear. Any payment made by a Lender pursuant to this Section 2.09(b) to reimburse the LC Issuer for any LC Disbursement shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.



Each Lender further acknowledges and agrees that its participation in each Letter of Credit will be automatically adjusted to reflect such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit at each time such Lender's Revolving Credit Loan Commitment is amended pursuant to the operation of Section 2.16, 2.17 or 2.18, as a result of an assignment in accordance with Section 10.06 or otherwise pursuant to this Agreement.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the LC Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.09(b), then, without limiting the other provisions of this agreement, the LC Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the LC Issuer at a rate per annum equal to the Overnight Rate, plus any administrative, processing or similar fees customarily charged by the LC Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Credit Loan included in the relevant Borrowing of Revolving Credit Loans or LC Advance in respect of the relevant LC Borrowing, as the case may be. A certificate of the LC Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.09(b)(iii) shall be conclusive absent manifest error.

(c) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in Section 2.09(a) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of:

(i) any lack of validity or enforceability of this Agreement, any other Loan Document or any Letter of Credit, or any term or provision herein or therein;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the LC Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement in such draft or other document being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the LC Issuer of any requirement that exists for the LC Issuer's protection and not the protection of the Borrower or any waiver by the LC Issuer which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the LC Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) payment by the LC Issuer under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit; or any payment made by the LC Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(viii) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.09, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder; or

(ix) any adverse change in the relevant exchange rates or in the availability of Alternative Currencies to the Borrower or any Subsidiary or in the relevant currency markets generally.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will promptly notify the LC Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the LC Issuer and its correspondents unless such notice is given as aforesaid.

(d) None of the Administrative Agent, the Lenders, the LC Issuer, or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the LC Issuer or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms, any error in translation or any consequence arising from causes beyond the control of the LC Issuer; provided that the foregoing shall not be construed to excuse the LC Issuer from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable Law) suffered by the Borrower that are caused by the LC Issuer's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the LC Issuer (as finally determined by a court of competent jurisdiction), the LC Issuer shall be deemed to have exercised care in each such determination, and that:

(i) the LC Issuer may replace a purportedly lost, stolen, or destroyed original Letter of Credit or missing amendment thereto with a certified true copy marked as such or waive a requirement for its presentation;

(ii) the LC Issuer may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit and without regard to any non-documentary condition in such Letter of Credit;

(iii) the LC Issuer shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iv) this sentence shall establish the standard of care to be exercised by the LC Issuer when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable Law, any standard of care inconsistent with the foregoing).

Without limiting the foregoing, none of the Administrative Agent, the Lenders, the LC Issuer, or any of their Related Parties shall have any liability or responsibility by reason of (A) any presentation that includes forged or fraudulent documents or that is otherwise affected by the fraudulent, bad faith, or illegal conduct of the beneficiary or other Person, (B) the LC Issuer declining to take-up documents and make payment (1) against documents that are fraudulent, forged, or for other reasons by which that it is entitled not to honor or (2) following the Borrower's waiver of discrepancies with respect to such documents or request for honor of such documents or (C) the LC Issuer retaining proceeds of a Letter of Credit based on an apparently applicable attachment order, blocking regulation, or third-party claim notified to the LC Issuer.

(e) Applicability of ISP and UCP; Limitation of Liability. Unless otherwise expressly agreed by the LC Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, the LC Issuer shall not be responsible to the Borrower for, and the LC Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the LC Issuer required or permitted under any Law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the LC Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(f) The LC Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the LC Issuer shall have all of the benefits and immunities (i) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the LC Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the LC Issuer with respect to such acts or omissions, and (ii) as additionally provided herein with respect to the LC Issuer.

(g) Cash Collateral. If the LC Issuer notifies the Borrower at any time that, as of any Revaluation Date, the LC Obligations (expressed in Dollars in the amount of the Dollar Equivalent thereof in the case of any Letters of Credit denominated in an Alternative Currency) exceed an amount equal to 105% of the Aggregate Letter of Credit ~~Submit~~Commitments, then, within five (5) Business Days after receipt of such notice, the Borrower shall cash collateralize Letters of Credit in an aggregate amount sufficient to reduce the LC Obligations as of such date of payment to an amount not to exceed 100% of the Aggregate Letter of Credit ~~Submit~~Commitments then in effect.

(h) Disbursement Procedures. The LC Issuer shall, within the time allowed by applicable Laws or the specific terms of the Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. The LC Issuer shall promptly after such examination notify the Administrative Agent and the Borrower in writing of such demand for payment if the LC Issuer has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the LC Issuer and the Lenders with respect to any such LC Disbursement.

(i) Interim Interest. If the LC Issuer shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Base Rate Loans; provided that if the Borrower fails to reimburse such LC Disbursement when due pursuant to Section 2.09(a), then the Default Rate shall apply. Interest accrued pursuant to this Section 2.09(i) shall be for account of LC Issuer, except that interest accrued on and after the date of payment by any Lender pursuant to Section 2.09(a) to reimburse the LC Issuer shall be for account of such Lender to the extent of such payment.

(j) Replacement of the LC Issuer. Any LC Issuer may be replaced at any time by written agreement between the Borrower, the Administrative Agent, the replaced LC Issuer and the successor LC Issuer. The Administrative Agent shall notify the Lenders of any such replacement of an LC Issuer. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced LC Issuer pursuant to Section 2.12(c). From and after the effective date of any such replacement, (i) the successor LC Issuer shall have all the rights and obligations of an LC Issuer under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "LC Issuer" shall be deemed to include such successor or any previous LC Issuer, or such successor and all previous LC Issuer, as the context shall require. After the replacement of the LC Issuer hereunder, the replaced LC Issuer shall remain a party hereto and shall continue to have all the rights and obligations of an LC Issuer under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(k) Additional LC Issuers. Any Lender hereunder may become an LC Issuer upon receipt by the Administrative Agent of a fully executed Notice of Additional LC Issuer which shall be signed by the Borrower, ~~the Administrative Agent and the applicable~~ and such new LC Issuer. Such new LC Issuer shall provide its commitment to issue Letters of Credit in such Notice of Additional LC Issuer, as such commitment may be adjusted from time to time in accordance with this Agreement; provided, for the avoidance of doubt, that no LC Issuer's Letter of Credit Commitment may be increased without the written consent of such LC Issuer.

(l) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse, indemnify and compensate the LC Issuer hereunder for any and all drawings under such Letter of Credit as if such Letter of Credit had been issued solely for the account of the Borrower. The Borrower irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Subsidiary in respect of such Letter of Credit. Each Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

#### **2.10 No Duty to Inquire.**

(a) Drafts and Demands. LC Issuer is authorized and instructed to accept and pay drafts and demands for payment under any Letter of Credit without requiring, and without responsibility for, any determination as to the existence of any event giving rise to said draft, either at the time of acceptance or payment or thereafter. LC Issuer is under no duty to determine the proper identity of anyone presenting such a draft or making such a demand (whether by tested telex or otherwise) as the officer, representative or agent of any beneficiary under any Letter of Credit, and payment by LC Issuer to any such beneficiary when requested by any such purported officer, representative or agent is hereby authorized and approved. The Borrower releases LC Issuer and each Lender from, and agrees to hold LC Issuer and each Lender harmless and indemnified against, any liability or claim in connection with or arising out of the subject matter of this section, which indemnity shall apply whether or not any such liability or claim is in any way or to any extent caused, in whole or in part, by any negligent act or omission of any kind by any LC Issuer or Lender, provided only that no LC Issuer or Lender shall be entitled to indemnification for that portion, if any, of any liability or claim which is proximately caused by its own individual gross negligence or willful misconduct, as determined in a final judgment.

(b) Extension of Maturity. If the maturity of any Letter of Credit is extended by its terms or by Law or governmental action, if any extension of the maturity or time for presentation of drafts or any other modification of the terms of any Letter of Credit is made at the request of the Borrower, or if the amount of any Letter of Credit is increased or decreased at the request of the Borrower, this Agreement shall be binding upon the Borrower and all of its Subsidiaries with respect to such Letter of Credit as so extended, increased, decreased or otherwise modified, with respect to drafts and property covered thereby, and with respect to any action taken by LC Issuer, LC Issuer's correspondents, or any Lender in accordance with such extension, increase, decrease or other modification.

(c) Transferees of Letters of Credit. If any Letter of Credit provides that it is transferable, LC Issuer shall have no duty to determine the proper identity of anyone appearing as transferee of such Letter of Credit, nor shall LC Issuer be charged with responsibility of any nature or character for the validity or correctness of any transfer or successive transfers, and payment by LC Issuer to any purported transferee or transferees as determined by LC Issuer is hereby authorized and approved, and the Borrower releases LC Issuer and each Lender from, and agrees to hold LC Issuer and each Lender harmless and indemnified against, any liability or claim in connection with or arising out of the foregoing, which indemnity shall apply whether or not any such liability or claim is in any way or to any extent caused, in whole or in part, by any negligent act or omission of any kind by any LC Issuer or Lender, provided only that neither LC Issuer nor any Lender shall be entitled to indemnification for that portion, if any, of any liability or claim which is proximately caused by its own individual gross negligence or willful misconduct, as determined in a final judgment.

**2.11 Existing Letters of Credit.** The Existing Letters of Credit shall be deemed to have been issued hereunder as of the Closing Date, automatically and without further action.

**2.12 Interest Rates and Fees.**

(a) Interest Rates. Except as expressly provided otherwise for Incremental Term Loans in any Incremental Amendment, unless the Default Rate shall apply, (i) each Base Rate Loan shall bear interest on each day outstanding at the Base Rate plus the Applicable Rate for Base Rate Loans in effect on such day, (ii) each Term SOFR Loan shall bear interest on each day during the related Interest Period at Term SOFR for such Interest Period plus the Applicable Rate for Term SOFR Loans in effect on such day, and (iii) each Swingline Loan shall bear interest on each day outstanding at the Base Rate plus the Applicable Rate for Base Rate Loans in effect on such day. During a Default Rate Period, the portion of all Loans and other Obligations that are then overdue shall bear interest on each day outstanding at the applicable Default Rate. The interest rate shall change whenever the applicable Base Rate, Term SOFR, or the Applicable Rate for Base Rate Loans or Term SOFR Loans changes. In no event shall the interest rate on any Loan exceed the Maximum Rate. Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

(b) Commitment Fees. In consideration of each Lender's commitment to make Revolving Credit Loans, the Borrower will pay to the Administrative Agent for the account of each Lender a commitment fee determined on a daily basis equal to the Applicable Rate for commitment fees in effect on such day times such Lender's Applicable Percentage of the unused portion of the Aggregate Revolving Credit Loan Commitments on each day during the Commitment Period, determined for each such day by deducting from the amount of the Aggregate Revolving Credit Loan Commitments at the end of such day the Revolving Credit Facility Usage. For the purposes of calculating the commitment fee pursuant to this subsection (b), the aggregate amount of outstanding Swingline Loans shall not be included in the term Revolving Credit Facility Usage. This commitment fee shall be due and payable in arrears on the last day of each Fiscal Quarter and at the end of the Commitment Period.

(c) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance, subject to Section 2.20, with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate for Term SOFR Loans then in effect each day times the Dollar Equivalent of the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Maturity Date and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, during a Default Rate Period, all Letter of Credit Fees shall accrue at the Default Rate.

(d) Fronting Fee and Documentary and Processing Charges Payable to LC Issuer. The Borrower shall pay directly to the LC Issuer for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum equal to the percentage separately agreed upon between the Borrower and the LC Issuer, computed on the Dollar Equivalent of the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the first Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Maturity Date and thereafter on demand. For purposes of computing the Dollar Equivalent of the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the LC Issuer for its own account, in Dollars, the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the LC Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(e) Administrative Agent's Fees. In addition to all other amounts due to the Administrative Agent under the Loan Documents, the Borrower will pay fees to the Administrative Agent as described in the applicable Fee Letter.

(f) Calculations and Determinations. All calculations of interest chargeable with respect to Base Rate Loans (including Base Rate Loans determined by reference to Term SOFR) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other calculations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.14, bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(g) Past Due Obligations. The Borrower hereby promises to each Lender to pay interest at the Default Rate on all Obligations (including Obligations to pay fees or to reimburse or indemnify any Lender) which the Borrower has in this Agreement promised to pay to such Lender and which are not paid when due. Such interest shall accrue from the date such Obligations become due until they are paid.

### **2.13 Evidence of Debt.**

(a) Credit Extensions. The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender in the ordinary course of business and by the Register. The Register and the accounts or records maintained by each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender in respect of such matters and the Register, the Register shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) Letters of Credit; Swingline Loans. In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swingline Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

### **2.14 Payments Generally; Administrative Agent's Clawback.**

(a) General. All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made (i) with respect to Revolving Credit Loans or Incremental Term Loans, to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, and (ii) with respect to Swingline Loans, to the Administrative Agent, for the account of the Swingline Lender. Each such payment shall be made at the Administrative Agent's Office in Dollars and in immediately available funds not later than 3:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of each such payment with respect to Revolving Credit Loans and Incremental Term Loans in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 3:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.



(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.03 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Overnight Rate and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the LC Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the LC Issuer, as the case may be, the amount due. With respect to any payment that the Administrative Agent makes for the account of the Lenders or any LC Issuer hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "Rescindable Amount"): (1) the Borrower has not in fact made such payment; (2) the Administrative Agent has made a payment in excess of the amount so paid by the Borrower (whether or not then owed); or (3) the Administrative Agent has for any reason otherwise erroneously made such payment; then each of the Lenders or the LC Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender or such LC Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

**2.15 Sharing of Payments by Lenders.** If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in LC Obligations held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in LC Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(a) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section shall not be construed to apply to (i) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (ii) the application of Cash Collateral provided for in Section 2.19, or (iii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in LC Obligations or Swingline Loans to any assignee or participant, other than an assignment to the Borrower or any Subsidiary or Unrestricted Subsidiary thereof (as to which the provisions of this Section shall apply).

The Borrower and each Subsidiary consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such entity rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such entity in the amount of such participation.

**2.16 Reductions in Revolving Credit Loan Commitment.** The Borrower shall have the right from time to time to permanently reduce the Aggregate Revolving Credit Loan Commitments, provided that (i) notice of such reduction is given not less than two Business Days prior to such reduction, (ii) the resulting Aggregate Revolving Credit Loan Commitments are not less than the Revolving Credit Facility Usage, and (iii) each partial reduction shall be in an amount at least equal to \$5,000,000 and in multiples of \$1,000,000 in excess thereof. Such notice may state that such notice is conditioned upon the effectiveness of other credit facilities or the receipt of the proceeds from the incurrence of other Indebtedness or any other event, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date) if such condition is not satisfied.

**2.17 Increase in Aggregate Commitments.**

(a) The Borrower shall have the option, without the consent of the Lenders, from time to time to (i) request one or more additions of incremental term loans, in each case which may constitute a separate tranche of term loans or, if the same as any existing tranche of term loans, constitute part of such existing tranche (the “Incremental Term Loans”) or (ii) cause one or more increases in the Aggregate Revolving Credit Loan Commitments (each such increase, an “Aggregate Revolving Credit Loan Commitment Increase” and, together with any Incremental Term Loans, an “Increase”) by adding, subject to the prior approval of the Administrative Agent (such approval not to be unreasonably withheld or delayed; provided that no such approval shall be required with respect to a financial institution that is an Affiliate of a Lender or an Approved Fund with respect to a Lender), to this Agreement one or more financial institutions as Lenders (collectively, the “New Lenders”) or by allowing one or more Lenders to provide such Incremental Term Loans or increase its respective Revolving Credit Loan Commitments; provided however that: (i) prior to and after giving effect to any such Increase, no Default or Event of Default shall have occurred hereunder and be continuing (except that, if the proceeds of such Incremental Term Loans or Aggregate Revolving Credit Loan Commitment Increase are to be used to finance an Acquisition by the Borrower or any Subsidiary permitted under this Agreement, no Event of Default under Section 8.01(a), (b) or (i) shall exist), (ii) no such Increase shall cause the sum of (x) the Aggregate Revolving Credit Loan Commitments plus the amount of Incremental Term Loans to exceed an amount equal to \$2,000,000,000.00 and (y) the Aggregate Revolving Credit Loan Commitments plus the amount of Incremental Term Loans plus the amount of loans under the Term Loan Facility and any Term Loan Refinancing Indebtedness in respect thereof to exceed an amount equal to \$2,250,000,000.00 (plus other amounts permitted by sub-clause (iv) of the definition of “Term Loan Refinancing Indebtedness”), (iii) no Lender’s Commitment shall be increased without such Lender’s consent and (iv) such Aggregate Revolving Credit Loan Commitment Increase shall be evidenced by a commitment increase agreement or an amendment to this Agreement (the “Increase Agreement”) in form and substance reasonably acceptable to the Administrative Agent and executed by the Borrower, the Administrative Agent, New Lenders, if any, and Lenders increasing their Commitments, if any, and which shall indicate the amount and allocation of such Increase and the effective date of such Increase (the “Increase Effective Date”). Each financial institution that becomes a New Lender pursuant to this Section by the execution and delivery to the Administrative Agent of the applicable Increase Agreement shall be a “Lender”

for all purposes under this Agreement on the applicable Increase Effective Date. The Borrower shall borrow and prepay Revolving Credit Loans on each Increase Effective Date (and pay any additional amounts required pursuant to Section 3.06) to the extent necessary to keep the outstanding Revolving Credit Loans of each Lender ratable with such Lender's revised Applicable Percentage after giving effect to any nonratable Increase under this Section and (ii) if there are Swingline Loans or Letters of Credit then outstanding, the participations of the Lenders in such Swingline Loans or Letters of Credit, as the case may be, will be automatically adjusted to reflect the Applicable Percentages of all the Lenders (including each New Lender) after giving effect to the applicable Increase.

(b) As a condition precedent to each Increase pursuant to subsection (a) above, the Borrower shall deliver to the Administrative Agent, to the extent requested by the Administrative Agent, the following in form and substance reasonably satisfactory to the Administrative Agent:

(i) a certificate dated as of the Increase Effective Date, signed by a Responsible Officer of the Borrower certifying that before and after giving effect to such increase, (A) the representations and warranties contained in this Agreement and the other Loan Documents are true and correct in all material respects (except to the extent that such representations and warranties are qualified by materiality, in which case such representations and warranties are true and correct in all respects) on and as of the Increase Effective Date after giving effect to such increase, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (except to the extent that such representations and warranties are qualified by materiality, in which case such representations and warranties were true and correct in all respects) as of such earlier date (except that, if the proceeds of such Incremental Term Loans or Aggregate Revolving Credit Loan Commitment Increase are to be used to finance an Acquisition by the Borrower or any Subsidiary permitted under this Agreement, the accuracy of the representations and warranties shall refer solely to the accuracy of the representations and warranties that would constitute Specified Representations (conformed as necessary to only apply to such Acquisition)) and (B) no Default or Event of Default exists (except that, if the proceeds of such Incremental Term Loans or Aggregate Revolving Credit Loan Commitment Increase are to be used to finance an Acquisition by the Borrower or any Subsidiary permitted under this Agreement, no Event of Default under Section 8.01(a), (b) or (i) exists);

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Borrower and each Guarantor as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with such Increase Agreement, and such documents and certifications as the Administrative Agent may reasonably require to evidence that the Borrower and each Guarantor are validly existing and in good standing in their jurisdiction of organization; and

(iii) a favorable opinion of the respective counsel to the Borrower and the Guarantors, relating to such Increase Agreement or Incremental Amendment, as applicable, addressed to the Administrative Agent and each Lender.

(c) (i) The Incremental Term Loans (x) shall be unsecured and rank *pari passu* in right of payment with the Revolving Credit Loans and (y) shall not mature earlier than the then-effective Latest Maturity Date and shall not have a Weighted Average Life to Maturity that is shorter than the Weighted Average Life to Maturity of any tranche of Incremental Term Loans outstanding immediately prior to such Increase, (ii) the interest rates applicable to any Incremental Term Loans shall be determined by the Borrower and the applicable Incremental Term Loan Lenders, and (iii) except as provided in clauses (i)(y) and (ii) above, the terms and conditions applicable to Incremental Term Loans shall be consistent with the then prevailing market for "Term A Loans" as determined jointly by the Borrower and the Administrative Agent, each acting in good faith. Commitments in respect of Incremental Term Loans shall become effective pursuant to an amendment (an "Incremental Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Lender agreeing to provide such Increase, if any, each New Lender, if any, and the Administrative Agent. Notwithstanding the provisions of Section 10.01, the Incremental Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.17; provided that, in the event that the Effective Yield for any such Incremental Term Loans is greater than the Effective Yield for any prior tranche of Incremental Term Loans, in each case, by more than 0.50% per annum, then solely with respect to any prior tranche of Incremental Term Loans, the interest rate margin for Base Rate Loans or Term SOFR Loans applicable to such tranche of Incremental Term Loans shall automatically be increased to the extent necessary so that the Effective Yield for such prior tranche of Incremental Term Loans is equal to the Effective Yield for such Incremental Term Loans minus 0.50% per annum; provided, further, that if such Incremental Term Loans include an interest rate floor greater than the applicable interest rate floor under any prior tranche of Incremental Term Loans, and such interest rate floor is in effect with respect to such Incremental Term Loans on the date of determination and results in a higher interest margin, in such case, the interest rate floor (but not the interest rate margin, unless the Borrower otherwise elects in its sole discretion) applicable any prior tranche of Incremental Term Loans shall be automatically increased to the extent of such differential between interest rate floors; provided that each basis point increase in the interest rate floor of any prior tranche of Incremental Term Loans shall count as one basis point of increase in the interest rate margin to any prior tranche of Incremental Term Loans for purposes of eliminating the differential between the Effective Yield for such Incremental Term Loans and such Effective Yield for any prior tranche of Incremental Term Loans.

The loans and commitments established pursuant to this Section 2.17 shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Guaranty. This Section 2.17 shall supersede any provisions in Section 2.15 or Section 10.01 to the contrary.

## **2.18 Extension of Maturity Date; Removal of Lenders.**

(a) Subject to the remaining terms and provisions of this Section 2.18, the Borrower shall have the option to extend the Revolving Credit Loan Maturity Date or an Incremental Term Loan Maturity Date for a period of not less than one year (each such option shall be referred to herein as an “Extension Option”). In connection with the Extension Option, the Borrower may, by written notice to the Administrative Agent (a “Notice of Extension”), not later than 30 days prior to the then effective Maturity Date, advise the Lenders that it requests an extension of the applicable Maturity Date (each such then effective Maturity Date being the “Existing Maturity Date”) by no less than one year, effective on the Existing Maturity Date. The Administrative Agent will promptly, and in any event within five Business Days of the receipt of any such Notice of Extension, notify the Lenders of the contents of each such Notice of Extension.

(b) Each Notice of Extension shall (i) be irrevocable and (ii) constitute a representation by the Borrower that (A) no Event of Default or Default has occurred and is continuing and no event or circumstance has occurred since December 31, 2023 that has had a Material Adverse Effect, and (B) the representations and warranties contained in Article V are correct in all material respects (except to the extent that any such representation or warranty is qualified by materiality, in which case such representations and warranties are correct in all respects) on and as of the date Borrower provides any Notice of Extension, as though made on and as of such date (unless any representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall be correct as of such earlier date).

(c) In the event a Notice of Extension is given to the Administrative Agent as provided in Section 2.18(a) and the Administrative Agent notifies a Lender of the contents thereof, such Lender shall, on or before the day that is 15 days following the date of Administrative Agent’s receipt of said Notice of Extension, advise the Administrative Agent in writing whether or not such Lender consents to the extension requested thereby and if any Lender fails so to advise the Administrative Agent, such Lender shall be deemed to have not consented to such extension. If any Lender so consents (each such consenting Lender, a “Consenting Lender” and, collectively, the “Consenting Lenders”) to such extension, which consent may be withheld in their sole and absolute discretion, the applicable Maturity Date and the applicable Commitments of the Consenting Lenders shall be automatically extended to the proposed new maturity date (the “Extended Maturity Date”) and the applicable Maturity Date as to any and all Lenders who have not consented (the “Non-Consenting Lenders”) shall remain as the Existing Maturity Date, subject to Section 2.18(d). The Administrative Agent shall promptly notify the Borrower and all of the Lenders of each written notice of consent given pursuant to this Section 2.18(c).

(d) The Borrower may replace any Non-Consenting Lender at any time on or before the Existing Maturity Date with an assignee (including, for the avoidance of doubt, with a Consenting Lender) in accordance with and subject to Section 10.13 and Section 10.06, including consents required under Section 10.06, provided that such assignee has consented to the extension of the Existing Maturity Date to the Extended Maturity Date then in effect, and upon such replacement, the applicable Maturity Date with respect to the Loans and Commitments of such replacement Lender shall be the Extended Maturity Date.

(e) If all of the applicable Commitments of the Non-Consenting Lenders are not replaced on or before the Existing Maturity Date, then the applicable Commitments of each Non-Consenting Lender not so replaced shall terminate on the Existing Maturity Date, and the Borrower shall fully repay on the Existing Maturity Date the Loans (including, without limitation, all accrued and unpaid interest and unpaid fees), if any, of such Non-Consenting Lenders, which shall reduce the aggregate applicable Commitments accordingly. Following the Existing Maturity Date, the Non-Consenting Lenders shall have no further obligations under this Agreement, including, without limitation, that such Non-Consenting Lenders shall have no obligation to purchase participations in Letters of Credit.

(f) In connection with any extension of any Maturity Date, the Borrower, the Administrative Agent and each extending Lender and LC Issuer may make such amendments to this Agreement as the Administrative Agent determines to be reasonably necessary to evidence the extension. This Section 2.18 shall supersede any provisions in Section 2.15 or Section 10.01 to the contrary.

## **2.19 Cash Collateral.**

(a) Certain Credit Support Events. Upon the request of the Administrative Agent or the LC Issuer (i) if the LC Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in a LC Disbursement, or (ii) if, as of the Letter of Credit Expiration Date, any LC Obligation for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then outstanding LC Obligations in an amount not less than the Minimum Collateral Amount. At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent, the LC Issuer or the Swingline Lender, the Borrower shall deliver to the Administrative Agent Cash Collateral in an amount not less than the Minimum Collateral Amount to cover all Fronting Exposure (after giving effect to Section 2.20(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America; provided that Administrative Agent may invest any Cash Collateral provided by the Borrower in such Cash Equivalents as the Administrative Agent may choose in its sole discretion. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the LC Issuer and the Lenders (including the Swingline Lender), and agrees to maintain, a first priority security interest in all such cash, Cash Equivalents, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.19(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.19 or Sections 2.02, 2.07, 2.09, 2.20 or 8.02 in respect of Letters of Credit or Swingline Loans shall be held and applied to the satisfaction of the specific LC Obligations, Swingline Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 10.06(b)(vii)) or (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of the Borrower shall not be released during the continuance of a Default or Event of Default (and following application as provided in this Section 2.19 may be otherwise applied in accordance with Section 8.03), and (y) the Person providing Cash Collateral and the LC Issuer or Swingline Lender, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

## **2.20 Defaulting Lenders.**

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.01.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 10.08), shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to the LC Issuer or Swingline Lender hereunder; *third*, if so determined by the Administrative Agent or requested by the LC Issuer or Swingline Lender, to be held as Cash Collateral for future funding obligations of that Defaulting Lender of any participation in any Swingline Loan or Letter of Credit; *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; *sixth*, to the payment of any amounts owing to the Lenders, the LC Issuer or Swingline Lender as a result of any final and non-appealable judgment of a court of competent jurisdiction obtained by any Lender, the LC Issuer or Swingline Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any final and non-appealable judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to



that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or LC Borrowings in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Obligations owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Obligations owed to, that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.20(a) (ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. That Defaulting Lender (x) shall not be entitled to receive any commitment fee pursuant to Section 2.12(b) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender) and (y) shall be limited in its right to receive Letter of Credit Fees as provided in Section 2.12(c).

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swingline Loans pursuant to Sections 2.02 and 2.09, the "Applicable Percentage" of each non-Defaulting Lender shall be computed without giving effect to the Commitment of that Defaulting Lender; provided, that, (i) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, the conditions set forth in Section 4.02 are satisfied; and (ii) the aggregate obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit and Swingline Loans shall not exceed the positive difference, if any, of (1) the Commitment of that non-Defaulting Lender minus (2) the aggregate outstanding amount of the Loans of that Lender. Subject to Section 10.22, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under Law, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (y) second, Cash Collateralize the LC Issuer's Fronting Exposure in accordance with the procedures set forth in Section 2.19.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, Swingline Lender and the LC Issuer agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.20(a)(iv)), whereupon that Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) New Swingline Loans/Letters of Credit. So long as any Lender is a Defaulting Lender, (i) the Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swingline Loan and (ii) the LC Issuer shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

### **ARTICLE III**

#### **TAXES, YIELD PROTECTION AND ILLEGALITY**

##### **3.01 Taxes.**

(a) LC Issuer. For purposes of this Section 3.01, the term "Lender" includes the LC Issuer and the term "applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower or any Guarantor under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment to a Recipient by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower or the applicable Guarantor shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Borrower. The Borrower or applicable Guarantor shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Borrower. Without duplication of Section 3.01(b), the Borrower shall indemnify each Recipient, within 15 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided however, that the Borrower shall not indemnify any Recipient for any penalties, interest and reasonable expenses arising solely from (i) such Recipient's failure to notify the Borrower of such Indemnified Taxes within 180 days after such Recipient has actual knowledge of such Indemnified Taxes or (ii) such Recipient's gross negligence or willful misconduct. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower or any Guarantor has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower or any Guarantor to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower or any Guarantor to a Governmental Authority pursuant to this Section 3.01, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders. (i) If any Lender or the Administrative Agent is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, such Lender or Administrative Agent shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender or Administrative Agent, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender or Administrative Agent is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

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(ii) Without limiting the generality of the foregoing,

(A) if any Lender is a U.S. Person, such Lender shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) if any Foreign Lender is legally entitled to do so, it shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(ii) executed copies of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, W-8BEN or W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made;

(D) if a payment made to a Recipient under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with its obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement; and

(E) on or before the date on which any successor or replacement Administrative Agent becomes the Administrative Agent hereunder, it shall deliver to the Borrower executed copies of either (i) IRS Form W-9 certifying that such Administrative Agent is exempt from U.S. federal backup withholding tax, or (ii) IRS Form W-8ECI with respect to payments to be received on its own behalf and IRS Form W-8IMY (certifying that it is either a "qualified intermediary" within the meaning of Section 1.1441-1(e)(5) of the United States Treasury Regulations that has assumed primary withholding obligations under the Code, or a "U.S. branch" within the meaning of Section 1.1441-1(b)(2)(iv) of the United States Treasury Regulations that is treated as a U.S. Person for purposes of withholding obligations under the Code) for the amounts the Administrative Agent receives for the account of others.

(iii) Each Recipient agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds.** If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.01 (including by the payment of additional amounts pursuant to this Section 3.01), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made or additional amounts paid under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it reasonably deems confidential) to the indemnifying party or any other Person.

(i) **Survival.** Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the LC Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

**3.02 Illegality.** If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to SOFR or TermSOFR, or to determine or charge interest rates based upon SOFR or TermSOFR, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue TermSOFR Loans or to convert Base Rate Loans to TermSOFR Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest on which is determined by reference to the TermSOFR component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the TermSOFR component of the Base Rate, in each case until such Lender notifies the

Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Term SOFR Loans of such Lender to Base Rate Loans (the interest on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Term SOFR component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Term SOFR Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Term SOFR Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Term SOFR, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Term SOFR component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon Term SOFR. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

### **3.03 Inability to Determine Rates.**

(a) If in connection with any request for a Term SOFR Loan or a conversion of Base Rate Loans to Term SOFR Loans or a continuation of any of such Loans, as applicable, (i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate has been determined in accordance with Section 3.03(b), and the circumstances under clause (i) of Section 3.03(b) or the Scheduled Unavailability Date has occurred, or (B) adequate and reasonable means do not otherwise exist for determining Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan or in connection with an existing or proposed Base Rate Loan, or (ii) the Administrative Agent or the Majority Lenders determine that for any reason that Term SOFR for any requested Interest Period with respect to a proposed Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender.

Thereafter, (x) the obligation of the Lenders to make or maintain Term SOFR Loans, or to convert Base Rate Loans to Term SOFR Loans, shall be suspended (to the extent of the affected Term SOFR Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Term SOFR component of the Base Rate, the utilization of the Term SOFR component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (or, in the case of a determination by the Majority Lenders described in clause (ii) of this Section 3.03(a), until the Administrative Agent upon instruction of the Majority Lenders) revokes such notice.

Upon receipt of such notice, (i) the Borrower may revoke any pending request for a Borrowing of, or conversion to, or continuation of Term SOFR Loans (to the extent of the affected Term SOFR Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for Base Rate Loans in the amount specified therein and (ii) any outstanding Term SOFR Loans shall be deemed to have been converted to Base Rate Loans immediately at the end of their respective applicable Interest Period.

(b) Replacement of Term SOFR or Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Majority Lenders notify the Administrative Agent (with, in the case of the Majority Lenders, a copy to the Borrower) that the Borrower or Majority Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of Term SOFR, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be representative or made available, or permitted to be used for determining the interest rate of U.S. dollar denominated syndicated loans, or shall or will otherwise cease, provided that, in each case, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide such representative interest periods of Term SOFR after such specific date (the latest date on which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer representative or available permanently or indefinitely, the “Scheduled Unavailability Date”);

then, on a date and time determined by the Administrative Agent (any such date, the “Term SOFR Replacement Date”), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date, Term SOFR will be replaced hereunder and under any Loan Document with Daily Simple SOFR plus the SOFR Adjustment for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the “Successor Rate”).

If the Successor Rate is Daily Simple SOFR plus the SOFR Adjustment, all interest payments will be payable on a quarterly basis.

Notwithstanding anything to the contrary herein, (i) if the Administrative Agent determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement Date, or (ii) if the events or circumstances of the type described in Section 3.03(b)(i) or (ii) have occurred with respect to the Successor Rate then in effect, then in each case, the Administrative Agent and the Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Successor Rate in accordance with this Section 3.03 at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities syndicated and



agented in the United States for such alternative benchmark, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities syndicated and agented in the United States for such benchmark. For the avoidance of doubt, any such proposed rate and adjustments, shall constitute a “Successor Rate”. Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Majority Lenders have delivered to the Administrative Agent written notice that such Majority Lenders object to such amendment.

The Administrative Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero, the Successor Rate will be deemed to be zero for purposes of this Agreement.

In connection with the implementation of a Successor Rate, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

For purposes of this Section 3.03, those Lenders that either have not made, or do not have an obligation under this Agreement to make, the relevant Loans in Dollars shall be excluded from any determination of Majority Lenders

### **3.04 Increased Costs; Reserves on Term SOFR Loans.**

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(b)) or the LC Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, or other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the LC Issuer or the London interbank market any other condition, cost or expense (in each case, other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, the LC Issuer or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, the LC Issuer or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the LC Issuer or other Recipient, the Borrower will pay to such Lender, the LC Issuer or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the LC Issuer or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the LC Issuer determines that any Change in Law affecting such Lender or the LC Issuer or any Lending Office of such Lender or such Lender's or the LC Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the LC Issuer's capital or on the capital of such Lender's or the LC Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the LC Issuer, to a level below that which such Lender or the LC Issuer or such Lender's or the LC Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the LC Issuer's policies and the policies of such Lender's or the LC Issuer's holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender or the LC Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the LC Issuer or such Lender's or the LC Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. Any Lender or the LC Issuer that makes a demand for additional amounts under this Section 3.04 shall deliver to the Borrower a certificate setting forth the amount or amounts necessary to compensate such Lender or the LC Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section 3.04, and setting forth in reasonable detail the basis for calculating such amounts, which certificate shall be conclusive absent manifest error. The Borrower shall pay such Lender or the LC Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the LC Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the LC Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the LC Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or the LC Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the LC Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

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**3.05 Compensation for Losses.** Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

- (a) any Continuation, Conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);
- (b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, Continue or Convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower;
- (c) any assignment of a Term SOFR Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.13; or
- (d) any failure by the Borrower to make payment of any drawing under any Letter of Credit (or interest due thereon) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency (other than Dollars);

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained (but excluding any loss of anticipated profits). The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

**3.06 Mitigation Obligations; Replacement of Lenders.**

(a) Designation of a Different Lending Office. Each Lender may make any Credit Extension to the Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of the Borrower to repay the Credit Extension in accordance with the terms of this Agreement. If any Lender requests compensation under Section 3.04, or the Borrower is required to pay any additional amount to any Lender, the LC Issuer, or any Governmental Authority for the account of any Lender or the LC Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender or the LC Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the LC Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or the LC Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or the LC Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the LC Issuer in connection with any such designation or assignment.

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(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Borrower may replace such Lender in accordance with Section 10.13.

**3.07 Survival.** All of the Borrower's obligations under this Article III shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Aggregate Commitments and repayment of all other Obligations hereunder.

#### **ARTICLE IV CONDITIONS PRECEDENT**

**4.01 Conditions to Closing Date.** This Agreement shall not become effective to amend and restate the Existing Credit Agreement until the Borrower has satisfied the following conditions precedent:

(a) The Administrative Agent shall have received all of the following, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance reasonably satisfactory to the Administrative Agent (provided that each of the following may be delivered as originals or .pdf copies or other facsimiles with originals to follow promptly):

(i) counterparts of this Agreement executed by the Borrower and each Lender;

(ii) the Subsidiary Guaranty, executed by the parties thereto;

(iii) a Note executed by the Borrower in favor of each Lender requesting a Note;

(iv) such certificate of resolutions or other action, incumbency certificate and/or other certificates of Responsible Officers of the Borrower and each Guarantor as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which the Borrower or such Guarantor is a party;

(v) such documents and certifications as the Administrative Agent may reasonably require to evidence that the Borrower and each Guarantor are duly organized or formed, and that the Borrower and each Guarantor are validly existing, in good standing and qualified to engage in business in its jurisdiction of formation;

(vi) a favorable opinion of (A) Vinson & Elkins LLP., counsel to the Borrower and the Guarantors and (B) appropriate local counsel in jurisdictions reasonably requested by the Administrative Agent, in each case in form and substance satisfactory to Administrative Agent, addressed to the Administrative Agent and each Lender;

(vii) a certificate signed by a Responsible Officer of the Borrower certifying that the conditions specified in Sections 4.01(b)(ii), 4.01(b)(iii), and 4.01(g) have been satisfied;

(viii) a Solvency Certificate, signed by a financial officer of the Borrower or its general partner;

(ix) a Loan Notice for any Borrowing to be made on the Closing Date; and

(x) the Closing Date Financial Statements. The public filing with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended or on the System for Electronic Document Analysis and Retrieval of any of the Closing Date Financial Statements, will satisfy the requirements hereunder with respect to such Closing Date Financial Statements. The Arrangers hereby acknowledge receipt of the financial statements for the Borrower for the fiscal years ended December 31, 2023, December 31, 2022 and December 31, 2021 and NuStar for the fiscal year ended December 31, 2023.

(b) Both before and after giving effect to the Transactions, the following statements shall be true and correct as of the Closing Date: (i) to the extent required by the definition thereof, the Acquisition Agreement Representations shall be true and correct in all material respects (except to the extent any such Acquisition Agreement Representation is qualified by materiality, in which case such representation or warranty shall be true and correct in all respects) on and as of the Closing Date (although any Acquisition Agreement Representation which expressly relates to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be), (ii) the Specified Representations shall be true and correct in all material respects (except to the extent that any such Specified Representation or Acquisition Agreement Representation is qualified by materiality, in which case such representation or warranty shall be true and correct in all respects) on and as of the Closing Date (although any Specified Representation which expressly relates to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be); and (iii) no Event of Default under Section 8.01(a), 8.01(b) or 8.01(i) shall have then occurred and be continuing.

(c) All out-of-pocket costs, fees, expenses (including, without limitation, reasonable and documented legal fees and expenses) to the extent invoiced at least two (2) Business Days prior to the Closing Date and the fees contemplated by the Fee Letters payable to the Arrangers, the Administrative Agent or the Lenders shall have been paid on or prior to the Closing Date, in each case, to the extent required by hereunder or by any Fee Letter to be paid on or prior to the Closing Date.

(d) The Lenders shall have received at least three (3) Business Days prior to the Closing Date, to the extent requested in writing at least ten (10) Business Days prior to the Closing Date, all documentation and other information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act.

(e) If the Borrower or any Guarantor qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, to the extent requested by any Lender at least ten (10) Business Days prior to the Closing Date, each Lender that so requests shall have received a Beneficial Ownership Certification in relation to the Borrower or such Guarantor at least three (3) Business Days prior to the Closing Date.

(f) All security interests and Liens of the Borrower and the other Loan Parties granted in favor of Bank of America, as collateral agent securing payment or performance of the Existing Obligations shall have been released and terminated and of no further force or effect. On the Closing Date, after giving effect to the Transactions, neither the Borrower nor any of its Subsidiaries shall have any material outstanding Indebtedness for borrowed money (other than Indebtedness permitted hereunder and permitted to remain outstanding under the Acquisition Agreement).

(g) Prior to or substantially concurrently with the Closing Date, the Closing Date Acquisition shall have been consummated, without giving effect to any amendments, modifications, supplements or waivers by the Borrower or NuStar (or any of their respective affiliates) to the Acquisition Agreement or consents by the Borrower or NuStar (or any of their respective affiliates) thereunder, in each case, that are materially adverse to the interests of the Lenders or the Arrangers, in their capacities as such without each Arranger’s prior written consent (not to be unreasonably withheld, conditioned or delayed) (it being understood and agreed that, without prejudice to any of the other conditions set forth in this Section 4.01, (i) any change in the definition of “Partnership Material Adverse Effect” in the Acquisition Agreement shall be deemed to be materially adverse to the Lenders and the Arrangers, in their capacities as such, unless the Arrangers shall have provided their written consent thereto (such consent not to be unreasonably withheld, conditioned or delayed) and (ii) any modification, amendment or express waiver or consents by the Borrower or NuStar (or any of their respective affiliates) that results in (A) an increase to the purchase price of not more than 10% or that is funded with common equity of the Borrower shall be deemed not to be materially adverse to the interests of the Lenders, or the Arrangers, in their capacities as such, so long as such increase is not funded with proceeds of indebtedness or (B) a decrease to the exchange ratio of not more than 10% shall be deemed not to be materially adverse to the Arrangers and the Lenders.

(h) Since the date of the Acquisition Agreement, there shall not have occurred a Partnership Material Adverse Effect (as defined in the Acquisition Agreement).

(i) Prior to the Closing Date, the Administrative Agent shall have received evidence reasonably satisfactory to it that each of the (i) NuStar Credit Agreement, (ii) NuStar Receivables Facility, and (iii) NuStar Receivables Purchase Agreement shall have been amended, to the extent necessary, to (A) permit the Closing Date Acquisition and the execution and delivery of, and performance and incurrence of Indebtedness under each of this Agreement and the Closing Date Senior Notes and (B) cause the terms thereof to not constitute a violation of, or a default under, any Loan Document or the Closing Date Senior Notes. On the Closing Date, after giving effect to the Transactions, neither NuStar nor any of its Subsidiaries shall have any material outstanding Indebtedness for borrowed money (other than Indebtedness subject to the Acquired Business Debt Refinancing and any Indebtedness permitted hereunder and permitted to remain outstanding under the Acquisition Agreement, including without limitation the Indebtedness listed on Schedule 7.01).

(j) The Borrower shall have received the net cash proceeds from the issuance of the Closing Date Senior Notes.

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has executed and delivered this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

Upon the effectiveness of this Agreement, (a) each Lender who holds Loans in an aggregate amount less than its Applicable Percentage (after giving effect to this amendment and restatement) of all Loans shall advance new Loans which shall be disbursed to the Administrative Agent and used to repay Loans outstanding to each Lender who holds Loans in an aggregate amount greater than its Applicable Percentage of all Loans, (b) each Lender's participation in each Letter of Credit shall be automatically adjusted to equal its Applicable Percentage (after giving effect to this amendment and restatement), and (c) such other adjustments shall be made as the Administrative Agent shall specify so that each Lender's outstanding amount of Loans and LC Obligations equals its Applicable Percentage (after giving effect to this amendment and restatement) of the total outstanding amount of Loans and LC Obligations of all of the Lenders.

**4.02 Conditions to all Credit Extensions.** No Lender has any obligation to make any Credit Extension (including its first), and the LC Issuer has no obligation to make any LC Credit Extension (including its first), unless the following conditions precedent have been satisfied (other than with respect to (x) the Borrowing of the Loans, if any, on the Closing Date, which shall be solely governed by Section 4.01, (y) the incurrence of Incremental Term Loans, which shall be governed by Section 2.17 and (z) the initial Borrowing of Loans in connection with any Aggregate Revolving Credit Loan Commitment Increase the proceeds of which are to be used to finance an Acquisition by the Borrower or any Subsidiary permitted under this Agreement, which shall be governed by Section 2.17):

(a) The representations and warranties of the Loan Parties set forth in the Loan Documents (or, solely with respect to (i) up to \$250,000,000 of Borrowings on the Parkland Acquisition Closing Date, the proceeds of which are used to finance a portion of Parkland Transactions and (ii) any LC Credit Extensions on the Parkland Acquisition Closing Date in connection with the Parkland Transactions, only the (x) Specified Representations and (y) representations made by or on behalf of Parkland and its subsidiaries in the Parkland Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that the Borrower or its applicable Affiliates have the right (taking into account any applicable cure provisions) to terminate the Borrower's (or such Affiliates') obligations under the Parkland Acquisition Agreement, or to decline to consummate the Parkland Acquisition pursuant to the Parkland Acquisition Agreement, as a result of a breach of or inability to bring down such representations in the Parkland Acquisition Agreement) shall be true and correct in all material respects (except to the extent that any such representation or warranty is qualified by materiality, in which case such representation or warranty shall be true and correct in all respects) on and as of the date of such Credit Extension, both before and after giving effect to such Credit Extension, provided, however,

for purposes of this Section 4.02, (i) to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct as of such earlier date, (ii) the representations and warranties contained in Section 5.06(a) shall be deemed to refer to the most recent financial statements furnished pursuant to Section 6.01 and (iii) the representation and warranty contained in Section 5.06(b) shall not need to be true and correct on any date after the date of the initial Credit Extension; and

(b) At the time of and immediately after giving effect to such Credit Extension, no Default (or, solely with respect to (i) up to \$250,000,000 of Borrowings on the Parkland Acquisition Closing Date, the proceeds of which are used to finance a portion of Parkland Transactions and (ii) any LC Credit Extensions on the Parkland Acquisition Closing Date in connection with the Parkland Transactions, no Event of Default under Section 8.01(a), (b) or (i)) shall have occurred and be continuing.

(c) The Borrower must have provided the Administrative Agent with irrevocable written notice (or telephonic notice promptly confirmed in writing) for the Credit Extension pursuant to the applicable requirements in Section 2.03.

(d) Solely with respect to (i) any Borrowing on the Parkland Acquisition Closing Date, the proceeds of which are used to finance a portion of the Parkland Transactions and (ii) any LC Credit Extensions made on the Parkland Acquisition Closing Date in connection with the Parkland Transactions, since May 4, 2025, there shall have been no Company Material Adverse Effect (as defined in the Parkland Acquisition Agreement) that remains continuing.

Each Credit Extension shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

## ARTICLE V REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to each Lender that:

**5.01 No Default.** No event has occurred and is continuing which constitutes a Default.

**5.02 Organization and Good Standing.** Each of the Borrower and its Subsidiaries is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization, having all powers required to carry on its business and enter into and carry out the transactions contemplated hereby. Each of the Borrower and its Subsidiaries is duly qualified, in good standing, and authorized to do business in all other jurisdictions wherein the character of the properties owned or held by it or the nature of the business transacted by it makes such qualification necessary except where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect.

**5.03 Authorization.** Each of the Borrower and its Subsidiaries has duly taken all action necessary to authorize the execution and delivery by it of the Loan Documents to which it is a party and to authorize the consummation of the transactions contemplated thereby and the performance of its obligations thereunder.



**5.04 No Conflicts or Consents.** The execution and delivery by the Borrower and each Subsidiary of the Loan Documents to which it is a party, the performance by the Borrower and each Subsidiary of its respective obligations under such Loan Documents, and the consummation of the transactions contemplated by the various Loan Documents, do not and will not (i) conflict with any provision of (1) any Law, (2) the organizational documents of the Borrower, any Subsidiary or the General Partner, (3) as of the Closing Date, any material debt instruments of the Borrower or its Subsidiaries (after giving effect to the Closing Date Acquisition) governing indebtedness for borrowed money in an outstanding principal amount or committed amount in excess of \$50,000,000, or (4) any material Contractual Obligation, judgment, license, order or permit applicable to or binding upon the Borrower, any Subsidiary or the General Partner, (ii) result in the acceleration of any Indebtedness owed by the Borrower, any of its Subsidiaries, any of its Unrestricted Subsidiaries or the General Partner, or (iii) result in or require the creation of any Lien upon any assets or properties of the Borrower, any of its Subsidiaries or the General Partner, except, in each case, with respect to the preceding clauses (i) through (iii), as could not reasonably be expected to have a Material Adverse Effect. Except as expressly contemplated in the Loan Documents or disclosed in the Disclosure Schedule, no permit, consent, approval, authorization or order of, and no notice to or filing, registration or qualification with, any Tribunal or third party is required in connection with the execution, delivery or performance by the Borrower or any Subsidiary of any Loan Document or to consummate any transactions contemplated by the Loan Documents. Neither the Borrower nor any Subsidiary is in breach of or in default under any instrument, license or other agreement applicable to or binding upon such entity, which breach or default has had, or could reasonably be expected to have a Material Adverse Effect.

**5.05 Enforceable Obligations.** This Agreement is, and the other Loan Documents to which any Loan Party is a party when duly executed and delivered will be, legal, valid and binding obligations of such Loan Party enforceable in accordance with their terms except as such enforcement may be limited by bankruptcy, insolvency or similar Laws of general application relating to the enforcement of creditors' rights.

**5.06 Initial Financial Statements; No Material Adverse Effect.**

(a) The Borrower has heretofore delivered to the Lenders true, correct and complete copies of the Initial Financial Statements. The Initial Financial Statements were prepared in accordance with GAAP, subject, in the case of unaudited financial statements, to changes resulting from normal year-end adjustments and absence of footnotes. The Initial Financial Statements fairly present in all material respects the Borrower's Consolidated financial position at the date thereof, the Consolidated results of the Borrower's operations for the periods thereof and the Borrower's Consolidated cash flows for the period thereof.

(b) Since December 31, 2023, no event or circumstance has occurred that has had a Material Adverse Effect.

**5.07 Taxes.** Each of the Borrower and its Subsidiaries has timely filed all Tax returns and reports required to have been filed and has paid all Taxes, assessments, and other governmental charges or levies imposed upon it or upon its income, profits or property, except to the extent that any of the foregoing (i) is not yet delinquent, (ii) is being in good faith contested as permitted by Section 6.06 or (iii) if not so filed or paid could not reasonably be expected to have a Material Adverse Effect.

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**5.08 Full Disclosure.** No written certificate, statement or other information (other than projections and other forward looking information and information of a general economic or industry-specific nature), taken as a whole, delivered herewith or heretofore by any Loan Party to any Lender in connection with the negotiation of the Loan Documents or in connection with any transaction contemplated hereby contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not materially misleading as of the date made or deemed made.

**5.09 Litigation.** Except as disclosed in the Initial Financial Statements or in the Disclosure Schedule and except for matters that could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, there are no actions, judgments, injunctions, orders, suits or legal, equitable, arbitral or administrative proceedings pending or, to the knowledge of the Borrower, threatened, by or before any Tribunal against the Borrower or any of its Subsidiaries or against any property of the Borrower or any of its Subsidiaries.

**5.10 ERISA.** All currently existing ERISA Plans are listed in the Disclosure Schedule. Except as disclosed in the Initial Financial Statements or in the Disclosure Schedule, no Termination Event has occurred with respect to any ERISA Plan and all ERISA Affiliates are in compliance with ERISA in all material respects. Except as disclosed in the Disclosure Schedule, no ERISA Affiliate is required to contribute to, or has any other absolute or contingent liability in respect of, any “multiemployer plan” as defined in Section 4001 of ERISA. Except as set forth in the Disclosure Schedule: (i) no “accumulated funding deficiency” (as defined in Section 412(a) of the Code) exists with respect to any ERISA Plan, whether or not waived by the Secretary of the Treasury or his delegate, and (ii) the current value of each ERISA Plan’s benefits does not exceed the current value of such ERISA Plan’s assets available for the payment of such benefits by more than \$5,000,000.

**5.11 Compliance with Laws.** Each of the Borrower and its Subsidiaries is in compliance with all Laws applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

**5.12 Environmental Compliance.** The Borrower and its Material Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof have reasonably concluded that, except as specifically disclosed in Schedule 5.12, they: (a) to the best of their knowledge, are in compliance with all applicable Environmental Laws, except to the extent that any non-compliance would not reasonably be expected to have a Material Adverse Effect; (b) to the best of their knowledge, are not subject to any judicial, administrative, government, regulatory or arbitration proceeding alleging the violation of any applicable Environmental Laws or that may lead to claim for cleanup costs, remedial work, reclamation, conservation, damage to natural resources or personal injury or to the issuance of a stop-work order, suspension order, control

order, prevention order or clean-up order, except to the extent that any such proceeding would not reasonably be expected to have a Material Adverse Effect; (c) to the best of their knowledge, are not subject to any federal, state, local or foreign review, audit or investigation which may lead to a proceeding referred to in clause (b) above; (d) have no actual knowledge that any of their predecessors in title to any of their property and assets are the subject of any currently pending federal, state, local or foreign review, audit or investigation which may lead to a proceeding referred to in clause (b) above; (e) have not filed any notice under any applicable Environmental Laws indicating past or present treatment, storage or disposal of, or reporting a release of Hazardous Materials into the environment where the circumstances surrounding such notice would reasonably be expected to have a Material Adverse Effect; and (f) possess, and are in compliance with, all approvals, licenses, permits, consents and other authorizations which are necessary under any applicable Environmental Laws to conduct their business, except to the extent that the failure to possess, or be in compliance with, such authorizations would not reasonably be expected to have a Material Adverse Effect.

#### **5.13 Margin Regulations; Investment Company Act.**

(a) No Loan Party is engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) No Loan Party is an “investment company” or a company “controlled by” an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

#### **5.14 OFAC; Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws.**

(a) To the extent applicable, the Borrower and each Subsidiary, and to the knowledge of any such Person, any director, officer or employee thereof or any agent or representative thereof acting in such capacity hereunder, are in compliance in all material respects with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended), and any other enabling legislation or executive order relating thereto, (ii) the PATRIOT Act, (iii) applicable Anti-Corruption Laws and (iv) applicable Anti-Money Laundering Laws. None of the Borrower or any Subsidiary, or to the knowledge of any such Person, any director, officer or employee thereof or any agent or representative thereof acting in such capacity hereunder, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions or (ii) located, organized or resident in a Designated Jurisdiction.

(b) No Credit Extension, nor the proceeds from any Credit Extension, has been used, directly or indirectly, to lend, contribute or provide for, or has otherwise been made available to, (i) fund any activity or business in a Designated Jurisdiction, that, at the time of the Credit Extension, is the subject of Sanctions or (ii) fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction, that, at the time of the Credit Extension, is the subject of Sanctions or (iii) in any other manner that will result in a violation by the Borrower or any of its Subsidiaries of Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws.

**5.15 Beneficial Ownership Regulation.** As of the Closing Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

**5.16 Solvency.** As of the Closing Date, after the consummation of the Transactions to occur on such date, (a) the fair value of the assets of the Borrower and its Subsidiaries on a consolidated basis exceeds the debts and liabilities, direct, subordinated, contingent or otherwise, of the Borrower and its Subsidiaries on a consolidated basis; (b) the present fair saleable value of the property of the Borrower and its Subsidiaries on a consolidated basis is greater than the amount that will be required to pay the probable liability of the Borrower and its Subsidiaries on a consolidated basis on their debts and other liabilities, direct, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Borrower and its Subsidiaries on a consolidated basis are able to pay their debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Borrower and its Subsidiaries on a consolidated basis do not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted following the Closing Date.

## ARTICLE VI AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than contingent obligations not yet due and payable) shall remain unpaid, or any Letter of Credit shall remain outstanding and shall not have been Cash Collateralized, the Borrower covenants and agrees that:

**6.01 Books, Financial Statements and Reports.** The Borrower will maintain and will cause its Subsidiaries to maintain a standard system of accounting and proper books of record and account in accordance with GAAP and will furnish the following statements and reports to the Administrative Agent, for distribution to each Lender, at the Borrower's expense:

(a) As soon as available, and in any event within ninety (90) days after the end of each Fiscal Year, complete Consolidated financial statements of the Borrower together with all notes thereto, prepared in reasonable detail in accordance with GAAP, together with an opinion relating to such financial statements, which opinion shall be based on an audit using generally accepted auditing standards, by independent certified public accountants selected by the General Partner and acceptable to the Administrative Agent, stating that such Consolidated financial statements have been so prepared, and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit (other than any qualification pertaining to the maturity of any Indebtedness occurring within twelve (12) months of the relevant audit or any anticipated breach of the financial covenants in Section 7.12); provided, however, that at any time when the Borrower shall be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, delivery within the time period specified above of copies of the Annual Report on Form 10-K of the Borrower for such Fiscal Year prepared in compliance with the requirements therefor and filed with the Commission shall be deemed to satisfy the requirements of this clause (a). Such financial statements shall set forth in comparative form the corresponding figures for the preceding Fiscal Year.

(b) As soon as available, and in any event within fifty (50) days after the end of each of the first three Fiscal Quarters of each Fiscal Year the Borrower's Consolidated balance sheet as of the end of such Fiscal Quarter and the Borrower's Consolidated statements of income, partners' capital and cash flows for such Fiscal Quarter (except in the case of the statement of cash flows) and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, all in reasonable detail and prepared in accordance with GAAP, subject to changes resulting from normal year end adjustments and the absence of footnotes; provided, however, that at any time when the Borrower shall be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, delivery within the time period specified above of copies of the Quarterly Report on Form 10-Q of the Borrower for such Fiscal Quarter prepared in accordance with the requirements therefor and filed with the Commission shall be deemed to satisfy the requirements of this clause (b) for any of the first three Fiscal Quarters of a Fiscal Year. Such financial statements shall set forth in comparative form the corresponding figures for the same period of the preceding Fiscal Year. In addition the Borrower will, together with each such set of financial statements under this subsection (b) and each set of financial statements furnished under subsection (a) of this section, furnish a Compliance Certificate, signed on behalf of the Borrower by the chief executive officer, chief financial officer, principal accounting officer or treasurer of the General Partner, setting forth that such financial statements are accurate and complete in all material respects (subject, in the case of Fiscal Quarter-end statements, to normal year-end adjustments and the absence of footnotes), stating that he has reviewed the Loan Documents, containing calculations showing compliance (or non-compliance) at the end of such Fiscal Quarter with the then applicable requirements of Section 7.12, and stating that no Default exists at the end of such Fiscal Quarter or at the time of such certificate or specifying the nature and period of existence of any such Default.

(c) Promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Borrower or any of its Subsidiaries to public securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such Lender), and each prospectus and all amendments thereto filed by the Borrower or any of its Subsidiaries with the Commission and of all press releases and other statements made available generally by the Borrower or any of its Subsidiaries to the public concerning material developments; provided that the Borrower shall be deemed to have furnished the information specified in this clause (c) above on the date that such information is posted at the Borrower's website on the Internet or at such other website as notified to the Lenders.

(d) Prompt written notice of any change (but in no event later than ten (10) Business Days after such change, unless otherwise agreed by the Administrative Agent) in any Loan Party's (i) name, (ii) identity or organizational form or jurisdiction of incorporation, or (iii) Federal Taxpayer Identification Number.

(e) Promptly following any request therefor, provide information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and Anti-Money Laundering Laws, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation.

**6.02 Other Information and Inspections.** The Borrower will furnish to the Administrative Agent any information which the Administrative Agent, at the request of any Lender, may from time to time reasonably request concerning any representation, warranty, covenant, provision or condition of the Loan Documents or any matter in connection with businesses and operations of the Borrower or any of its subsidiaries. The Borrower will permit representatives appointed by the Administrative Agent (including independent accountants, auditors, agents, attorneys, appraisers and any other Persons) to visit and inspect during normal business hours (which right to visit and inspect shall be limited to once during any Fiscal Year unless a Default has occurred and is continuing) any of the Loan Parties' property, including books of account, other books and records, and any facilities or other business assets, and to make extra copies therefrom and photocopies and photographs thereof, and to write down and record any information such representatives obtain, and the Loan Parties shall permit the Administrative Agent or its representatives to investigate and verify the accuracy of the information furnished to the Administrative Agent or any Lender in connection with the Loan Documents and to discuss all such matters with their officers, employees and, upon prior notice to the Borrower, its representatives.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arrangers will make available to the Lenders and the LC Issuer materials and/or information provided by or on behalf of any Loan Party hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on SyndTrak or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees to use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to Public Lenders and that (w) all such Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Arrangers, the LC Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

**6.03 Notice of Material Events.** The Borrower will notify the Administrative Agent, for distribution to the LC Issuer and each Lender, promptly, and not later than five (5) Business Days in the case of subsection (b) below and not later than ten (10) Business Days in the case of any other subsection below, after any Responsible Officer or general counsel of the Borrower has knowledge thereof, stating that such notice is being given pursuant to this Agreement, of:

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- (a) the occurrence of any event or circumstance that has had, or could reasonably be expected to have, a Material Adverse Effect,
  - (b) the occurrence of any Default,
  - (c) the acceleration of the maturity of any Indebtedness owed by the Borrower or any of its Subsidiaries or of any default by the Borrower or any of its Subsidiaries under any Contractual Obligation of the Borrower or such Subsidiary, if such acceleration or default has had or could reasonably be expected to have a Material Adverse Effect,
  - (d) the occurrence of any Termination Event,
  - (e) the filing of any suit or proceeding, or the assertion in writing of a claim against the Borrower or any Material Subsidiary or with respect to the Borrower's or any Material Subsidiary's properties which could reasonably be expected to result in liability to Borrower or such Material Subsidiary in excess of \$50,000,000;
  - (f) the occurrence of any event of default by the Borrower or any of its Subsidiaries in the payment or performance of (i) any material obligations such Person is required to pay or perform under the terms of any indenture, mortgage, deed of trust, security agreement, lease, and franchise, or other agreement, contract or other instrument or obligation to which it is a party or by which it or any of its properties is bound, or (ii) any Indebtedness, to the extent, in the case of clauses (i) and (ii), such event of default could reasonably be expected to have a Material Adverse Effect; and
  - (g) any announcement of any change in a Rating.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to herein and stating what action the Borrower, Subsidiary or Material Subsidiary, as applicable, has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(b) shall describe with particularity any all provisions of this Agreement and if, applicable, other Loan Documents, that have been breached.

**6.04 Maintenance of Properties.** Except where it will not have a Material Adverse Effect, the Borrower and each Subsidiary will (a) maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted, (b) make all necessary repairs thereto and renewals and replacements thereof, and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

**6.05 Maintenance of Existence and Qualifications.** The Borrower and each Subsidiary will maintain and preserve its existence and its rights and franchises in full force and effect and will qualify to do business in all states or jurisdictions where required by applicable Law, except where the failure so to maintain, preserve or qualify has not had, and could not reasonably be expected to have, a Material Adverse Effect or such failure is otherwise not prohibited by Section 7.03.

**6.06 Payment of Obligations.** The Borrower and each Subsidiary will pay, before the same shall become delinquent or in default, its obligations, including Tax liabilities, except where (a) the validity or amount thereof is being contested by the Borrower or such Subsidiary in good faith and by appropriate proceedings and the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP, or (b) the failure to make payment could not reasonably be expected to have a Material Adverse Effect.

**6.07 Insurance.** The Loan Parties will maintain or cause to be maintained with financially sound and reputable insurers which are not affiliates of the Loan Parties, insurance with respect to their properties and business and the properties and businesses of the Subsidiaries against loss or damage of the kinds customarily insured against by companies of established reputation engaged in the same or similar business and similarly situated, of such types and in such amounts as are customarily carried under similar circumstances by such other business. Such insurance may include self-insurance or be subject to co-insurance, deductibility or similar clauses which, in effect, result in self-insurance of certain losses, provided that such self-insurance is in accord with the approved practices of business enterprises of established reputation similarly situated and adequate insurance reserves are maintained in connection with such self-insurance, and, notwithstanding the foregoing provisions of this Section the Borrower or any Subsidiary may effect workers' compensation or similar insurance in respect of operations in any state or other jurisdiction through any insurance fund operated by such state or other jurisdiction or by causing to be maintained a system or systems of self-insurance in accord with applicable Laws.

**6.08 Compliance with Law.** The Borrower and each Subsidiary will comply in all material respects with the requirements of all Laws applicable to it or to its business or property, except in such instances in which (a) such requirement of Law is being contested in good faith or a bona fide dispute exists with respect thereto, or (b) the failure to comply therewith could not be reasonably expected to have a Material Adverse Effect.

**6.09 Subsidiaries and Unrestricted Subsidiaries.**

(a) The Borrower may designate any Unrestricted Subsidiary to be a Subsidiary, provided that the Borrower may not make such designation unless at the time of such action and after giving effect thereto, (i) none of such Unrestricted Subsidiaries have outstanding Indebtedness, other than Indebtedness permitted under Section 7.01, or Liens on any of their property, other than Permitted Liens (in each case taking into account the other Indebtedness and Liens of the Borrower and its Subsidiaries), (ii) no Default or Event of Default shall exist, (iii) all representations and warranties herein will be true and correct in all material respects as if remade at the time of such designation, except to the extent such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects as of such earlier date, (iv) prior to the first Investment Grade Event, after giving effect to such designation, on a pro forma basis as if it had occurred on the first day of the test period most recently ended, the Borrower would be in compliance with the then applicable requirements of Section 7.12 and (v) the Borrower has provided to the Administrative Agent a certificate of a Responsible Officer of the Borrower in form satisfactory to the Administrative Agent to the effect that each of the foregoing conditions has been satisfied.



(b) The Borrower may designate any Subsidiary of the Borrower to be an Unrestricted Subsidiary, provided that all Investments in such Subsidiary at the time of such designation shall be treated as Investments made on the date of such designation, and provided further that the Borrower may not make such designation unless at the time of such action and immediately after giving effect thereto (i) no Default or Event of Default shall exist, (ii) all representations and warranties herein will be true and correct in all material respects (or in all respect, to the extent any such representation or warranty is qualified by materiality) if remade at the time of such designation, except to the extent such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects as of such earlier date, (iii) the Investment represented by such designation is permitted under Section 7.05 and (iv) the Borrower has provided to the Administrative Agent a certificate of a Responsible Officer of the Borrower in form satisfactory to the Administrative Agent to the effect that each of the foregoing conditions have been satisfied.

(c) Neither the Borrower nor any Subsidiary shall guarantee or otherwise become liable in respect of any Indebtedness of, grant any Lien on any of its property (other than Equity Interests of an Unrestricted Subsidiary owned by the Borrower or such Subsidiary) to secure any Indebtedness of or other obligation of, or provide any other form of credit support to, any Unrestricted Subsidiary, other than (i) Guarantees for the benefit of Unrestricted Subsidiaries not to exceed \$50,000,000 at any one time outstanding and (ii) Standard Securitization Undertakings with respect to a Qualified Securitization Transaction.

(d) With respect to (x) any Material Subsidiary that is a Wholly Owned Subsidiary and a Domestic Subsidiary created or acquired after the Closing Date by the Borrower and any Wholly Owned Subsidiary and Domestic Subsidiary that otherwise becomes a Material Subsidiary after the Closing Date, the Borrower shall promptly and in no event later than thirty (30) days thereafter (or such longer period as may be acceptable to the Administrative Agent in its sole discretion) and (y) any other Subsidiary that the Borrower designates in writing to the Administrative Agent as an Elective Subsidiary Guarantor, the Borrower may (i) cause such Subsidiary to become a party to the Subsidiary Guaranty, (ii) provide written evidence reasonably satisfactory to the Administrative Agent that such Subsidiary has taken all corporate, limited liability company or partnership action necessary to duly approve and authorize its execution, delivery and performance of such Guaranty and any other documents which it is required to execute and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance reasonably satisfactory to the Administrative Agent; provided that, notwithstanding anything to the contrary set forth herein or in any other Loan Document, (A) neither Parkland nor any of its subsidiaries shall be required to become Subsidiary Guarantors or otherwise Guarantee the Obligations at any time that such a Guarantee would not be permitted under any existing Indebtedness of Parkland or any of its subsidiaries outstanding immediately prior to the Amendment No. 1 Effective Date and that remains outstanding after the Amendment No. 1 Effective Date in accordance with the terms of the Parkland Acquisition Agreement and (B) no subsidiary of Parkland shall be required to become a Subsidiary Guarantor or otherwise Guarantee the Obligations for so long as (I) such subsidiary is a direct or indirect subsidiary of any Subsidiary that is not incorporated or organized under the laws of the United States of America, any state thereof or the District of Columbia and (II) the Borrower reasonably determines in good faith that the provision of such Guarantee could reasonably be expected to have material adverse tax consequences.

In addition to, and without limitation of, the foregoing, with respect to any proposed Elective Subsidiary Guarantor that is not a Domestic Subsidiary, such Subsidiary shall only be permitted to become a party to the Subsidiary Guaranty upon not less than 10 Business Days' notice from the Borrower to the Administrative Agent (or such shorter period as may be agreed by the Administrative Agent in its sole discretion) (i) if the jurisdiction of incorporation of such Subsidiary is reasonably acceptable to the Administrative Agent in light of applicable Law and the policies and procedures of the Administrative Agent with respect to similarly situated companies (as reasonably determined by the Administrative Agent), and (ii) upon the reasonable request of any Lender, the proposed Elective Subsidiary Guarantor shall have provided to such Lender at least 5 Business Days prior to effectiveness of the proposed election, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and any proposed Elective Subsidiary Guarantor that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall have delivered, to each Lender that so requests, a Beneficial Ownership Certification in relation to such Subsidiary.

**6.10 Further Assurances.** At any time or from time to time upon the reasonable request of the Administrative Agent, the Borrower shall, and shall cause each Subsidiary to, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Administrative Agent may reasonably request in order to effect fully the purposes of the Loan Documents. In furtherance and not in limitation of the foregoing, the Borrower shall, and shall cause each Subsidiary to, take such actions as the Administrative Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Subsidiary Guarantors (to the extent required by this Agreement).

## **ARTICLE VII NEGATIVE COVENANTS**

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than contingent obligations not yet due and payable) shall remain unpaid, or any Letter of Credit shall remain outstanding and shall not have been Cash Collateralized, the Borrower covenants and agrees that:

### **7.01 Indebtedness.**

(a) Prior to the first Investment Grade Event, neither the Borrower nor any Subsidiary will in any manner owe or be liable for Indebtedness except:

(i) the Obligations;

(ii) (A) Indebtedness of the Borrower and the Subsidiaries owing to the Borrower or any other Subsidiaries outstanding as of the Closing Date, (B) additional Indebtedness by the Borrower and its Subsidiaries owing to Loan Parties; and (C) additional Indebtedness by Subsidiaries of the Borrower that are not Loan Parties owing to other Subsidiaries that are not Loan Parties; provided that if any such Indebtedness is owed by a Loan Party, such Indebtedness shall be subordinated pursuant to the terms of the applicable promissory notes or an intercompany subordination agreement that in any such case is reasonably satisfactory to the Administrative Agent;

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(iii) Guarantees incurred in the ordinary course of business by the Borrower or any Subsidiary Guarantor of obligations of the Borrower and any Subsidiary;

(iv) Indebtedness in respect of bonds that are performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(v) Indebtedness in respect of future payment for non-competition covenants, indemnifications, adjustments of purchase price or similar payments under agreements governing an acquisition, merger, consolidation or disposition by the Borrower or any Subsidiary;

(vi) Indebtedness of any Person that becomes a Subsidiary after the date hereof (other than Indebtedness under the NuStar Credit Agreement and NuStar Receivables Facility), incurred prior to the time such Person becomes a Subsidiary, that is not created in contemplation of or in connection with such Person becoming a Subsidiary and that is not assumed or Guaranteed by any other Subsidiary (other than another Person becoming a Subsidiary at the same time as such acquisition); Indebtedness secured by a Lien on property acquired by a Subsidiary, incurred prior to the acquisition thereof by such Subsidiary, that is not created in contemplation of or in connection with such acquisition and that is not assumed or Guaranteed by any other Subsidiary (other than another Person becoming a Subsidiary at the same time as such acquisition); and any Permitted Refinancing Debt in respect thereof;

(vii) (A) Indebtedness existing on the Closing Date which is described on Schedule 7.01 and any Permitted Refinancing Debt in respect thereof, (B) the Existing Senior Notes, the Closing Date Senior Notes, the NuStar Senior Notes and Guarantees (and Debt Assumption Agreements, if applicable) by the Loan Parties of any of the foregoing and any Permitted Refinancing Debt in respect thereof, (C) the Go-Zone Bonds, Guarantees (and Debt Assumption Agreements, if applicable) by Loan Parties thereof and any Permitted Refinancing Debt in respect thereof, (D) the NuStar Subordinated Notes, Guarantees by Loan Parties thereof and any Debt Assumption Agreements of the foregoing and (E) until July 2, 2024, subject to Section 7.15, Indebtedness under the NuStar Credit Agreement, the Borrower's obligations under the related Debt Assumption Agreement, and the Guarantee by the Borrower and NuStar and its Subsidiaries that are Loan Parties thereof;

(viii) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with deposit accounts;

(ix) Indebtedness consisting of the financing of insurance premiums in the ordinary course of business, so long as such Indebtedness shall not exceed the amount of the unpaid cost of, and shall be incurred only to defer the cost of, the underlying policy;

(x) Indebtedness in respect of Capital Lease Obligations, purchase money obligations and Indebtedness incurred to finance the acquisition, construction or improvement of any fixed or capital assets and any Permitted Refinancing Debt in respect thereof; provided, however, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed 7.5% of Consolidated Net Tangible Assets;

(xi) Indebtedness issued by the Borrower or any Finance Co, unsecured Guarantees thereof by the Borrower and the Subsidiary Guarantors and any Permitted Refinancing Debt in respect thereof; provided that (A) immediately prior to and after giving effect to the issuance of such Indebtedness, the Borrower is in pro-forma compliance with the then applicable requirements of Section 7.12 (except that, if the proceeds of such Indebtedness are to be used to finance an Acquisition by the Borrower or any Subsidiary permitted under this Agreement, at the Borrower's election, the date of determination of the ratios in Section 7.12 shall be deemed to be the date of the binding and enforceable definitive agreement entered into in connection with such Acquisition; provided that the closing date (without giving effect to any extensions of such date in such agreement and/or any amendments, modifications or waivers to such agreement) of such Acquisition shall not be more than three-hundred sixty-five (365) days after the execution of such binding and enforceable definitive agreement), (B) such Indebtedness' scheduled maturity is no earlier than the Latest Maturity Date at the time of issuance, (C) such Indebtedness does not require any scheduled repayments, defeasance or redemption (or sinking fund therefor) of any principal amount thereof prior to maturity (other than (x) Indebtedness convertible into Equity Interests of the Borrower and (y) pursuant to any special mandatory redemption or similar provisions requiring repayment or redemption of such Indebtedness as a result of the failure to consummate the Parkland Acquisition) and (D) immediately prior to and after giving effect to the issuance of such Indebtedness, no Event of Default shall have occurred and be continuing (except that, if the proceeds of such Indebtedness are to be used to finance an Acquisition by the Borrower or any Subsidiary permitted under this Agreement, no Event of Default under Section 8.01(a), (b) or (i) shall have occurred and be continuing);

(xii) limited recourse Indebtedness of the Borrower or any Subsidiary (A) constituting Indebtedness of the Borrower or such Subsidiary solely under clause (i) of the definition of "Indebtedness" and solely because of a Lien on a Joint Venture Interest owned by the Borrower or such Subsidiary to secure Indebtedness of such Person and its Subsidiaries and (B) whose holder's sole recourse to Borrower or any Subsidiary is through such Lien on such Joint Venture Interests;

(xiii) unsecured Indebtedness owed to Energy Transfer LP or any of its Subsidiaries; provided that such Indebtedness is subordinated to the Obligations on terms reasonably satisfactory to the Administrative Agent;

(xiv) Indebtedness in respect of a Qualified Securitization Transaction;

(xv) other Indebtedness in an aggregate principal amount not to exceed 10% of Consolidated Net Tangible Assets at any time outstanding;

and

(xvi) the Term Loan Facility and Guarantees by Loan Parties thereof and any Term Loan Refinancing Indebtedness in respect thereof; provided that the sum of the Aggregate Revolving Credit Loan Commitments plus the Incremental Term Loans plus any borrowings under the Term Loan Facility (and any Term Loan Refinancing Indebtedness in respect thereof) shall not exceed an amount equal to \$2,250,000,000.00 plus other amounts permitted by sub-clause (iv) of the definition of "Term Loan Refinancing Indebtedness" at any one time outstanding; ~~and~~ and

(xvii) Permitted Parkland Bridge Debt.

(b) After the first Investment Grade Event, no Subsidiary will in any manner owe or be liable for Indebtedness except:

(i) the Obligations;

(ii) Indebtedness of any Subsidiary owing to the Borrower or another Subsidiary;

(iii) Indebtedness in respect of bonds that are performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(iv) Indebtedness in respect of future payment for non-competition covenants, indemnifications, adjustments of purchase price or similar payments under agreements governing an acquisition, merger, consolidation or disposition by the Borrower or any Subsidiary;

(v) Indebtedness of any Person that becomes a Subsidiary after the date hereof (other than Indebtedness under the NuStar Credit Agreement and NuStar Receivables Facility), incurred prior to the time such Person becomes a Subsidiary, that is not created in contemplation of or in connection with such Person becoming a Subsidiary and that is not assumed or Guaranteed by any other Subsidiary; and Indebtedness secured by a Lien on property acquired by a Subsidiary, incurred prior to the Acquisition thereof by such Subsidiary, that is not created in contemplation of or in connection with such Acquisition and that is not assumed or Guaranteed by any other Subsidiary and any Permitted Refinancing Debt in respect thereof;

(vi) (A) Indebtedness existing on the Closing Date which is described on Schedule 7.01 and any Permitted Refinancing Debt in respect thereof, (B) the Existing Senior Notes, the Closing Date Senior Notes, the NuStar Senior Notes and Guarantees (and Debt Assumption Agreements, if applicable) by the Loan Parties of any of the foregoing and any Permitted Refinancing Debt in respect thereof, (C) the Go-Zone Bonds, Guarantees (and Debt Assumption Agreements, if applicable) by Loan Parties thereof and any Permitted Refinancing Debt in respect thereof, (D) the NuStar Subordinated Notes, Guarantees by Loan Parties thereof and any Debt Assumption Agreements of the foregoing and (E) until July 2, 2024, subject to Section 7.15, Indebtedness under the NuStar Credit Agreement, the Borrower's obligations under the related Debt Assumption Agreement, and the Guarantee by the Borrower and NuStar and its Subsidiaries that are Loan Parties thereof;

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- (vii) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with deposit accounts;
- (viii) Indebtedness consisting of the financing of insurance premiums in the ordinary course of business, so long as such Indebtedness shall not exceed the amount of the unpaid cost of, and shall be incurred only to defer the cost of, the underlying policy;
- (ix) Indebtedness of any Subsidiary (A) constituting Indebtedness of such Subsidiary solely under clause (i) of the definition of “Indebtedness” and solely because of a Lien on a Joint Venture Interest owned by such Subsidiary to secure Indebtedness of such Person and its Subsidiaries and (B) whose holder’s sole recourse to any Subsidiary is through such Lien on such Joint Venture Interests;
- (x) Indebtedness in respect of Capital Lease Obligations, purchase money obligations and Indebtedness incurred to finance the acquisition, construction or improvement of any fixed or capital assets and any Permitted Refinancing Debt in respect thereof; provided, however, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed 7.5% of Consolidated Net Tangible Assets;
- (xi) Permitted Priority Debt;
- (xii) the Term Loan Facility and Guarantees by Loan Parties thereof and any Term Loan Refinancing Indebtedness in respect thereof; provided that the sum of the Aggregate Revolving Credit Loan Commitments plus the Incremental Term Loans plus any borrowings under the Term Loan Facility (and any Term Loan Refinancing Indebtedness in respect thereof) shall not exceed an amount equal to \$2,250,000,000.00 plus other amounts permitted by sub-clause (iv) of the definition of “Term Loan Refinancing Indebtedness” at any one time outstanding;
- (xiii) Indebtedness in respect of a Qualified Securitization Transaction; ~~and~~
- (xiv) Indebtedness issued by any Finance Co and unsecured Guarantees by the Subsidiary Guarantors of such Indebtedness or of any Indebtedness issued by the Borrower and any Permitted Refinancing Debt in respect thereof; provided that (A) immediately prior to and after giving effect to the issuance of such Indebtedness, the Borrower is in pro-forma compliance with the then applicable requirements of Section 7.12 (except that, if the proceeds of such Indebtedness are to be used to finance an Acquisition by the Borrower or any Subsidiary permitted under this Agreement, at the Borrower’s election, the date of determination of the ratios in Section 7.12 shall be deemed to be the date of the binding and enforceable definitive agreement entered into in connection with such Acquisition; provided that the closing date (without giving effect to any extensions of such date in such agreement and/or any amendments, modifications or waivers to such agreement) of such Acquisition shall not be more than three-hundred sixty-five (365) days after the execution of such binding and enforceable definitive agreement), (B) such Indebtedness’ scheduled maturity is no earlier than the Latest Maturity Date at the time of issuance, (C) such

Indebtedness does not require any scheduled repayments, defeasance or redemption (or sinking fund therefor) of any principal amount thereof prior to maturity (other than Indebtedness convertible into Equity Interests of the Borrower) and (D) immediately prior to and after giving effect to the issuance of such Indebtedness, no Event of Default shall have occurred and be continuing (except that, if the proceeds of such Indebtedness are to be used to finance an Acquisition by the Borrower or any Subsidiary permitted under this Agreement, no Event of Default under Section 8.01(a), (b) or (i) shall have occurred and be continuing); and

(xv) Permitted Parkland Bridge Debt.

**7.02 Limitation on Liens.** Neither the Borrower nor any Subsidiary will create, assume or permit to exist any Lien upon or with respect to any of its properties or assets now owned or hereafter acquired, except the following Liens (to the extent permitted by this Section, herein called "Permitted Liens");

(a) Liens existing on the date of this Agreement and listed in the Disclosure Schedule and any renewals or extensions thereof, provided that (i) the scope of property covered thereby is not increased, (ii) the amount secured or benefited thereby is not increased except as contemplated by Section 7.01(a)(vii) or 7.01(b)(vi), (iii) the direct or any contingent obligor with respect thereto is not changed and (iv) any renewal or extension of the obligations secured or benefited thereby is permitted by Section 7.01(a)(vii) or 7.01(b)(vi);

(b) Liens imposed by any Governmental Authority for Taxes, assessments or charges not yet delinquent or the validity of which is being contested in good faith and by appropriate proceedings and, if necessary, for which adequate reserves with respect thereto are maintained on the books of the Borrower or any Subsidiary in accordance with GAAP;

(c) pledges or deposits of cash or securities under worker's compensation, unemployment insurance or other social security legislation;

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlord's, or other like Liens (including, without limitation, Liens on property of the Borrower or any Subsidiary in the possession of storage facilities, pipelines or barges) arising in the ordinary course of business for amounts which are not more than 60 days past due or the validity of which is being contested in good faith and by appropriate proceedings, if necessary, and for which adequate reserves are maintained on the books of the Borrower or any Subsidiary in accordance with GAAP;

(e) deposits of cash or securities to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, easements, licenses, restrictions on the use of real property or minor imperfections in title thereto which, in the aggregate, are not material in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any Subsidiary;

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(g) rights reserved to or vested in any Governmental Authority by the terms of any right, power, franchise, grant, license or permit, or by any provision of law, to revoke or terminate any such right, power, franchise, grant, license or permit or to condemn or acquire by eminent domain or similar process;

(h) rights reserved to or vested by Law in any Governmental Authority to in any manner, control or regulate in any manner any of the properties of the Borrower or any Subsidiary or the use thereof or the rights and interests of the Borrower or any Subsidiary therein, in any manner under any and all Laws;

(i) rights reserved to the grantors of any properties of the Borrower or any Subsidiary, and the restrictions, conditions, restrictive covenants and limitations, in respect thereto, pursuant to the terms, conditions and provisions of any rights-of-way agreements, contracts or other agreements therewith;

(j) inchoate Liens in respect of pending litigation or with respect to a judgment which has not resulted in an Event of Default under Section 8.01;

(k) statutory Liens in respect of payables;

(l) Liens securing Indebtedness permitted by Section 7.01(a)(vi) or 7.01(b)(v) or other obligations of any Person that becomes a Subsidiary after the date hereof; provided that (i) such Lien is not created in contemplation of or in connection with such Acquisition or such Person becoming a Subsidiary, (ii) such Lien shall not apply to any other property of the Borrower or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such Acquisition or the date such Person becomes a Subsidiary, as the case may be, and Indebtedness refinancing such obligations (but no increase to the principal amount thereof, except by an amount equal to amounts paid for any accrued interest, breakage, premium, fees and expenses in connection with such refinancing);

(m) after the first Investment Grade Event, Liens on cash margin collateral or securities securing Hedging Contracts;

(n) Liens in respect of operating leases covering only the property subject thereto;

(o) Liens on Equity Interests of Unrestricted Subsidiaries or Joint Venture Interests securing Indebtedness of such Unrestricted Subsidiary or joint venture;

(p) Liens securing the Obligations;

(q) Liens securing Capital Lease Obligations permitted by Section 7.01(a)(x) or Section 7.01(b)(x); provided that such Lien shall not apply to any other property of the Borrower or any Subsidiary;



(r) prior to the first Investment Grade Event, Liens securing other Indebtedness and Hedging Contracts in an aggregate amount not to exceed 10% of Consolidated Net Tangible Assets at any time outstanding;

(s) after the first Investment Grade Event, Liens in respect of Permitted Priority Debt; and

(t) (i) Liens on Qualified Securitization Assets or accounts into which solely collections or proceeds of Qualified Securitization Assets are deposited, in each case, incurred pursuant to a Qualified Securitization Transaction and (ii) Liens securing Indebtedness or other obligations of any Qualified Securitization Entity.

**7.03 Fundamental Changes.** The Borrower will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or Dispose of (in one transaction or in a series of related transactions) all (or substantially all) of its assets in each case, whether now owned or hereafter acquired; provided that if at the time thereof and immediately after giving effect thereto, no Event of Default shall have occurred and be continuing (except that, (1) if the proceeds of any Loans are to be used to finance an Acquisition by the Borrower or any Subsidiary permitted under this Agreement or (2) with respect to the merger of NuStar Logistics, L.P. with and into the Borrower to the extent that it occurs within 90 days after the Closing Date, no Event of Default under Section 8.01(a), (b) or (i) shall exist), any Person may merge or consolidate with or into the Borrower in a transaction in which the surviving Person is (A) the Borrower or (B) another solvent Person organized or existing under the laws of the United States of America, any State thereof or the District of Columbia; provided that in the case of this clause (B), (i) such Person expressly assumes every obligation and covenant of the Borrower under this Agreement and the Loan Documents, pursuant to an assumption agreement reasonably acceptable to the Administrative Agent; and (ii) the Borrower shall deliver to the Administrative Agent (x) a certificate of a Responsible Officer stating that such transaction complies with this Section and (y) all documentation and other information in respect of the surviving Person required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulation, including the PATRIOT Act that has been requested (provided that the Borrower and such surviving Person shall have been given at least two (2) Business Days to comply with any such request) and the Beneficial Ownership Regulation. Upon any consolidation by the Borrower with, or merger into, any Person described in clause (B) above and satisfaction of the conditions specified in this Section, such Person will succeed to, and be substituted for, the Borrower. Notwithstanding anything to the contrary in this Section 7.03, no Qualified Securitization Entity may be merged or consolidated with or into the Borrower or any of its Subsidiaries at any time that any related Qualified Securitization Attributed Indebtedness is outstanding.

**7.04 Distributions.** The Borrower will not declare, pay or make any Distribution (in cash, property or obligations) on any interests (now or hereafter outstanding) in the Borrower or apply any of its funds, property or assets to the purchase of any partnership interests in the Borrower if, (x) on the date of any declaration of such Distribution or application, a Default under Section 8.01(a), (b) or (i) or any Event of Default shall have occurred and be continuing; provided that such Distribution or application shall be made no later than forty-five (45) days after the date of declaration thereof or (y) if such Distribution or application shall be made later than forty-five (45) days after the date of declaration thereof, a Default under Section 8.01(a), (b) or (i) or any Event of Default shall have occurred and be continuing at the time of such Distribution or application.

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#### **7.05 Investments.**

(a) Prior to the first Investment Grade Event, neither the Borrower nor any of its Subsidiaries will make an Investment in any Person if (i) such Investment violates the Borrower's or such Subsidiary's partnership or other governing agreement, (ii) after giving effect to such Investment, the Borrower or such Subsidiary would not be in compliance with Section 7.06 or (iii) after giving effect to such Investment, on a pro forma basis as if it had occurred on the first day of the test period most recently ended, the Borrower would not be in compliance with the then applicable requirements of Section 7.12.

(b) After the first Investment Grade Event, neither the Borrower nor any of its Subsidiaries will purchase or otherwise acquire the capital stock or other equity of any other Person if (i) such purchase or other acquisition violates the Borrower's or such Subsidiary's partnership or other governing agreement, or (ii) after giving effect to such purchase or other acquisition, the Borrower or such Subsidiary would not be in compliance with Section 7.06.

Notwithstanding anything to the contrary in this Agreement, solely with respect to an Acquisition, the determination of whether the relevant conditions in Section 7.05(a) or (b) are satisfied may, upon the written election of the Borrower delivered to the Administrative Agent prior to the execution of the binding and enforceable definitive agreement entered into in connection with such Acquisition, be made either (i) upon the execution of the binding and enforceable definitive agreement entered into in connection with such Acquisition or (ii) upon the consummation of such Acquisition.

**7.06 Change in Nature of Businesses.** Neither the Borrower nor any Subsidiary will engage in any material line of business substantially different from those lines of business conducted by the Borrower and its Subsidiaries on the date hereof or, if substantially different therefrom, not permitted by the Borrower's or such Subsidiary's partnership or other governing agreement; provided that the Borrower and its Subsidiaries may establish Qualified Securitization Entities in connection with Qualified Securitization Transactions.

**7.07 Transactions with Affiliates.** Neither the Borrower nor any Subsidiary will directly or indirectly engage in any material transaction or material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any of its Affiliates except: (a) transactions among the General Partner, the Borrower and its Subsidiaries or among the Subsidiaries, subject to the other provisions of this Agreement, (b) transactions on terms which are no less favorable to the Borrower or such Subsidiary than those which would have been obtainable at the time in arm's-length transactions with Persons that are not Affiliates, (c) investments or Guarantees in favor of Unrestricted Subsidiaries or joint ventures, in each case, not prohibited under this Agreement, (d) the transactions described on Schedule 7.07, (e) any other transaction approved by the Conflicts Committee of the General Partner or with respect to which the Borrower has obtained a "fairness" opinion from an independent accounting, appraisal or investment banking firm of national standing and (f) any transaction relating to a Qualified Securitization Transaction otherwise permitted hereby.

**7.08 Burdensome Agreements.** Neither the Borrower nor any Subsidiary will enter into any material Contractual Obligation restricting the ability of any Subsidiary to make any payments, directly or indirectly, to the Borrower or a Material Subsidiary by way of Distributions, loans, advances, repayments of loans or advances, reimbursements of management and other intercompany changes, expenses and accruals or other returns on investments, or any other agreement or arrangement which restricts the ability of any Subsidiary to make any payment, directly or indirectly, to the Borrower or a Material Subsidiary, other than (a) agreements permitted by Section 7.01(a)(vi) or 7.01(b)(v), (b) restrictions imposed by law or this Agreement, (c) customary restrictions and conditions contained in agreements relating to the purchase, sale or exchange of Equity Interests or assets pending such purchase or sale or similar agreements, (d) restrictions contained in, or existing by reason of, any agreement or instrument relating to any Subsidiary at the time such Subsidiary was merged or consolidated with or into, or acquired by, the Borrower or a Subsidiary or became a Subsidiary and not created in contemplation thereof, (e) restrictions contained in the governing documents of non-Wholly Owned Subsidiaries and (f) restrictions and conditions contained in any agreements relating to any Qualified Securitization Transaction otherwise permitted hereby.

**7.09 Hedging Contracts.** The Borrower shall not, and shall not permit any Subsidiary to, be a party to or in any manner be liable on any Hedging Contract for speculative purposes.

**7.10 Limitation on Asset Sales.** Prior to the first Investment Grade Event, the Borrower shall not, and shall not permit any Subsidiary to, engage in any Disposition of any asset or Equity Interest except:

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(b) ordinary-course-of-business Dispositions of (i) inventory; (ii) Cash and Cash Equivalents; (iii) overdue accounts receivable in connection with the compromise or collection thereof (and not in connection with any financing transaction); and (iv) leases, subleases, rights of way, easements, licenses, and sublicenses that, individually and in the aggregate, do not materially interfere with the ordinary conduct of the business of the Borrower or its Subsidiaries and do not materially detract from the value or the use of the property which they affect;

(c) Dispositions of equipment to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(d) Dispositions of property by any Subsidiary to the Borrower or to a Wholly Owned Subsidiary; provided that if the transferor of such property is a Loan Party, the transferee thereof must also be a Loan Party;

(e) Dispositions permitted by Section 7.03;

(f) Dispositions of property (i) resulting from the condemnation thereof or (ii) that has suffered a casualty (constituting a total loss or constructive total loss of such property), in each case upon or after receipt of the condemnation proceeds or insurance proceeds of such condemnation or casualty, as applicable;

(g) Dispositions of real property or non-operating assets;

(h) Dispositions in the ordinary course of business consisting of the abandonment of intellectual property rights which, in the reasonable good faith determination of the Borrower, are not material to the conduct of the business of the Borrower or any of the Subsidiaries;

(i) Dispositions of Joint Venture Interests;

(j) other Dispositions of property or assets in connection with the formation or operation of joint ventures permitted by this Agreement;

(k) any Disposition of Qualified Securitization Assets pursuant to a Qualified Securitization Transaction; and

(l) any other Dispositions; provided that (i) no Event of Default shall have occurred and be continuing or would result therefrom and (ii) after giving effect to such Disposition and any concurrent repayment of Indebtedness, on a pro forma basis as if it had occurred on the first day of the test period most recently ended, the Borrower would be in compliance with the then applicable requirements of Section 7.12 as of the date on which the binding and enforceable sales agreement was executed with respect to such Disposition.

**7.11 Limitation on Prepayments of Indebtedness.** The Borrower shall not, and shall not permit any Subsidiary to, make any prepayment on Indebtedness that is expressly subordinated to the Obligations (other than the NuStar Subordinated Notes) if: (a) a Default or Event of Default shall have occurred or be continuing or would result therefrom, or (b) after giving effect to such prepayment, on a pro forma basis as if it had occurred on the first day of the test period most recently ended, the Borrower would not be in compliance with the then applicable requirements of Section 7.12; provided that, in the case of any prepayment on such Indebtedness requiring irrevocable notice in advance thereof, (i) if such prepayment is to be made no later than ninety (90) days after such irrevocable notice is delivered, the determination of whether the relevant conditions in clauses (a) and (b) are satisfied may be made, at the election of the Borrower upon either (A) delivery of irrevocable notice with respect to such prepayment (a copy of which shall be promptly provided to the Administrative Agent) or (B) the making of such prepayment and (ii) otherwise, the determination of whether the relevant conditions in clauses (a) and (b) are satisfied shall be made upon the making of such prepayment; provided further that, solely with respect to Indebtedness constituting the NuStar Subordinated Notes, the Borrower shall not, and shall not permit any Subsidiary to, make any prepayment on such Indebtedness, or provide any notice in respect thereof if, (x) on the date of any prepayment or notice thereof, a Default under Section 8.01(a), (b) or (i) or any Event of Default shall have occurred and be continuing; provided that such prepayment shall be made no later than sixty (60) days after the date of notice thereof or (y) if such prepayment shall be made later than sixty (60) days after the date of notice thereof, a Default under Section 8.01(a), (b) or (i) or any Event of Default shall have occurred and be continuing at the time of such prepayment.

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#### 7.12 Financial Covenants.

(a) Net Leverage Ratio. As of each Quarterly Testing Date, commencing with September 30, 2024, (i) before the first occurrence of an Investment Grade Event, the Net Leverage Ratio will not exceed 5.50 to 1.00 and (ii) from and after the first occurrence of an Investment Grade Event, the Net Leverage Ratio will not exceed 5.00 to 1.00; provided that, if a Specified Acquisition Period is in effect at any time from and after the first occurrence of an Investment Grade Event, the Net Leverage Ratio shall not exceed 5.50 to 1.00.

(b) Interest Coverage Ratio. Until the first occurrence of an Investment Grade Event, as of each Quarterly Testing Date commencing with September 30, 2024, the Interest Coverage Ratio shall not be less than 2.25 to 1.00.

**7.13 Sanctions.** Neither the Borrower nor any of its Subsidiaries shall, directly or indirectly, use the proceeds of any Credit Extension, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to knowingly fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Arranger, Administrative Agent, LC Issuer, Swingline Lender or otherwise) of Sanctions.

**7.14 Anti-Corruption Laws; Anti-Money Laundering Laws.** Neither the Borrower nor any of its Subsidiaries shall fail to conduct their business in compliance with applicable Anti-Corruption Laws or Anti-Money Laundering Laws, in either case, in all material respects.

**7.15 NuStar Credit Agreement.** Neither the Borrower nor any of its Subsidiaries shall (a) permit any amendment to the NuStar Credit Agreement (other than any amendment or supplement to the terms thereof to further permit or facilitate the Acquired Business Debt Refinancing, transactions contemplated hereby, the Closing Date Senior Notes or the Closing Date Acquisition or the provision of any guarantee as required by the terms of the NuStar Credit Agreement as in effect on the date hereof), (b) request or make any borrowing, letter of credit issuance, or other credit extension under the NuStar Credit Agreement (other than any continuation of existing loans thereunder), or (c) provide any credit support in connection with the NuStar Credit Agreement (other than by the Borrower pursuant to a Guarantee of the Indebtedness thereunder and pursuant to the relevant Debt Assumption Agreement and the guarantees of NuStar and its Subsidiaries thereof required pursuant to the terms of the NuStar Credit Agreement as in effect on the Closing Date). The Borrower shall not permit the NuStar Credit Agreement to remain in effect for more than 60 days after the Closing Date, and shall cause all Indebtedness with respect thereto to be fully repaid and all commitments thereunder terminated and cancelled and all liens and guaranties in connection therewith terminated and released, in each case on or prior to the date that is 60 days after the Closing Date.

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**ARTICLE VIII**  
**EVENTS OF DEFAULT AND REMEDIES**

**8.01 Events of Default.** Each of the following events constitutes an Event of Default under this Agreement (each an “Event of Default”):

(a) Any Loan Party fails to pay the principal component of any Loan or any reimbursement obligation with respect to any Letter of Credit when due and payable, whether at a date for the payment of a fixed installment or as a contingent or other payment becomes due and payable or as a result of acceleration or otherwise;

(b) Any Loan Party fails to pay any Obligation (other than the Obligations in subsection (a) above), whether at a date for the payment of a fixed installment or as a contingent or other payment becomes due and payable or as a result of acceleration or otherwise, within five Business Days after the same becomes due;

(c) The Borrower fails to duly observe, perform or comply with any covenant, agreement or provision of Section 6.03 or Article VII;

(d) Any Loan Party fails (other than as referred to in subsections (a), (b) or (c) above) to duly observe, perform or comply with any covenant, agreement, condition or provision of any Loan Document to which it is a party, and such failure remains unremedied for a period of thirty (30) days after notice of such failure is given by the Administrative Agent to the Borrower;

(e) Any representation or warranty previously, presently or hereafter made in writing by any Loan Party in connection with any Loan Document shall prove to have been false or incorrect in any material respect on any date on or as of which made;

(f) (i) Any Loan Document, including any Guaranty, at any time ceases to be valid, binding and enforceable as warranted in Section 5.05 for any reason other than as expressly permitted hereunder or thereunder (including because of its release by the Lenders or the Administrative Agent (as permitted under Section 9.10)) or the satisfaction in full of all Obligations, (ii) any Loan Document shall be declared null and void, (iii) the Borrower or any Subsidiary shall repudiate in writing its obligations under any Loan Document to which it is party, (iv) the Borrower or any Subsidiary shall contest the validity or enforceability of any Loan Document in writing or deny in writing that it has any further liability under any Loan Document to which it is party, or (v) any Guaranty ceases to be in full force and effect (other than as expressly permitted hereunder or thereunder by reason of the satisfaction in full of the Obligations in accordance with the terms hereof);

(g) The Borrower or any Subsidiary (i) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness hereunder) or Hedging Contracts, beyond any grace period provided with respect thereto; provided that the outstanding principal amount of all such Indebtedness or payment obligations in respect of such Hedging Contracts as to which such payment default has occurred and is continuing exceeds \$50,000,000 in the aggregate or (ii) fails to observe or perform any other agreement or condition relating to any Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, in each case, if such default or other event has resulted in the acceleration of the payment of Indebtedness with an aggregate face amount that exceeds \$50,000,000;

(h) Either (i) any failure to satisfy the minimum funding standard (as defined in Section 412(a) of the Code) in excess of \$50,000,000 with respect to any ERISA Plan, whether or not waived, or (ii) any Termination Event occurs with respect to any ERISA Plan and the then current value of such ERISA Plan's benefit liabilities exceeds the then current value of such ERISA Plan's assets available for the payment of such benefit liabilities by more than \$10,000,000 (or in the case of a Termination Event involving the withdrawal of a substantial employer, the withdrawing employer's proportionate share of such excess exceeds such amount);

(i) The Borrower or any Material Subsidiary:

(i) has entered against it a judgment, decree or order for relief by a Tribunal of competent jurisdiction in an involuntary proceeding commenced under any applicable bankruptcy, insolvency or other similar Law of any jurisdiction now or hereafter in effect, including the federal Bankruptcy Code, as from time to time amended, or has any such proceeding commenced against it, in each case, which remains undismissed for a period of sixty days; or

(ii) (A) commences a voluntary case under any applicable bankruptcy, insolvency or similar Law now or hereafter in effect, including the federal Bankruptcy Code, as from time to time amended; or applies for or consents to the entry of an order for relief in an involuntary case under any such Law; or makes a general assignment for the benefit of creditors; or (B) is generally unable to pay (or admits in writing its inability to so pay) its debts as such debts become due; or takes corporate or other action to authorize any of the foregoing; or

(iii) has entered against it the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of all or a substantial part of its assets in a proceeding brought against or initiated by it, and such appointment or taking possession is neither made ineffective nor discharged within sixty days after the making thereof, or such appointment or taking possession is at any time consented to, requested by, or acquiesced to by it; or

(iv) has entered against it a final judgment for the payment of money in excess of \$50,000,000 (in each case not covered by insurance or third party indemnification obligations satisfactory to the Administrative Agent), unless the same is discharged within sixty days after the date of entry thereof or an appeal or appropriate proceeding for review thereof is taken within such period and a stay of execution pending such appeal is obtained; or

(v) suffers a writ or warrant of attachment or any similar process to be issued by any Tribunal against all or any substantial part of its assets, which assets have a value exceeding \$50,000,000, and such writ or warrant of attachment or any similar process is not stayed or released within sixty days after the entry or levy thereof or after any stay is vacated or set aside; or

(j) Any Change of Control occurs.

**8.02 Remedies Upon Event of Default.** If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Majority Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the LC Issuer to make LC Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the LC Obligations (in an amount equal to the then outstanding amount thereof); and

(d) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents;

provided, however, that upon the occurrence of an Event of Default described in subsections (i)(i), (i)(ii)(A) or (i)(iii) of Section 8.01, the obligation of each Lender to make Loans and any obligation of the LC Issuer to make LC Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the LC Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

**8.03 Application of Funds.** After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the LC Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations (including amounts received pursuant to any Guaranty) shall, subject to the provisions of Sections 2.19 and 2.20, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the LC Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the LC Issuer (including fees and time charges for attorneys who may be employees of any Lender or the LC Issuer and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Second payable to them;



Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, LC Borrowings and other Obligations, ratably among the Lenders and the LC Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, LC Borrowings, Obligations owing under Guaranteed Hedge Agreements and Guaranteed Cash Management Agreements, ratably among the Lenders, the LC Issuer, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the LC Issuer, to Cash Collateralize that portion of LC Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrower pursuant to Sections 2.07 and 2.19; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Sections 2.09 and 2.19, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Notwithstanding the foregoing, Obligations arising under Guaranteed Cash Management Agreements and Guaranteed Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX hereof for itself and its Affiliates as if a "Lender" party hereto.

#### ARTICLE IX ADMINISTRATIVE AGENT

**9.01 Appointment and Authority.** Each of the Lenders and the LC Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the LC Issuer, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

**9.02 Rights as a Lender.** The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust, financial, advisory, underwriting or other type of business with the Borrower or any Subsidiary or Unrestricted Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or provide notice or consent of the Lenders with respect thereto.

**9.03 Exculpatory Provisions.** The Administrative Agent or the Arrangers, as applicable, shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent or the Arrangers, as applicable, and their Related Parties:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, to any Lender or the LC Issuer, any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their Affiliates that is communicated to, obtained or in the possession of the Administrative Agent, any Arranger or any of their Related Parties in any capacity, except for notices, reports, and other documents expressly required to be furnished to the Lenders by the Administrative Agent herein.

Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower, a Lender or the LC Issuer.

Neither the Administrative Agent nor any of its Related Parties be responsible for or have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions of this Agreement relating to Disqualified Lenders. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Lender or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Lender.

**9.04 Reliance by Administrative Agent.** The Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the LC Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the LC Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the LC Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

**9.05 Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

**9.06 Resignation of Administrative Agent.**

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the LC Issuer and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States (but in no event shall be a Defaulting Lender). If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Majority Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the LC Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Majority Lenders may, to the extent permitted by applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor meeting the qualifications in Section 9.06(a). If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Majority Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Cash Collateral held by the Administrative Agent on behalf of the LC Issuer under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such Cash Collateral until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the LC Issuer directly, until such time as the Majority Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such

successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(i) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as LC Issuer and Swingline Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring LC Issuer and Swingline Lender, (b) the retiring LC Issuer and Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor LC Issuer and Swingline Lender shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring LC Issuer to effectively assume the obligations of the retiring LC Issuer with respect to such Letters of Credit.

**9.07 Non-Reliance on Administrative Agent, Arrangers and Other Lenders.** Each Lender and the LC Issuer expressly acknowledges that none of the Administrative Agent nor any Arranger has made any representation or warranty to it, and that no act by the Administrative Agent or any Arranger hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of any Loan Party or any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent or any Arranger to any Lender or the LC Issuer as to any matter, including whether the Administrative Agent or any Arranger have disclosed material information in their (or their Related Parties') possession. Each Lender and the LC Issuer represents to the Administrative Agent and the Arrangers that it has, independently and without reliance upon the Administrative Agent, any Arranger, any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender and the LC Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arrangers, or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to

make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties. Each Lender and the LC Issuer represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender or LC Issuer for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Lender or LC Issuer, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender and the LC Issuer agrees not to assert a claim in contravention of the foregoing. Each Lender and the LC Issuer represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such LC Issuer, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities.

**9.08 No Other Duties, Etc.** Anything herein to the contrary notwithstanding, none of the bookrunners, Arrangers, Syndication Agents or other agents named herein shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the LC Issuer hereunder.

**9.09 Administrative Agent May File Proofs of Claim.** In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Borrower or any Material Subsidiary, the Administrative Agent (irrespective of whether the principal of any Loan or LC Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the LC Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the LC Issuer and the Administrative Agent and their respective agents and counsel and all other amounts, in each case, to the extent due the Lenders, the LC Issuer and the Administrative Agent under Sections 2.12 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the LC Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the LC Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.12 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the LC Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the LC Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or the LC Issuer in any such proceeding.

**9.10 Guaranty Matters.** The Lenders (including in their capacities as a potential Hedge Bank and a potential Cash Management Bank) and the LC Issuer hereby irrevocably appoint and authorize the Administrative Agent to act for the benefit of the lenders under the Guaranty. Guarantors that cease to be required to be Guarantors under the Loan Documents as a result of any transaction otherwise permitted (or not prohibited, as applicable) hereunder shall automatically be released from their obligations under the applicable Guaranty; provided that, with respect to any Subsidiary that ceases to be a Material Subsidiary or that is an Elective Subsidiary Guarantor that the Borrower no longer elects to cause to provide a Guaranty, such automatic release shall be effective upon delivery by the Borrower of a certificate to the Administrative Agent certifying that (i) such Subsidiary is not a Material Subsidiary and (ii) such Subsidiary is not, or concurrently upon such release will not be, an obligor on any Indebtedness permitted under Section 7.01(a)(vii)(B), (C), (D) or (E), Section 7.01(a)(xi), Section 7.01(a)(xvi), Section 7.01(b)(vi)(B), (C), (D) or (E), Section 7.01(b)(xii), or Section 7.01(b)(xiv). The Administrative Agent shall (and the Lenders (including in their capacities as a potential Cash Management Bank and a potential Hedge Bank) and the LC Issuer irrevocably authorize the Administrative Agent) to execute, deliver or acknowledge any necessary or proper instruments of termination, satisfaction or release as are requested by the Borrower to release any Guarantor from its obligations under the Guaranty if such Person ceases to be required to be a Guarantor under the Loan Documents as a result of a transaction permitted hereunder.

**9.11 Guaranteed Cash Management Agreements and Guaranteed Hedge Agreements.** No Cash Management Bank or Hedge Bank that obtains the benefits of Section 8.03 or any Guaranty by virtue of the provisions hereof or of any Guaranty shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Guaranteed Cash Management Agreements and Guaranteed Hedge Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

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### 9.12 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).



**9.13 Recovery of Erroneous Payments.** Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender Recipient Party, whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Lender Recipient Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Lender Recipient Party in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate. Each Lender Recipient Party irrevocably waives any and all defenses, including any “discharge for value” (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Lender Recipient Party promptly upon determining that any payment made to such Lender Recipient Party comprised, in whole or in part, a Rescindable Amount.

## **ARTICLE X MISCELLANEOUS**

**10.01 Amendments, Etc.** Subject to Sections 2.03, 3.03(b) and 2.17(c), no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Majority Lenders and the Borrower, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

- (a) waive any condition set forth in Section 4.01(a) without the written consent of each Lender;
- (b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;
- (c) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby (it being understood that any waiver of (or amendment to the terms of) any mandatory prepayment hereunder shall not constitute a postponement of any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document);
- (d) reduce the principal of, or the rate of interest specified herein on, any Loan or LC Borrowing, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby; provided, however, that only the consent of the Majority Lenders shall be necessary to amend the definition of “Default Rate” or to waive any obligation of the Borrower to pay interest or letter of credit fees at the Default Rate (it being

understood that any change to the financial covenants hereunder and the defined terms used in computing financial covenants hereunder and any waiver of (or amendment to the terms of) any mandatory prepayment hereunder shall not constitute a reduction of the principal of, or the rate of interest specified herein on, any Loan or LC Borrowing, or any fees or other amounts payable hereunder or under any other Loan Document);

(e) change Section 2.15 or Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(f) subordinate the payment priority of the Obligations without the written consent of each Lender;

(g) change any provision of this Section or the definition of "Majority Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(h) other than in connection with a transaction permitted under this Agreement, release all or substantially all of the aggregate value of the Subsidiary Guaranty without the written consent of each Lender; or

(i) amend Section 1.10 or the definition of "Alternative Currency" without the written consent of each Lender directly affected thereby;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the LC Issuer in addition to the Lenders required above, affect the rights or duties of the LC Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender under this Agreement or any other Loan Document; and (iv) each Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended nor the principal owed to such Lender reduced nor the final maturity thereof extended without the consent of such Lender, (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender and (z) any modification of this sentence shall require the consent of all Lenders, including any Defaulting Lenders.

Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Administrative Agent, the LC Issuer, and the Borrower to amend the definition of "Alternative Currency" or Section 1.10 solely to add additional currency options, in each case solely to the extent permitted pursuant to Section 1.10.

**10.02 Notices; Effectiveness; Electronic Communication.**

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower, the Administrative Agent, the Swingline Lender or the LC Issuer, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the LC Issuer hereunder may be delivered or furnished by electronic communication (including e mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the LC Issuer pursuant to Article II if such Lender or the LC Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Electronic Execution of Assignments and Certain Other Documents. This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "Communication"), including Communications required to be in writing, may, if agreed by the Administrative Agent, be in the form of an Electronic Record and may be executed using Electronic Signatures, including, without limitation, facsimile and/or .pdf. Each of the Loan Parties and each of the Administrative Agent, LC Issuer, Swingline Lender and each Lender agrees that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of the Administrative Agent's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Administrative Agent are under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, such Person shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Loan Party without further verification and (b) upon the request of the Administrative Agent any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

(d) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT

OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Borrower, any Lender, the LC Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower’s or the Administrative Agent’s transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender, the LC Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(e) Change of Address, Etc. Each of the Borrower, the Administrative Agent, the LC Issuer and the Swingline Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the LC Issuer and the Swingline Lender.

(f) Reliance by Administrative Agent, LC Issuer and Lenders. The Administrative Agent, the LC Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, the LC Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

**10.03 No Waiver; Cumulative Remedies; Enforcement.** No failure by any Lender, the LC Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Borrower shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the LC Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its

own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the LC Issuer or the Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as LC Issuer or Swingline Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.15), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to the Borrower under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Majority Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.15, any Lender may, with the consent of the Majority Lenders, enforce any rights and remedies available to it and as authorized by the Majority Lenders.

#### **10.04 Expenses; Indemnity; Damage Waiver.**

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out of pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable and documented fees, charges and disbursements of a single counsel for the Administrative Agent and a single local counsel to Administrative Agent in each applicable jurisdiction), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out of pocket expenses incurred by the LC Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all documented out of pocket expenses incurred by the Administrative Agent, any Lender or the LC Issuer (including the reasonable and documented fees, charges and disbursements of a single counsel for the Administrative Agent, all Lenders and the LC Issuer and a single local counsel to all such Persons in each applicable jurisdiction), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Arranger, each Lender and the LC Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented fees, charges and disbursements of a single counsel for all such Indemnitees, a single local counsel for all such Indemnitees in each applicable jurisdiction and any additional counsel reasonably necessary as a result of an actual conflict of interest or a reasonable likelihood of a conflict of interest of any Indemnitee which, in the case of a conflict of interest, shall be limited to one firm of counsel for all Indemnitees similarly situated), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any Subsidiary arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any

agreement or instrument contemplated hereby or thereby (including, without limitation, the Indemnitee's reliance on any Communication executed using an Electronic Signature, or in the form of an Electronic Record), the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the LC Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any liability under Environmental Law related in any way to the Borrower or any of its Subsidiaries, (iv) any civil penalty or fine assessed by the U. S. Department of the Treasury's Office of Foreign Assets Control against, and all reasonable costs and expenses (including the reasonable and documented fees and disbursements of a single counsel for Administrative Agent and any Lender and a single local counsel for all such Persons in each applicable jurisdiction, except where separate counsel is reasonable as a result of conflicts between or among Indemnitees) incurred in connection with defense thereof by the Administrative Agent or any Lender as a result of the funding of Loans, the issuance of Letters of Credit, the acceptance of payments under the Loan Documents, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any Subsidiary, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by the Borrower or any Subsidiary against an Indemnitee for material breach of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Subsidiary has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from any dispute among Indemnitees (excluding any claims against any Indemnitee in its representative capacity or fulfilling its role as an administrative agent, arranger or similar role under any Loan Document) other than as a result of any act or omission by the Borrower or its Affiliates. This Section 10.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the LC Issuer, the Swingline Lender, or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the LC Issuer, the Swingline Lender, or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the Swingline Lender, or the LC Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Swingline Lender, or LC Issuer in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.14(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, but without limiting the indemnification in Section 10.04(b), neither the Borrower, the Administrative Agent, the LC Issuer, the Swingline Lender or any other Lender shall assert, and each of the foregoing hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof; provided that nothing contained in this sentence shall limit any Indemnitee's rights to indemnification under this Section 10.04 with respect to matters initiated by third parties, the Borrower or any of the Borrower's Subsidiaries or Affiliates or their respective equityholders or creditors. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby, except to the extent that such damages are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of, or a breach in bad faith of this Agreement by, such Indemnitee.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of the Administrative Agent, the LC Issuer and the Swingline Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

**10.05 Payments Set Aside.** To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, the LC Issuer or any Lender, or the Administrative Agent, the LC Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the LC Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the LC Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the LC Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.



#### 10.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the LC Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in LC Obligations and in Swingline Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of a group of assignees and concurrent assignments from such members to a single Eligible Assignee (or to an Eligible Assignee and members of its group of assignees) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to the Swingline Lender's rights and obligations in respect of Swingline Loans.

(iii) No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender;

(C) in the case of any assignment of any Revolving Credit Loan Commitment, the consent of the LC Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any such assignment if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(D) in the case of any assignment of any Revolving Credit Loan Commitment, the consent of the Swingline Lender (such consent not to be unreasonably withheld or delayed) shall be required for any such assignment if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Subsidiaries or Affiliates, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), (C) to a natural person or (D) to a Disqualified Lender.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the LC Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and LC Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each

Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower, the Administrative Agent, Swingline Lender or LC Issuer sell participations to any Person (other than a natural person, a Defaulting Lender, a Disqualified Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in LC Obligations and/or Swingline Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, the Lenders and the LC Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 (subject to the requirements and limitations therein, including the requirements under Section 3.01(g) (it being understood that the documentation required under Section 3.01(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 10.13 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 10.13 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.15 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment,

loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central banking authority; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as LC Issuer or Swingline Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time a Lender that is an LC Issuer and/or the Swingline Lender assigns all of its Commitment and Loans pursuant to subsection (b) above, such assigning Lender may, (i) upon 30 days' notice to the Borrower and the Lenders, resign as LC Issuer and/or (ii) upon 30 days' notice to the Borrower, resign as Swingline Lender. In the event of any such resignation as LC Issuer or Swingline Lender, the Borrower shall be entitled to appoint from among the Lenders a successor LC Issuer or Swingline Lender hereunder, subject, however, to the acceptance of such appointment by the Lender selected by the Borrower; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of the resigning Lender as LC Issuer or Swingline Lender, as the case may be. If a Lender resigns as LC Issuer, it shall retain all the rights, powers, privileges and duties of the LC Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as LC Issuer and all LC Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in LC Disbursements pursuant to Section 2.09). If a Lender resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swingline Loans pursuant to Section 2.02(b). Upon the appointment of a successor LC Issuer and/or Swingline Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring LC Issuer or Swingline Lender, as the case may be, and (b) the successor LC Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the resigning LC Issuer to effectively assume the obligations of the resigning LC Issuer with respect to such Letters of Credit.

(g) Disqualified Lenders. (i) No assignment or shall be made to any Person that was a Disqualified Lender as of the date (the "Trade Date") on which the applicable Lender entered into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to such Person (unless the Borrower has consented to such assignment as otherwise contemplated by this Section 10.06, in which case such Person will not be considered a Disqualified Lender for the purpose of such assignment). Any assignment in violation of this clause (g) shall not be void, but the other provisions of this clause (g) shall apply.

(ii) If any assignment is made to any Disqualified Lender without the Borrower's prior consent in violation of clause (i) above the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Lender and the Administrative Agent, (A) terminate any Revolving Credit Loan Commitment or Incremental Term Loan Commitment of such Disqualified Lender and repay all obligations of the Borrower owing to such Disqualified Lender in connection with such Revolving Credit Loan Commitment or Incremental Term Loan Commitment, (B) in the case of outstanding Incremental Term Loans held by Disqualified Lenders, prepay such Incremental Term Loans by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such Incremental Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and under the other Loan Documents and/or (C) require such Disqualified Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in this Section 10.06), all of its interest, rights and obligations under this Agreement and related Loan Documents to an Eligible Assignee that shall assume such obligations at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and under the other Loan Documents; provided that (i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.06(b), (ii) such assignment does not conflict with any Laws and (iii) in the case of clause (B), the Borrower shall not use the proceeds from any Loans to prepay Incremental Term Loans held by Disqualified Lenders.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Lenders (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Lender will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Lenders consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws ("Plan of Reorganization"), each Disqualified Lender party hereto hereby agrees (1) not to vote on such Plan of Reorganization, (2) if such Disqualified Lender does vote on such Plan of Reorganization notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code of the United States (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Plan of Reorganization in accordance with Section 1126(c) of the Bankruptcy Code of the United States (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the bankruptcy court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

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(iv) The Administrative Agent shall have the right, and the Borrower hereby expressly authorizes the Administrative Agent, to (A) post the list of Disqualified Lenders provided in writing by the Borrower and any updates thereto from time to time (collectively, the “DQ List”) on the Platform, including that portion of the Platform that is designated for “public side” Lenders or (B) provide the DQ List to each Lender requesting the same in writing. Any supplement to the DQ List shall be made by the Borrower to the Administrative Agent in writing and such supplement shall take effect two Business Days after such supplement is received by the Administrative Agent. The DQ List shall be made available to any Lender upon written request to the Administrative Agent.

**10.07 Treatment of Certain Information; Confidentiality.** Each of the Administrative Agent, the Lenders and the LC Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates’ respective partners, directors, officers, employees, agents, trustees, advisors, and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it or its Affiliates or to any such regulatory authority in accordance with such Lender’s regulatory compliance policy, (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to [Section 2.17](#) or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations or to any credit insurance provider relating to the Borrower and its Obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the LC Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent, the LC Issuers and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent, the LC Issuers and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments. For the avoidance of doubt, nothing herein prohibits any individual from communicating or disclosing information regarding suspected violations of laws, rules, or regulations to a governmental, regulatory, or self-regulatory authority without any notification to any person in accordance with applicable laws, rules, regulations, or regulatory guidance.

For purposes of this Section, “Information” means all information received from the Borrower or any Subsidiary or any Unrestricted Subsidiary relating to the Borrower or any Subsidiary or any Unrestricted Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the LC Issuer on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary or any Unrestricted Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the LC Issuer acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

**10.08 Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender, the LC Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the LC Issuer or any such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or the LC Issuer, irrespective of whether or not such Lender or the LC Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch or office of such Lender or the LC Issuer different from the branch or office holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff hereunder, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.20 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the LC Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the LC Issuer or their respective Affiliates may have. Each Lender and the LC Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application; provided further, that to the extent prohibited by applicable Law as described in the definition of “Excluded Swap Obligation,” no amounts received from, or set off with respect to, any Guarantor under any Guaranty shall be applied to any Excluded Swap Obligations of such Person.

**10.09 Interest Rate Limitation.** Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the “Maximum Rate”). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted



for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

**10.10 Counterparts; Integration; Effectiveness.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

**10.11 Survival of Representations and Warranties.** All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

**10.12 Severability.** If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the LC Issuer or the Swingline Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

**10.13 Replacement of Lenders.** If (a) any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, (b) in connection with any proposed amendment, modification, waiver or consent with respect to the provisions of this Agreement or the Loan Documents, the consent of the Majority Lenders shall have been

obtained but the consent of one or more such other Lenders whose consent is required shall not have been obtained, (c) any Lender is a Non-Consenting Lender under Section 2.18 or is a Defaulting Lender, (d) any Lender enters into an assignment or participation with any Disqualified Lender in violation of this Agreement or (e) if any other circumstance exists hereunder that gives the Borrower the right to replace a Lender as a party hereto, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

- (i) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b);
- (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and LC Obligations, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal, interest and fees) or the Borrower (in the case of all other amounts);
- (iii) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;
- (iv) such assignment does not conflict with applicable Laws; and
- (v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

#### **10.14 Governing Law; Jurisdiction; Etc.**

(a) GOVERNING LAW. EXCEPT AS OTHERWISE SET FORTH IN THIS SECTION 10.14(a), THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ITS PRINCIPLES OR RULES OF CONFLICT OF LAWS TO THE EXTENT SUCH PRINCIPLES OR RULES ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION; PROVIDED THAT (I) THE INTERPRETATION OF THE DEFINITION OF PARTNERSHIP MATERIAL ADVERSE EFFECT (AS DEFINED IN THE ACQUISITION AGREEMENT) AND WHETHER OR NOT A PARTNERSHIP MATERIAL ADVERSE EFFECT (AS DEFINED IN THE ACQUISITION AGREEMENT) HAS OCCURRED AND (II) THE DETERMINATION OF THE ACCURACY OF ANY ACQUISITION AGREEMENT

REPRESENTATION AND WHETHER AS A RESULT OF ANY INACCURACY THEREOF, THE BORROWER (OR ITS APPLICABLE AFFILIATES) HAS THE RIGHT TO TERMINATE ITS OBLIGATION TO CONSUMMATE THE CLOSING DATE ACQUISITION (OR OTHERWISE DOES NOT HAVE AN OBLIGATION TO CLOSE) UNDER THE ACQUISITION AGREEMENT AS A RESULT OF A FAILURE OF SUCH REPRESENTATIONS IN THE ACQUISITION AGREEMENT TO BE ACCURATE WITHOUT LIABILITY TO ANY OF THEM, IN EACH CASE, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE).

(b) SUBMISSION TO JURISDICTION. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, SITTING IN NEW YORK COUNTY AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE LC ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

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**10.15 Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**10.16 No Advisory or Fiduciary Responsibility.** In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Arrangers are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent and the Arrangers, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Arrangers and each Lender each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) none of the Administrative Agent, any of the Arrangers or any Lender has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any of the Arrangers has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent and the Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

**10.17 Acknowledgment Regarding Any Supported QFCs.** To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.17, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

**10.18 USA PATRIOT Act Notice.** Each Lender that is subject to the PATRIOT Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower and each Guarantor, which information includes the name and address of the Borrower and each Guarantor and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower and each Guarantor in accordance with the PATRIOT Act. The Borrower will comply with reasonable requests of any Lender for such information.

**10.19 Appointment of Borrower.** Each of the Loan Parties hereby appoints the Borrower to act as its agent for all purposes of this Agreement, the other Loan Documents and all other documents and electronic platforms entered into in connection herewith and agrees that (a) the Borrower may execute such documents and provide such authorizations on behalf of such Loan Parties as the Borrower deems appropriate in its sole discretion and each Loan Party shall be obligated by all of the terms of any such document and/or authorization executed on its behalf, (b) any notice or communication delivered by the Administrative Agent, LC Issuer or a Lender to the Borrower shall be deemed delivered to each Loan Party and (c) the Administrative Agent, LC Issuer or the Lenders may accept, and be permitted to rely on, any document, authorization, instrument or agreement executed by the Borrower on behalf of each of the Loan Parties.

**10.20 Time of the Essence.** Time is of the essence in connection with the Loan Documents.

**10.21 No Recourse.** The parties hereto hereby acknowledge and agree that neither the General Partner nor any director, officer, employee, limited partner or shareholder of the Borrower or the General Partner shall have any personal liability in respect of the obligations of the Borrower under this Agreement and the other Loan Documents by reason of his, her or its status.

**10.22 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any applicable Resolution Authority.

**10.23 Judgment Currency.** If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Loan Party in the Agreement Currency, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under applicable Law).

**10.24 Amendment and Restatement.** It is the intention of the parties hereto that this Agreement amends, restates, supersedes and replaces the Existing Credit Agreement in its entirety; provided, that, such amendment and restatement shall operate to renew, amend, modify, and extend all of the rights, duties, liabilities and obligations of the Borrower under the Existing Credit Agreement and under the Existing Loan Documents, which rights, duties, liabilities and obligations are hereby renewed, amended, modified and extended, and shall not act as a novation thereof. The parties hereto ratify and confirm each of the Existing Loan Documents entered into prior to the Closing Date (but excluding the Existing Credit Agreement) and agree that such Existing Loan Documents continue to be legal, valid, binding and enforceable in accordance with their terms (except to the extent amended, restated and/or superseded in connection with the transactions contemplated hereby). The Borrower represents and warrants that, as of the Closing Date, there are no claims or offsets against, or defenses or counterclaims to, its obligations (or the obligations of any Guarantor) under the Existing Credit Agreement or any of the other Existing Loan Documents.

[The remainder of this page is intentionally left blank.]

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[Signature pages intentionally omitted]



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**Annex B**

**Exhibit K to Credit Agreement – Form of Notice of Additional LC Issuer**  
(See attached.)

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**EXHIBIT K**

**FORM OF NOTICE OF ADDITIONAL LC ISSUER**

To: Bank of America, N.A., as Administrative Agent

Re: Third Amended and Restated Credit Agreement, dated as of May 3, 2024 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the “Credit Agreement,” capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement) by and among Sunoco LP, a Delaware limited partnership (the “Borrower”), the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent, LC Issuer and Swingline Lender

Date: [Date]

---

[Insert Name of additional LC Issuer] (“Additional LC Issuer”), a Lender under the Credit Agreement and the Borrower hereby provide notice to the Administrative Agent and the LC Issuer(s) pursuant to the terms of Section 2.09(k) that the Additional LC Issuer wishes to become an LC Issuer under the Credit Agreement with an LC commitment in an amount equal to \$[\_\_\_\_], as such amount may be adjusted from time to time in accordance with the Credit Agreement.

It is hereby agreed that upon receipt by the Administrative Agent of a fully executed copy of this notice, the Additional LC Issuer shall be deemed an LC Issuer under the Credit Agreement.

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g. “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this notice.

A duly authorized officer of the undersigned has executed this notice as of the day and year set forth above.

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K-1  
Form of Notice of Additional LC Issuer

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SUNOCO LP

By: SUNOCO GP LLC, its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[ADDITIONAL LC ISSUER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

K-2  
Form of Notice of Additional LC Issuer

**Schedule 1-A**

**Letter of Credit Commitments from and after the Amendment No. 1 Effective Date until the Parkland Acquisition Closing Date**

| <b>LC Issuer</b>       | <b>Letter of Credit Commitment</b>                                                                                                                                                                                                                                                                                          |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bank of America, N.A.  | \$100,000,000 <i>minus</i> the Letter of Credit Commitment of Wells Fargo Bank, N.A. at such time                                                                                                                                                                                                                           |
| Wells Fargo Bank, N.A. | \$3,146,992 <i>minus</i> , at any time, the aggregate stated amount of all Existing Letters of Credit issued by Wells Fargo Bank, N.A. that were outstanding on the Amendment No. 1 Effective Date and that have subsequently been withdrawn, been cancelled, expired or have otherwise terminated at or prior to such time |
|                        | <b>Total: \$100,000,000</b>                                                                                                                                                                                                                                                                                                 |

**Schedule 1-B**

**Letter of Credit Commitments from and after the Parkland Acquisition Closing Date**

| <b>LC Issuer</b>       | <b>Letter of Credit Commitment</b>                                                                                                                                                                                                                                                                                          |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bank of America, N.A.  | \$100,000,000 <i>minus</i> the Letter of Credit Commitment of Wells Fargo Bank, N.A. at such time                                                                                                                                                                                                                           |
| Wells Fargo Bank, N.A. | \$3,146,992 <i>minus</i> , at any time, the aggregate stated amount of all Existing Letters of Credit issued by Wells Fargo Bank, N.A. that were outstanding on the Amendment No. 1 Effective Date and that have subsequently been withdrawn, been cancelled, expired or have otherwise terminated at or prior to such time |
| Barclays Bank PLC      | The lesser of (a) \$75,000,000 and (b) 50.0% of the difference between (i) \$250,000,000 and (ii) the Aggregate Letter of Credit Commitments immediately prior to the Parkland Acquisition Closing Date                                                                                                                     |
| Royal Bank of Canada   | The lesser of (a) \$75,000,000 and (b) 50.0% of the difference between (i) \$250,000,000 and (ii) the Aggregate Letter of Credit Commitments immediately prior to the Parkland Acquisition Closing Date                                                                                                                     |
|                        | <b>Total: \$250,000,000</b>                                                                                                                                                                                                                                                                                                 |

## **NuStar Annual Financial Statements**

[See attached]

## Report of Independent Registered Public Accounting Firm

To the Board of Directors of NuStar GP, LLC and Unitholders of  
NuStar Energy L.P.:

### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of NuStar Energy L.P. and subsidiaries (the Partnership) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, cash flows, and partners' equity and mezzanine equity for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 22, 2024 expressed an unqualified opinion on the effectiveness of the Partnership's internal control over financial reporting.

### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### *Critical Audit Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Identification of triggering events related to the recoverability of certain long-lived assets or asset groups*

As discussed in Note 2, the Partnership tests long-lived assets, including property, plant, and equipment, for impairment whenever events or changes in circumstances (triggering events) indicate that the carrying amount may not be recoverable. The Partnership evaluates recoverability using undiscounted estimated net cash flows generated by the related asset or asset group considering the intended use of the asset. The balance of property, plant, and equipment, net as of December 31, 2023 was \$3,283 million, or 67% of total assets, of which certain assets or asset groups were not supported by existing revenue generating contracts or have not historically had consistent revenue generating activities.

We identified the assessment of the identification of triggering events related to the recoverability of certain long-lived assets or asset groups as a critical audit matter. Challenging auditor judgment was required to assess the identification of triggering events for certain long-lived assets or asset groups that were not supported by existing revenue generating contracts or have not historically had consistent revenue generating activities. Specifically, this assessment included

the evaluation of subjective qualitative considerations, such as alternative customers and alternative uses for the asset or asset group, and the Partnership's intent for the asset or asset group.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Partnership's triggering event assessment. This included controls over the identification of long-lived asset groups that would be at greater risk for a triggering event and evaluation of the qualitative considerations in assessing the identification of a triggering event. We examined the Partnership's analysis of the long-lived assets and asset groups identified to be evaluated for a potential triggering event and assessed the factors considered in determining the identification of a triggering event. Specifically, we evaluated the Partnership's assessment of the factors considered, including alternative customers, alternative uses for the assets or asset group, and the Partnership's intent for the assets or asset group by evaluating internal and external documentation. Documentation evaluated included internal presentations, draft customer contracts, publicly available market data, and communications between the Partnership and potential customers.

We have served as the Partnership's auditor since 2004.

/s/ KPMG LLP

San Antonio, Texas

February 22, 2024



## Report of Independent Registered Public Accounting Firm

To the Board of Directors of NuStar GP, LLC and Unitholders of  
NuStar Energy L.P.:

### *Opinion on Internal Control Over Financial Reporting*

We have audited NuStar Energy L.P. and subsidiaries' (the Partnership) internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Partnership as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, cash flows, and partners' equity and mezzanine equity for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements), and our report dated February 22, 2024 expressed an unqualified opinion on those consolidated financial statements.

### *Basis for Opinion*

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### *Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ KPMG LLP

San Antonio, Texas  
February 22, 2024

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Thousands of Dollars, Except Unit Data)

|                                                                                                                                   | December 31, |              |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                   | 2023         | 2022         |
| <b>Assets</b>                                                                                                                     |              |              |
| Current assets:                                                                                                                   |              |              |
| Cash and cash equivalents                                                                                                         | \$ 2,765     | \$ 14,489    |
| Accounts receivable, net                                                                                                          | 135,787      | 149,971      |
| Inventories                                                                                                                       | 18,623       | 15,397       |
| Prepaid and other current assets                                                                                                  | 29,927       | 24,067       |
| Total current assets                                                                                                              | 187,102      | 203,924      |
| Property, plant and equipment, at cost                                                                                            | 5,789,927    | 5,733,685    |
| Accumulated depreciation and amortization                                                                                         | (2,507,390)  | (2,330,602)  |
| Property, plant and equipment, net                                                                                                | 3,282,537    | 3,403,083    |
| Intangible assets, net                                                                                                            | 476,063      | 513,696      |
| Goodwill                                                                                                                          | 732,356      | 732,356      |
| Other long-term assets, net                                                                                                       | 218,334      | 120,627      |
| Total assets                                                                                                                      | \$ 4,896,392 | \$ 4,973,686 |
| <b>Liabilities, Mezzanine Equity and Partners' Equity</b>                                                                         |              |              |
| Current liabilities:                                                                                                              |              |              |
| Accounts payable                                                                                                                  | \$ 77,050    | \$ 67,765    |
| Current portion of finance leases                                                                                                 | 4,951        | 4,416        |
| Accrued interest payable                                                                                                          | 39,975       | 37,607       |
| Accrued liabilities                                                                                                               | 88,062       | 76,072       |
| Taxes other than income tax                                                                                                       | 10,948       | 10,607       |
| Total current liabilities                                                                                                         | 220,986      | 196,467      |
| Long-term debt, less current portion of finance leases                                                                            | 3,410,338    | 3,293,415    |
| Deferred income tax liability                                                                                                     | 3,933        | 3,219        |
| Other long-term liabilities                                                                                                       | 214,854      | 131,299      |
| Total liabilities                                                                                                                 | 3,850,111    | 3,624,400    |
| Commitments and contingencies (Note 14)                                                                                           |              |              |
| Series D preferred limited partners (0 and 16,346,650 units outstanding as of December 31, 2023 and 2022, respectively) (Note 17) | —            | 446,970      |
| Partners' equity (Note 18):                                                                                                       |              |              |
| Preferred limited partners:                                                                                                       |              |              |
| Series A (9,060,000 units outstanding as of December 31, 2023 and 2022)                                                           | 218,307      | 218,307      |
| Series B (15,400,000 units outstanding as of December 31, 2023 and 2022)                                                          | 371,476      | 371,476      |
| Series C (6,900,000 units outstanding as of December 31, 2023 and 2022)                                                           | 166,518      | 166,518      |
| Common limited partners (126,516,713 and 110,818,718 units outstanding as of December 31, 2023 and 2022, respectively)            | 312,905      | 177,620      |
| Accumulated other comprehensive loss                                                                                              | (22,925)     | (31,605)     |
| Total partners' equity                                                                                                            | 1,046,281    | 902,316      |
| Total liabilities, mezzanine equity and partners' equity                                                                          | \$ 4,896,392 | \$ 4,973,686 |

See Notes to Consolidated Financial Statements.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Thousands of Dollars, Except Unit and Per Unit Data)

|                                                                                       | Year Ended December 31, |                   |                  |
|---------------------------------------------------------------------------------------|-------------------------|-------------------|------------------|
|                                                                                       | 2023                    | 2022              | 2021             |
| <b>Revenues:</b>                                                                      |                         |                   |                  |
| Service revenues                                                                      | \$ 1,155,567            | \$ 1,120,249      | \$ 1,157,410     |
| Product sales                                                                         | 478,620                 | 562,974           | 461,090          |
| <b>Total revenues</b>                                                                 | <b>1,634,187</b>        | <b>1,683,223</b>  | <b>1,618,500</b> |
| <b>Costs and expenses:</b>                                                            |                         |                   |                  |
| Costs associated with service revenues:                                               |                         |                   |                  |
| Operating expenses (excluding depreciation and amortization expense)                  | 371,689                 | 364,989           | 388,078          |
| Depreciation and amortization expense                                                 | 250,982                 | 251,878           | 266,588          |
| Total costs associated with service revenues                                          | 622,671                 | 616,867           | 654,666          |
| Costs associated with product sales                                                   | 407,793                 | 486,947           | 417,413          |
| Goodwill impairment loss                                                              | —                       | —                 | 34,060           |
| Other impairment losses                                                               | —                       | 46,122            | 154,908          |
| General and administrative expenses (excluding depreciation and amortization expense) | 129,846                 | 117,116           | 113,207          |
| Other depreciation and amortization expense                                           | 4,728                   | 7,358             | 7,792            |
| <b>Total costs and expenses</b>                                                       | <b>1,165,038</b>        | <b>1,274,410</b>  | <b>1,382,046</b> |
| Gain on sale of assets                                                                | 41,075                  | —                 | —                |
| <b>Operating income</b>                                                               | <b>510,224</b>          | <b>408,813</b>    | <b>236,454</b>   |
| Interest expense, net                                                                 | (241,364)               | (209,009)         | (213,985)        |
| Other income, net                                                                     | 10,215                  | 26,182            | 19,644           |
| Income before income tax expense                                                      | 279,075                 | 225,986           | 42,113           |
| Income tax expense                                                                    | 5,412                   | 3,239             | 3,888            |
| <b>Net income</b>                                                                     | <b>\$ 273,663</b>       | <b>\$ 222,747</b> | <b>\$ 38,225</b> |
| <b>Basic and diluted net income (loss) per common unit (Note 19)</b>                  | <b>\$ 0.72</b>          | <b>\$ 0.36</b>    | <b>\$ (0.99)</b> |
| Basic and diluted weighted-average common units outstanding                           | 116,851,373             | 110,341,206       | 109,585,635      |

See Notes to Consolidated Financial Statements.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Thousands of Dollars)

|                                                                                                                           | Year Ended December 31, |                   |                  |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------|------------------|
|                                                                                                                           | 2023                    | 2022              | 2021             |
| <b>Net income</b>                                                                                                         | \$ 273,663              | \$ 222,747        | \$ 38,225        |
| Other comprehensive income (loss) (Note 18):                                                                              |                         |                   |                  |
| Foreign currency translation adjustment                                                                                   | 728                     | 41,823            | 601              |
| Net gain (loss) on pension and other postretirement benefit adjustments, net of income tax expense of \$69, \$24 and \$61 | 5,371                   | (1,556)           | 16,413           |
| Reclassification of loss on cash flow hedges                                                                              | 2,581                   | 2,106             | 5,664            |
| <b>Total other comprehensive income</b>                                                                                   | 8,680                   | 42,373            | 22,678           |
| <b>Comprehensive income</b>                                                                                               | <u>\$ 282,343</u>       | <u>\$ 265,120</u> | <u>\$ 60,903</u> |

See Notes to Consolidated Financial Statements.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Thousands of Dollars)

|                                                                                   | Year Ended December 31, |                  |                  |
|-----------------------------------------------------------------------------------|-------------------------|------------------|------------------|
|                                                                                   | 2023                    | 2022             | 2021             |
| <b>Cash flows from operating activities:</b>                                      |                         |                  |                  |
| Net income                                                                        | \$ 273,663              | \$ 222,747       | \$ 38,225        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                         |                  |                  |
| Depreciation and amortization expense                                             | 255,710                 | 259,236          | 274,380          |
| Amortization of unit-based compensation                                           | 15,547                  | 13,781           | 14,209           |
| Amortization of debt related items                                                | 11,026                  | 10,267           | 12,490           |
| Gain from sale or disposition of assets                                           | (40,946)                | (2,785)          | (61)             |
| Gain from insurance recoveries                                                    | —                       | (16,366)         | (14,860)         |
| Goodwill impairment loss                                                          | —                       | —                | 34,060           |
| Other impairment losses                                                           | —                       | 46,122           | 154,908          |
| Changes in current assets and current liabilities (Note 20)                       | 10,618                  | 737              | (14,147)         |
| Decrease in other long-term assets, net                                           | 1,199                   | 1,091            | 9,867            |
| Decrease in other long-term liabilities                                           | (4,226)                 | (1,579)          | (6,636)          |
| Other, net                                                                        | (8,322)                 | (5,702)          | (957)            |
| <b>Net cash provided by operating activities</b>                                  | <b>514,269</b>          | <b>527,549</b>   | <b>501,478</b>   |
| <b>Cash flows from investing activities:</b>                                      |                         |                  |                  |
| Capital expenditures                                                              | (147,508)               | (140,630)        | (181,133)        |
| Change in accounts payable related to capital expenditures                        | 8,969                   | (12,786)         | 1,264            |
| Proceeds from insurance recoveries                                                | 12,395                  | 9,777            | 9,372            |
| Proceeds from sale or disposition of assets                                       | 102,904                 | 59,274           | 246,475          |
| <b>Net cash (used in) provided by investing activities</b>                        | <b>(23,240)</b>         | <b>(84,365)</b>  | <b>75,978</b>    |
| <b>Cash flows from financing activities:</b>                                      |                         |                  |                  |
| Proceeds from long-term debt borrowings                                           | 1,006,900               | 989,900          | 977,000          |
| Long-term debt repayments                                                         | (895,000)               | (883,300)        | (1,389,700)      |
| Redemption/repurchase of Series D preferred units                                 | (518,680)               | (222,387)        | —                |
| Proceeds from issuance of common units, net of issuance costs                     | 221,843                 | —                | —                |
| Distributions to preferred unitholders                                            | (116,396)               | (127,299)        | (127,551)        |
| Distributions to common unitholders                                               | (183,444)               | (176,413)        | (175,263)        |
| Payment of tax withholding for unit-based compensation                            | (5,694)                 | (6,012)          | (3,384)          |
| Other, net                                                                        | (11,959)                | (9,442)          | (6,681)          |
| <b>Net cash used in financing activities</b>                                      | <b>(502,430)</b>        | <b>(434,953)</b> | <b>(725,579)</b> |
| Effect of foreign exchange rate changes on cash                                   | 40                      | 707              | 136              |
| Net (decrease) increase in cash, cash equivalents and restricted cash             | (11,361)                | 8,938            | (147,987)        |
| Cash, cash equivalents and restricted cash as of the beginning of the period      | 23,377                  | 14,439           | 162,426          |
| Cash, cash equivalents and restricted cash as of the end of the period            | <u>\$ 12,016</u>        | <u>\$ 23,377</u> | <u>\$ 14,439</u> |

See Notes to Consolidated Financial Statements.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY  
AND MEZZANINE EQUITY (Thousands of Dollars, Except Per Unit Data)**

|                                        | <u>Limited Partners</u> |                   | <u>Accumulated Other<br/>Comprehensive Loss</u> | <u>Total Partners'<br/>Equity<br/>(Note 18)</u> | <u>Mezzanine Equity<br/>Series D Preferred<br/>Limited Partners (Note<br/>17)</u> | <u>Total</u>        |
|----------------------------------------|-------------------------|-------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------|---------------------|
|                                        | <u>Preferred</u>        | <u>Common</u>     |                                                 |                                                 |                                                                                   |                     |
| <b>Balance as of January 1, 2021</b>   | \$ 756,301              | \$ 572,314        | \$ (96,656)                                     | \$ 1,231,959                                    | \$ 599,542                                                                        | \$ 1,831,501        |
| Net income (loss)                      | 63,982                  | (89,174)          | —                                               | (25,192)                                        | 63,417                                                                            | 38,225              |
| Other comprehensive income             | —                       | —                 | 22,678                                          | 22,678                                          | —                                                                                 | 22,678              |
| Distributions to partners:             |                         |                   |                                                 |                                                 |                                                                                   |                     |
| Series A, B and C preferred            | (63,982)                | —                 | —                                               | (63,982)                                        | —                                                                                 | (63,982)            |
| Common (\$1.60 per unit)               | —                       | (175,263)         | —                                               | (175,263)                                       | —                                                                                 | (175,263)           |
| Series D preferred                     | —                       | —                 | —                                               | —                                               | (63,417)                                                                          | (63,417)            |
| Unit-based compensation                | —                       | 8,528             | —                                               | 8,528                                           | —                                                                                 | 8,528               |
| Series D Preferred Unit accretion      | —                       | (16,903)          | —                                               | (16,903)                                        | 16,903                                                                            | —                   |
| Other                                  | —                       | —                 | —                                               | —                                               | (6)                                                                               | (6)                 |
| <b>Balance as of December 31, 2021</b> | <u>756,301</u>          | <u>299,502</u>    | <u>(73,978)</u>                                 | <u>981,825</u>                                  | <u>616,439</u>                                                                    | <u>1,598,264</u>    |
| Net income                             | 66,526                  | 95,158            | —                                               | 161,684                                         | 61,063                                                                            | 222,747             |
| Other comprehensive income             | —                       | —                 | 42,373                                          | 42,373                                          | —                                                                                 | 42,373              |
| Distributions to partners:             |                         |                   |                                                 |                                                 |                                                                                   |                     |
| Series A, B and C preferred            | (66,526)                | —                 | —                                               | (66,526)                                        | —                                                                                 | (66,526)            |
| Common (\$1.60 per unit)               | —                       | (176,413)         | —                                               | (176,413)                                       | —                                                                                 | (176,413)           |
| Series D preferred                     | —                       | —                 | —                                               | —                                               | (61,063)                                                                          | (61,063)            |
| Unit-based compensation                | —                       | 12,302            | —                                               | 12,302                                          | —                                                                                 | 12,302              |
| Series D Preferred Unit accretion      | —                       | (18,538)          | —                                               | (18,538)                                        | 18,538                                                                            | —                   |
| Series D Preferred Unit repurchase     | —                       | (34,382)          | —                                               | (34,382)                                        | (188,005)                                                                         | (222,387)           |
| Other                                  | —                       | (9)               | —                                               | (9)                                             | (2)                                                                               | (11)                |
| <b>Balance as of December 31, 2022</b> | <u>756,301</u>          | <u>177,620</u>    | <u>(31,605)</u>                                 | <u>902,316</u>                                  | <u>446,970</u>                                                                    | <u>1,349,286</u>    |
| Net income                             | 90,114                  | 158,934           | —                                               | 249,048                                         | 24,615                                                                            | 273,663             |
| Other comprehensive income             | —                       | —                 | 8,680                                           | 8,680                                           | —                                                                                 | 8,680               |
| Distributions to partners:             |                         |                   |                                                 |                                                 |                                                                                   |                     |
| Series A, B and C preferred            | (90,114)                | —                 | —                                               | (90,114)                                        | —                                                                                 | (90,114)            |
| Common (\$1.60 per unit)               | —                       | (183,444)         | —                                               | (183,444)                                       | —                                                                                 | (183,444)           |
| Series D preferred                     | —                       | —                 | —                                               | —                                               | (24,615)                                                                          | (24,615)            |
| Issuance of common units               | —                       | 221,773           | —                                               | 221,773                                         | —                                                                                 | 221,773             |
| Unit-based compensation                | —                       | 9,800             | —                                               | 9,800                                           | —                                                                                 | 9,800               |
| Series D Preferred Unit accretion      | —                       | (7,171)           | —                                               | (7,171)                                         | 7,171                                                                             | —                   |
| Series D Preferred Unit redemptions    | —                       | (64,542)          | —                                               | (64,542)                                        | (454,138)                                                                         | (518,680)           |
| Other                                  | —                       | (65)              | —                                               | (65)                                            | (3)                                                                               | (68)                |
| <b>Balance as of December 31, 2023</b> | <u>\$ 756,301</u>       | <u>\$ 312,905</u> | <u>\$ (22,925)</u>                              | <u>\$ 1,046,281</u>                             | <u>\$ —</u>                                                                       | <u>\$ 1,046,281</u> |

See Notes to Consolidated Financial Statements.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2023, 2022 and 2021**

## **1. ORGANIZATION AND OPERATIONS**

### **Organization**

NuStar Energy L.P. (NuStar Energy) is a publicly traded Delaware limited partnership. Unless otherwise indicated, the terms “NuStar Energy,” “NS,” “the Partnership,” “we,” “our” and “us” are used in this report to refer to NuStar Energy L.P., to one or more of our consolidated subsidiaries or to all of them taken as a whole. Our business is managed under the direction of the board of directors of NuStar GP, LLC (the Board of Directors), the general partner of our general partner, Riverwalk Logistics, L.P., both of which are indirectly wholly owned subsidiaries of ours. As of December 31, 2023, our limited partner interests consisted of the following:

- common units (NYSE: NS); and
- 8.50% Series A (NYSE: NSprA), 7.625% Series B (NYSE: NSprB) and 9.00% Series C (NYSE: NSprC) Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units.

### **Operations**

We are primarily engaged in the transportation, terminalling and storage of petroleum products and renewable fuels and the transportation of anhydrous ammonia. We also market petroleum products. The term “throughput” as used in this document generally refers to barrels of crude oil, refined product or renewable fuels, or tons of ammonia, as applicable, that pass through our pipelines, terminals or storage tanks. We conduct our operations through our subsidiaries, primarily NuStar Logistics, L.P. (NuStar Logistics) and NuStar Pipeline Operating Partnership L.P. (NuPOP). We have three business segments: pipeline, storage and fuels marketing.

*Pipeline.* Our assets included 9,490 miles of pipeline with aggregate storage capacity of 13.0 million barrels. Our Central West System includes 2,915 miles of refined product pipelines and 2,070 miles of crude oil pipelines, as well as 5.6 million barrels of crude oil storage capacity, while our Central East System includes 2,495 miles of refined product pipelines, consisting of the East and North pipelines, and an approximately 2,000-mile ammonia pipeline (the Ammonia Pipeline). The East and North pipelines have aggregate storage capacity of 7.4 million barrels. We charge tariffs on a per barrel basis for transporting refined products, crude oil and other feedstocks in our refined product and crude oil pipelines and on a per ton basis for transporting anhydrous ammonia in the Ammonia Pipeline.

*Storage.* We own terminal and storage facilities in the United States and Mexico, with aggregate storage capacity of 36.4 million barrels. Our terminal and storage facilities provide storage, handling and other services on a fee basis for refined products, crude oil, specialty chemicals, renewable fuels and other liquids.

*Fuels Marketing.* The fuels marketing segment primarily includes our bunkering operations in the Gulf Coast, as well as certain of our blending operations associated with our Central East System.

### **Recent Developments**

*Merger Agreement.* On January 22, 2024, we entered into a merger agreement with Sunoco LP and its affiliates, in an all-equity transaction, which will result in NuStar Energy surviving the merger as a subsidiary of Sunoco LP. At closing of the merger, each NuStar Energy common unit issued and outstanding immediately prior to closing will be converted into the right to receive 0.400 of a common unit of Sunoco and, if applicable, cash in lieu of fractional units. See Note 25 for further information on the merger.

*Redemptions of Series D Preferred Units.* In the second and third quarters of 2023, we redeemed all of our outstanding Series D Preferred Units, as defined in Note 17, for an aggregate net redemption price of \$518.7 million. See Note 17 for additional information on these redemptions.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**Issuance of Common Units.** On August 11, 2023, we issued 14,950,000 common units representing limited partner interests at a price of \$15.35 per unit for net proceeds of approximately \$222.0 million. See Note 18 for more information.

**Debt Amendments.** On June 30, 2023, we amended our Revolving Credit Agreement, as defined in Note 12, primarily to extend the maturity date from April 27, 2025 to January 27, 2027. On June 29, 2023, we amended our Receivables Financing Agreement, as defined in Note 12, to extend the scheduled termination date from January 31, 2025 to July 1, 2026. See Note 12 for more information.

**Sale-Leaseback Transaction.** On March 21, 2023, we consummated the Sale-Leaseback Transaction, as defined in Note 4, of our Corporate Headquarters, also as defined in Note 4, for approximately \$103.0 million and recognized a gain of \$41.1 million. See Note 4 for more information.

**Other Event**

**Selby Terminal Fire.** On October 15, 2019, a fire at our terminal facility in Selby, California destroyed two storage tanks and temporarily shut down the terminal. We received insurance proceeds of \$12.4 million, \$11.1 million and \$28.5 million for the years ended December 31, 2023, 2022 and 2021, respectively. The amount received in 2023 represented the remaining proceeds from the settlement of the property loss claim. For the years ended December 31, 2022 and 2021, we recorded gains of \$16.4 million and \$14.9 million, respectively, for the amount by which the insurance recoveries exceeded our expenses incurred to date, which are included in “Other income, net” in the consolidated statements of income. We recorded a gain from business interruption insurance of \$4.0 million for the year ended December 31, 2021, which is included in “Operating expenses” in the consolidated statements of income.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Consolidation**

The accompanying consolidated financial statements represent the consolidated operations of the Partnership and our subsidiaries. Inter-partnership balances and transactions have been eliminated in consolidation. The operations of certain pipelines and terminals in which we own an undivided interest are proportionately consolidated in the accompanying consolidated financial statements.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. On an ongoing basis, management reviews its estimates based on currently available information. Management may revise estimates due to changes in facts and circumstances.

**Cash and Cash Equivalents**

Cash equivalents are all highly liquid investments with an original maturity of three months or less when acquired.

**Accounts Receivable**

Trade receivables are carried at amortized cost, net of a valuation allowance for current expected credit losses. We extend credit to certain customers after review of various credit indicators, including the customer’s credit rating, and obtain letters of credit, guarantees or collateral as deemed necessary. We monitor our ongoing credit exposure through active review of customer balances against contract terms and due dates and pool customer receivables based upon days outstanding, which is our primary credit risk indicator. Our review activities include timely account reconciliations, dispute resolution and payment confirmations.

**Inventories**

Inventories consist of petroleum products, materials and supplies. Inventories are valued at the lower of cost or net realizable value. Cost is determined using the weighted-average cost method. Our inventory, other than materials and supplies, consists of one end-product category, petroleum products, which we include in the fuels marketing segment. Accordingly, we determine lower of cost or net realizable value adjustments on an aggregate basis. Materials and supplies are valued at the lower of average cost or net realizable value.

**Restricted Cash**

As of December 31, 2023 and 2022, we have restricted cash representing legally restricted funds that are unavailable for general use totaling \$9.3 million and \$8.9 million, respectively, which is included in “Other long-term assets, net” on the consolidated balance sheets.



**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

***Property, Plant and Equipment***

We record additions to property, plant and equipment, including reliability and strategic capital expenditures, at cost. Repair and maintenance costs associated with existing assets that are minor in nature and do not extend the useful life of existing assets are charged to operating expenses as incurred. Depreciation of property, plant and equipment is recorded on a straight-line basis over the estimated useful lives of the related assets. When property or equipment is retired, sold or otherwise disposed of, the difference between the carrying value and the net proceeds is recognized in “Other income, net” in the consolidated statements of income. We capitalize overhead costs and interest costs incurred on funds used to construct property, plant and equipment while the asset is under construction. The overhead costs and capitalized interest are recorded as part of the asset to which they relate and are amortized over the asset’s estimated useful life as a component of depreciation expense.

***Leases***

We lease assets used in our operations, including land and docks, as well as the Corporate Headquarters. We record all leases on our consolidated balance sheets except for those leases with an initial term of 12 months or less, which are expensed on a straight-line basis over the lease term. We use judgment in determining the reasonably certain lease term and consider factors such as the nature and utility of the leased asset, as well as the importance of the leased asset to our operations. We calculate the present value of our lease liabilities based upon our incremental borrowing rate unless the rate implicit in the lease is readily determinable. For all our asset classes except the other pipeline and terminal equipment asset class, we combine lease and non-lease components and account for them as a single lease component.

Certain of our leases are subject to variable payment arrangements, the most notable of which include:

- ad valorem taxes assessed on our Corporate Headquarters;
- dockage and wharfage charges, which are based on volumes moved over leased docks and are included in our calculation of our lease payments based on minimum throughput volume requirements. We recognize charges on excess throughput volumes in profit or loss in the period in which the obligation for those payments is incurred; and
- consumer price index (CPI) adjustments, which are measured and included in the calculation of our lease payments based on the CPI at the commencement date. We recognize changes in lease payments as a result of changes in the CPI in profit or loss in the period in which those payments are made.

See Note 15 for further discussion of our lease arrangements.

***Goodwill***

As of December 31, 2023 and 2022, our reporting units to which goodwill has been allocated consisted of the following:

- crude oil pipelines;
- refined product pipelines; and
- terminals, excluding our refinery crude storage tanks.

See Notes 4 and 10 for a discussion of the balances of and changes in the carrying amount of goodwill.

We assess goodwill for impairment annually on October 1, or more frequently if events or changes in circumstances indicate it might be impaired. We have the option to first assess qualitative factors to determine whether it is necessary to perform a quantitative goodwill impairment test. We elected to bypass the qualitative assessment for all reporting units as of October 1, 2023 and October 1, 2022 and performed quantitative assessments, resulting in the determination that goodwill was not impaired.

We measure goodwill impairment as the excess of each reporting unit’s carrying value over its fair value, not to exceed the carrying amount of goodwill for that reporting unit. The carrying value of each reporting unit equals the total identified assets (including goodwill) less the sum of each reporting unit’s identified liabilities. We used reasonable and supportable methods to assign the assets and liabilities to the appropriate reporting units in a consistent manner.

We recognize an impairment of goodwill if the carrying value of a reporting unit that contains goodwill exceeds its estimated fair value. In order to estimate the fair value of the reporting unit, including goodwill, management must make certain estimates and assumptions that affect the total fair value of the reporting unit including, among other things, an assessment of market conditions, projected cash flows, discount rates and growth rates. Management’s estimates of projected cash flows related to the reporting unit include, but are not limited to, future earnings of the reporting unit, assumptions about the use or disposition of the asset, estimated remaining life of the asset, and future expenditures necessary to maintain the asset’s existing service potential. We calculate the estimated fair value of each of our reporting units using a weighted average of values calculated using an income approach and a market approach. The income approach involves estimating the fair value of each reporting

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

unit by discounting its estimated future cash flows using a discount rate that would be consistent with a market participant's assumption. The market approach bases the fair value measurement on information obtained from observed stock prices of public companies and recent merger and acquisition transaction data of comparable entities.

Management's estimates are based on numerous assumptions about future operations and market conditions, which we believe to be reasonable but are inherently uncertain. The uncertainties underlying our assumptions and estimates could differ significantly from actual results, which could lead to a different determination of the fair value of our assets.

***Impairment of Long-Lived Assets***

We review long-lived assets, including property, plant and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We evaluate recoverability using undiscounted estimated net cash flows generated by the related asset or asset group. If the results of that evaluation indicate that the undiscounted cash flows are less than the carrying amount of the asset (i.e., the asset is not recoverable) we perform an impairment analysis. If our intent is to hold the asset for continued use, we determine the amount of impairment as the amount by which the net carrying value exceeds its fair value. If our intent is to sell the asset, and the criteria required to classify an asset as held for sale are met, we determine the amount of impairment as the amount by which the net carrying amount exceeds its fair value less costs to sell. See Note 4 for a discussion of our long-lived asset impairment charges. We believe that the carrying amounts of our long-lived assets as of December 31, 2023 are recoverable.

***Income Taxes***

We are a limited partnership and generally are not subject to federal or state income taxes. Accordingly, our taxable income or loss, which may vary substantially from income or loss reported for financial reporting purposes, is generally included in the federal and state income tax returns of our partners. For transfers of publicly held common units subsequent to our initial public offering, we have made an election permitted by Section 754 of the Internal Revenue Code (the Code) to adjust the common unit purchaser's tax basis in our underlying assets to reflect the purchase price of the units. This results in an allocation of taxable income and expenses to the purchaser of the common units, including depreciation deductions and gains and losses on sales of assets, based upon the new unitholder's purchase price for the common units.

We conduct certain of our operations through taxable wholly owned corporate subsidiaries. We account for income taxes related to our taxable subsidiaries using the asset and liability method. Under this method, we recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We measure deferred taxes using enacted tax rates expected to apply to taxable income in the year those temporary differences are expected to be recovered or settled.

We recognize a tax position if it is more likely than not that the tax position will be sustained, based on the technical merits of the position, upon examination. We record uncertain tax positions in the financial statements at the largest amount of benefit that is more likely than not to be realized. We had no unrecognized tax benefits as of December 31, 2023 and 2022.

NuStar Energy and certain of its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. For U.S. federal and state purposes, as well as for our major non-U.S. jurisdictions, tax years subject to examination are 2018 through 2022, according to standard statute of limitations.

***Asset Retirement Obligations***

We record a liability for asset retirement obligations at the fair value of the estimated costs to retire a tangible long-lived asset at the time we incur that liability, which is generally when the asset is purchased, constructed or leased, when we have a legal obligation to incur costs to retire the asset and when a reasonable estimate of the fair value of the obligation can be made. If a reasonable estimate cannot be made at the time the liability is incurred, we record the liability when sufficient information is available to estimate the fair value.

We have asset retirement obligations with respect to certain of our assets due to various legal obligations to clean and/or dispose of those assets at the time they are retired. However, these assets can be used for an extended and indeterminate period of time as long as they are properly maintained and/or upgraded. It is our practice and current intent to maintain our assets and continue making improvements to those assets based on technological advances. As a result, we believe that our assets have indeterminate lives for purposes of estimating asset retirement obligations because dates or ranges of dates upon which we would retire these assets cannot reasonably be estimated at this time. When a date or range of dates can reasonably be estimated for the retirement of any asset, we estimate the costs of performing the retirement activities and record a liability for the fair value of these costs.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

We also have legal obligations in the form of leases and right-of-way agreements, which require us to remove certain of our assets upon termination of the agreement. However, these lease or right-of-way agreements generally contain automatic renewal provisions that extend our rights indefinitely or we have other legal means available to extend our rights. Liabilities for conditional asset retirement obligations related to the retirement of terminal assets with lease and right-of-way agreements were not material as of December 31, 2023 and 2022.

***Environmental Remediation Costs***

Environmental remediation costs are expensed, and an associated accrual established when site restoration and environmental remediation and cleanup obligations are either known or considered probable and can be reasonably estimated. These environmental obligations are based on estimates of probable undiscounted future costs using currently available technology and applying current regulations, as well as our own internal environmental policies. The environmental liabilities have not been reduced by possible recoveries from third parties. Environmental costs include initial site surveys, costs for remediation and restoration and ongoing monitoring costs, as well as fines, damages and other costs, when applicable and estimable. Adjustments to initial estimates are recorded, from time to time, to reflect changing circumstances and estimates based upon additional information developed in subsequent periods. Environmental liabilities are difficult to assess and estimate due to unknown factors, such as the timing and extent of remediation, the determination of our liability in proportion to other parties, improvements in cleanup technologies and the extent to which environmental laws and regulations may change in the future. We believe that we have adequately accrued for our environmental exposures. See Note 13 for the amount of accruals for environmental matters.

***Revenue Recognition***

*Revenue-Generating Activities.* Revenues for the pipeline segment are derived from interstate and intrastate pipeline transportation of refined products, crude oil and anhydrous ammonia and the applicable pipeline tariff on a per barrel basis for crude oil or refined products and on a per ton basis for ammonia. Revenues generated from product sales in the pipeline segment relate to surplus pipeline loss allowance volumes.

Revenues for the storage segment include fees for tank storage agreements, under which a customer agrees to pay for a certain amount of storage in a tank over a period of time (storage terminal revenues), and throughput agreements, under which a customer pays a fee per barrel for volumes moving through our terminals (throughput terminal revenues). Our terminals also provide blending, additive injections, handling and filtering services for which we charge additional fees.

Revenues for the fuels marketing segment are derived from the sale of petroleum products.

Within both our pipeline and storage segments, we provide services on uninterruptible and interruptible bases. Uninterruptible services within our pipeline segment typically result from contracts that contain take-or-pay minimum volume commitments (MVCs) from the customer. Contracts with MVCs obligate the customer to pay for that minimum amount. If a customer fails to meet its MVC for the applicable service period, the customer is obligated to pay a deficiency fee based upon the shortfall between the actual volumes transported or stored and the MVC for that service period (deficiency payments). In exchange, those contracts with MVCs obligate us to stand ready to transport volumes up to the customer's MVC.

Within our storage segment, uninterruptible services arise from contracts containing a fixed monthly fee for the portion of storage capacity reserved by the customer. These contracts require that the customer pay the fixed monthly fee, regardless of whether or not it uses our storage facility (i.e., take-or-pay obligation), and that we stand ready to store that volume. Interruptible services within our pipeline and storage segments are generally provided when and to the extent we determine the requested capacity is available. The customer typically pays a per-unit rate for the actual quantities of services it receives.

For the majority of our contracts, we recognize revenue in the amount to which we have a right to invoice. Generally, payment terms do not exceed 30 days.

*Performance Obligations.* The majority of our contracts contain a single performance obligation. For our pipeline segment, the single performance obligation encompasses multiple activities necessary to deliver our customers' products to their destinations. Typically, we satisfy this performance obligation over time as the product volume is delivered in or out of the pipelines. Certain of our pipeline segment customer contracts include an incentive pricing structure, which provides a discounted rate for the remainder of the contract once the customer exceeds a cumulative volume. The ability to receive discounted future services represents a material right to the customer, which results in a second performance obligation in those contracts.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

The performance obligation for our storage segment consists of multiple activities necessary to receive, store and deliver our customers' products. We typically satisfy this performance obligation over time as the product volume is delivered in or out of the tanks (for throughput terminal revenues) or with the passage of time (for storage terminal revenues).

Product sales contracts generally include a single performance obligation to deliver specified volumes of a commodity, which we satisfy at a point in time, when the product is delivered and the customer obtains control of the commodity.

Optional services described in our contracts do not provide a material right to the customer, and are not considered a separate performance obligation in the contract. If and when a customer elects an optional service, and the terms of the contract are otherwise met, those services become part of the existing performance obligation.

*Transaction Price.* For uninterruptible services, we determine the transaction price at contract inception based on the guaranteed minimum amount of revenue over the term of the contract. For interruptible services and optional services, we determine the transaction price based on our right to invoice the customer for the value of services provided to the customer for the applicable period.

In certain instances, our customers reimburse us for capital projects, in arrangements referred to as contributions in aid of construction, or CIAC. Typically, in these instances, we receive upfront payments for future services, which are included in the transaction price of the underlying service contract.

We collect taxes on certain revenue transactions to be remitted to governmental authorities, which may include sales, use, value-added and some excise taxes. These taxes are not included in the transaction price and are, therefore, excluded from revenues.

*Allocation of Transaction Price.* We allocate the transaction price to the single performance obligation that exists in the vast majority of our contracts with customers. For the few contracts that have a second performance obligation, such as those that include an incentive pricing structure, we calculate an average rate based on the estimated total volumes to be delivered over the term of the contract and the resulting estimated total revenue to be billed using the applicable rates in the contract. We allocate the transaction price to the two performance obligations by applying the average rate to product volumes as they are delivered to the customer over the term of the contract. Determining the timing and amount of volumes subject to these incentive pricing contracts requires judgment that can impact the amount of revenue allocated to the two separate performance obligations. We base our estimates on our analysis of expected future production information available from our customers or other sources, which we update at least quarterly.

Some of our MVC contracts include provisions that allow the customer to apply deficiency payments to future service periods (the carryforward period). In those instances, we have not satisfied our performance obligation as we still have the obligation to perform those services, subject to contractual and/or capacity constraints, at the customer's request. At least quarterly, we assess the customer's ability to utilize any deficiency payments during the carryforward period. If we receive a deficiency payment from a customer that we expect the customer to utilize during the carryforward period, we defer that amount as a contract liability. We will consider the performance obligation satisfied and allocate any deferred deficiency payments to our performance obligation when the customer utilizes the deficiency payment, the carryforward period ends or we determine the customer cannot or will not utilize the deficiency payment (i.e., breakage). If our contract does not allow the customer to apply deficiency payments to future service periods, we allocate the deficiency payment to the already satisfied portion of the performance obligation.

### ***Income Allocation***

Our partnership agreement contains provisions for the allocation of net income to the unitholders. Our net income for each quarterly reporting period is first allocated to the preferred limited partner unitholders in an amount equal to the earned distributions for the respective reporting period. We allocate the remaining net income or loss among the common unitholders.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

***Basic and Diluted Net Income (Loss) Per Common Unit***

Basic and diluted net income (loss) per common unit is determined pursuant to the two-class method. Under this method, all earnings are allocated to our limited partners and participating securities based on their respective rights to receive distributions earned during the period. Participating securities include restricted units awarded under our long-term incentive plans and, from June 15, 2023 to their redemption on September 12, 2023, the Series D Preferred Units. We compute basic net income (loss) per common unit by dividing net income (loss) attributable to our common limited partners by the weighted-average number of common units outstanding during the period. We compute diluted net income (loss) per common unit by dividing net income (loss) attributable to our common limited partners by the sum of (i) the weighted-average number of common units outstanding during the period and (ii) the effect of dilutive potential common units outstanding during the period. Dilutive potential common units include contingently issuable performance units awarded and the Series D Preferred Units, prior to their redemption and/or repurchase. See Note 22 for additional information on our performance units, Note 17 for additional information on the Series D Preferred Units and Note 19 for the calculation of basic and diluted net income (loss) per common unit.

***Derivative Financial Instruments***

When we apply hedge accounting, we formally document all relationships between hedging instruments and hedged items. This process includes identification of the hedging instrument and the hedged transaction, the nature of the risk being hedged and how the hedging instrument's effectiveness will be assessed. To qualify for hedge accounting, at inception of the hedge we assess whether the derivative instruments that are used in our hedging transactions are expected to be highly effective in offsetting changes in cash flows. Throughout the designated hedge period and at least quarterly, we assess whether the derivative instruments are highly effective and continue to qualify for hedge accounting.

We were a party to forward-starting swaps in order to hedge the risk of changes in the interest payments attributable to changes in the benchmark interest rate during the period from the effective date of the swap to the issuance of the forecasted debt. These forward-starting interest rate swaps qualified as cash flow hedges, and we designated them as such; therefore, we recognized the fair value of each interest rate swap in the consolidated balance sheets. We recorded changes in the fair value of the hedge as a component of accumulated other comprehensive income (loss) (AOCI), on the consolidated balance sheets, to the extent those cash flow hedges remained highly effective. If at any point a cash flow hedge ceased to qualify for hedge accounting, changes in the fair value of the hedge were recognized in "Interest expense, net" from that date forward. The amount accumulated in AOCI is amortized into "Interest expense, net" on the consolidated statements of income as the forecasted interest payments occur or if the interest payments are probable not to occur.

We classify cash flows associated with our derivative instruments as operating cash flows in the consolidated statements of cash flows, except for receipts or payments associated with terminated forward-starting interest rate swap agreements, which are included in cash flows from financing activities. See Note 16 for additional information regarding our derivative financial instruments.

***Defined Benefit Plans***

We estimate pension and other postretirement benefit obligations and costs based on actuarial valuations. The annual measurement date for our pension and other postretirement benefit plans is December 31. The actuarial valuations require the use of certain assumptions including discount rates, expected long-term rates of return on plan assets and expected rates of compensation increase. Changes in these assumptions are primarily influenced by factors outside our control. See Note 21 for further discussion of our pension and other postretirement benefit obligations.

***Unit-based Compensation***

Unit-based compensation for our long-term incentive plans is recorded in our consolidated balance sheets based on the fair value of the awards granted and recognized as compensation expense primarily on a straight-line basis over the requisite service period. Forfeitures of our unit-based compensation awards are recognized as an adjustment to compensation expense when they occur. Unit-based compensation expense is included in "General and administrative expenses" on our consolidated statements of income. See Note 22 for additional information regarding our unit-based compensation.

***Foreign Currency Translation***

The functional currencies of our foreign subsidiaries are the local currencies of the countries in which the subsidiaries are located. The assets and liabilities of our foreign subsidiaries with local functional currencies are translated to U.S. dollars at period-end exchange rates, and income and expense items are translated to U.S. dollars at weighted-average exchange rates in effect during the period. These translation adjustments are included in "Accumulated other comprehensive loss" in the equity section of the consolidated balance sheets. Upon the sale or liquidation of our investment in a foreign subsidiary, translation adjustments that have historically accumulated in AOCI related to that subsidiary are released from AOCI and reported as part

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

of the gain or loss on sale. Gains and losses on foreign currency transactions are included in “Other income, net” in the consolidated statements of income.

***Reclassifications***

We have reclassified certain previously reported amounts in the consolidated financial statements and notes to conform to current-period presentation.

**3. NEW ACCOUNTING PRONOUNCEMENTS**

***Improvements to Income Tax Disclosures***

In December 2023, the Financial Accounting Standards Board (FASB) issued guidance intended to enhance the transparency and decision usefulness of income tax disclosures, primarily through changes to the rate reconciliation and income taxes paid information. The amendments are effective for annual periods beginning after December 15, 2024, and early adoption is permitted. The amendments should be applied prospectively; however, retrospective application is permitted. We plan to adopt the amended guidance on January 1, 2025, and are currently evaluating our method of adoption and the impact of this amended guidance on our disclosures.

***Improvements to Reportable Segment Disclosures***

In November 2023, the FASB issued guidance intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. Among other changes, the amendments will require disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and should be applied on a retrospective basis. Early adoption is permitted. We plan to adopt the annual and interim disclosure requirements on January 1, 2024 and January 1, 2025, respectively, and are currently evaluating the impact of this amended guidance on our disclosures.

**4. DISPOSITIONS AND IMPAIRMENTS**

***Sale-Leaseback Transaction***

On March 21, 2023, we sold our corporate headquarters facility and approximately 24 acres of underlying land located in San Antonio, Texas (the Corporate Headquarters) for an aggregate cash sales price of \$103.0 million and immediately entered into an operating lease agreement (the HQ Lease Agreement) to lease back the Corporate Headquarters for an initial term of 20 years, with two renewal options of ten years each (the Sale-Leaseback Transaction). Upon closing of the sale in the first quarter of 2023, the Sale-Leaseback Transaction qualified as a completed sale, and we recognized a gain of \$41.1 million, which is presented in “Gain on sale of assets” on the consolidated statements of income. We entered into the Sale-Leaseback Transaction in order to monetize the Corporate Headquarters, and used the proceeds to repay outstanding borrowings under our Revolving Credit Agreement in order to position ourselves to redeem the Series D Preferred Units.

***Point Tupper Terminal Disposition***

On April 29, 2022, we sold the equity interests in our wholly owned subsidiaries that owned our Point Tupper terminal facility in Nova Scotia, Canada (the Point Tupper Terminal Operations) to EverWind Fuels for \$60.0 million (the Point Tupper Terminal Disposition). The terminal facility had a storage capacity of 7.8 million barrels and was included in the storage segment. We utilized the sales proceeds to repay outstanding borrowings under our Revolving Credit Agreement and improve our debt metrics.

During the first quarter of 2022, we determined that the Point Tupper Terminal Operations met the criteria to be classified as held for sale. We compared the carrying value of the Point Tupper Terminal Operations, which included \$42.2 million in cumulative foreign currency translation losses accumulated since our acquisition of the Point Tupper terminal facility in 2005, to its fair value less costs to sell, and we recognized a pre-tax impairment loss of \$46.1 million in the first quarter of 2022, which is presented in “Other impairment losses” on the consolidated statements of income. We believe that the sales price of \$60.0 million provided a reasonable indication of the fair value of the Point Tupper Terminal Operations as it represented an exit price in an orderly transaction between market participants. The sales price was a quoted price for identical assets and liabilities in a market that was not active and, thus, our fair value estimate fell within Level 2 of the fair value hierarchy. Upon closing in the second quarter of 2022, we released \$39.6 million of foreign currency translation losses from AOCI and finalized our sales price, resulting in a gain of \$1.6 million, which is presented in “Other income, net” on the consolidated statements of income.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

***Eastern U.S. Terminals Disposition***

On August 1, 2021, we entered into an agreement (the Purchase Agreement) to sell nine U.S. terminal and storage facilities, including all our North East Terminals and one terminal in Florida (the Eastern U.S. Terminal Operations) to Sunoco LP for \$250.0 million (the Eastern U.S. Terminals Disposition). The Eastern U.S. Terminal Operations included terminals in the following locations; Jacksonville, Florida; Andrews Air Force Base, Maryland; Baltimore, Maryland; Piney Point, Maryland; Virginia Beach, Virginia; Paulsboro, New Jersey; and Blue Island, Illinois, as well as both Linden, New Jersey terminals. The Eastern U.S. Terminal Operations had an aggregate storage capacity of 14.8 million barrels and were included in the storage segment. We closed the sale on October 8, 2021 and used the proceeds from the sale to reduce debt and improve our debt metrics.

The Eastern U.S. Terminal Operations met the criteria to be classified as held for sale upon our entrance into the Purchase Agreement during the third quarter of 2021. At that time, we allocated goodwill of \$34.1 million to the Eastern U.S. Terminal Operations based on its fair value relative to the terminals reporting unit, with which it had been fully integrated. We tested the allocated goodwill for impairment by comparing the fair value of the Eastern U.S. Terminal Operations to its carrying value. The results of our goodwill impairment test indicated that the carrying value of the Eastern U.S. Terminal Operations exceeded its fair value, and we recognized a related goodwill impairment charge of \$34.1 million in the third quarter of 2021 to reduce the allocated goodwill to \$0. The goodwill impairment loss is reported in “Goodwill impairment loss” on the consolidated statements of income. We believe that the sales price of \$250.0 million provided a reasonable indication of the fair value of the Eastern U.S. Terminal Operations as it represented an exit price in an orderly transaction between market participants. The sales price was a quoted price for identical assets and liabilities in a market that was not active and, thus, our fair value estimate fell within Level 2 of the fair value hierarchy.

We compared the remaining carrying value of the Eastern U.S. Terminal Operations, after its goodwill impairment, to its fair value less costs to sell. We recognized an asset impairment loss of \$95.7 million in the third quarter of 2021, which is reported in “Other impairment losses” on the consolidated statements of income. The asset impairment loss included \$23.9 million related to intangible assets representing customer contracts and relationships.

We determined the assets included in the Point Tupper Terminal Disposition and the Eastern U.S. Terminals Disposition were no longer synergistic with our core assets, and these dispositions did not qualify, either individually or in the aggregate, for reporting as discontinued operations, as the sales did not represent strategic shifts that would have a major effect on our operations or financial results.

***Houston Pipeline Impairment***

In the third quarter of 2021, we recorded a long-lived asset impairment charge of \$59.2 million within our pipeline segment related to our refined product pipeline extending from Mt. Belvieu, Texas to Corpus Christi, Texas (the Houston Pipeline). During the third quarter of 2021, we identified an indication of impairment related to the southern section of the Houston Pipeline, specifically that its physical condition would require significant investment in order to pursue commercial opportunities. Consequently, we separated the pipeline into two distinct assets: the northern and southern sections. Our estimate of the undiscounted cash flows associated with the southern section indicated it was not recoverable. Due to the factors described above, we determined the carrying value of the southern section exceeded its fair value, and reduced its carrying value to \$0. We recorded the asset impairment charge in “Other impairment losses” on the consolidated statements of income. We determined that the northern portion of the pipeline was not impaired.



**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**5. REVENUE FROM CONTRACTS WITH CUSTOMERS**

***Contract Assets and Contract Liabilities***

The following table provides information about contract assets and contract liabilities from contracts with customers:

|                                    | 2023            |                      | 2022            |                      | 2021            |                      |
|------------------------------------|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
|                                    | Contract Assets | Contract Liabilities | Contract Assets | Contract Liabilities | Contract Assets | Contract Liabilities |
| (Thousands of Dollars)             |                 |                      |                 |                      |                 |                      |
| <b>Balances as of January 1:</b>   |                 |                      |                 |                      |                 |                      |
| Current portion                    | \$ 2,612        | \$ (17,647)          | \$ 2,336        | \$ (15,443)          | \$ 2,694        | \$ (22,019)          |
| Noncurrent portion                 | 304             | (41,405)             | 504             | (46,027)             | 932             | (47,537)             |
| Total                              | 2,916           | (59,052)             | 2,840           | (61,470)             | 3,626           | (69,556)             |
| <b>Activity:</b>                   |                 |                      |                 |                      |                 |                      |
| Additions                          | 6,621           | (66,796)             | 6,137           | (45,200)             | 3,888           | (41,121)             |
| Transfer to accounts receivable    | (5,699)         | —                    | (5,978)         | —                    | (3,977)         | —                    |
| Transfer to revenues               | —               | 57,439               | (83)            | 47,618               | (697)           | 49,207               |
| Total                              | 922             | (9,357)              | 76              | 2,418                | (786)           | 8,086                |
| <b>Balances as of December 31:</b> |                 |                      |                 |                      |                 |                      |
| Current portion                    | 3,109           | (27,131)             | 2,612           | (17,647)             | 2,336           | (15,443)             |
| Noncurrent portion                 | 729             | (41,278)             | 304             | (41,405)             | 504             | (46,027)             |
| Total                              | <u>\$ 3,838</u> | <u>\$ (68,409)</u>   | <u>\$ 2,916</u> | <u>\$ (59,052)</u>   | <u>\$ 2,840</u> | <u>\$ (61,470)</u>   |

Contract assets relate to performance obligations satisfied in advance of scheduled billings. Current contract assets are included in “Prepaid and other current assets” and noncurrent contract assets are included in “Other long-term assets, net” on the consolidated balance sheets. Contract liabilities relate to payments received in advance of satisfying performance obligations under a contract, which primarily result from contracts with an incentive pricing structure, CIAC payments and contracts with MVCs. The current portion of contract liabilities is included in “Accrued liabilities” and the noncurrent portion of contract liabilities is included in “Other long-term liabilities” on the consolidated balance sheets.

***Remaining Performance Obligations***

The following table presents our estimated revenue from contracts with customers for remaining performance obligations that has not yet been recognized, representing our contractually committed revenue as of December 31, 2023:

|            | Remaining Performance Obligations |
|------------|-----------------------------------|
|            | (Thousands of Dollars)            |
| 2024       | \$ 373,630                        |
| 2025       | 242,776                           |
| 2026       | 173,095                           |
| 2027       | 82,500                            |
| 2028       | 45,412                            |
| Thereafter | 82,143                            |
| Total      | <u>\$ 999,556</u>                 |

Our contractually committed revenue, for purposes of the tabular presentation above, is generally limited to customer contracts that have fixed pricing and fixed volume terms and conditions, including contracts with MVC payment obligations.



**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**Disaggregation of Revenues**

The following table disaggregates our revenues:

|                                                               | Year Ended December 31, |              |              |
|---------------------------------------------------------------|-------------------------|--------------|--------------|
|                                                               | 2023                    | 2022         | 2021         |
|                                                               | (Thousands of Dollars)  |              |              |
| <b>Pipeline segment:</b>                                      |                         |              |              |
| Crude oil pipelines                                           | \$ 388,301              | \$ 391,176   | \$ 331,485   |
| Refined products and ammonia pipelines                        | 485,568                 | 437,015      | 430,753      |
| Total pipeline segment revenues from contracts with customers | 873,869                 | 828,191      | 762,238      |
| <b>Storage segment:</b>                                       |                         |              |              |
| Throughput terminals                                          | 104,495                 | 110,591      | 122,331      |
| Storage terminals (excluding lessor revenues)                 | 169,810                 | 180,903      | 263,883      |
| Total storage segment revenues from contracts with customers  | 274,305                 | 291,494      | 386,214      |
| Lessor revenues                                               | 45,294                  | 43,055       | 41,454       |
| Total storage segment revenues                                | 319,599                 | 334,549      | 427,668      |
| <b>Fuels marketing segment:</b>                               |                         |              |              |
| Revenues from contracts with customers                        | 440,725                 | 520,486      | 428,608      |
| Consolidation and intersegment eliminations                   | (6)                     | (3)          | (14)         |
| Total revenues                                                | \$ 1,634,187            | \$ 1,683,223 | \$ 1,618,500 |

**6. ALLOWANCE FOR CREDIT LOSSES**

As of and for the years ended December 31, 2023, 2022 and 2021, balances and activity related to our allowance for credit losses were immaterial.

**7. INVENTORIES**

Inventories consisted of the following:

|                        | December 31,           |           |
|------------------------|------------------------|-----------|
|                        | 2023                   | 2022      |
|                        | (Thousands of Dollars) |           |
| Petroleum products     | \$ 13,533              | \$ 11,291 |
| Materials and supplies | 5,090                  | 4,106     |
| Total                  | \$ 18,623              | \$ 15,397 |

We purchase petroleum products for resale. Our petroleum products consist of gasoline, bunker fuel and other petroleum products. Materials and supplies primarily consist of blending and additive chemicals and maintenance materials used in our pipeline and storage segments.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

## 8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

|                                                | Estimated Useful Lives |   |    | December 31,           |                     |
|------------------------------------------------|------------------------|---|----|------------------------|---------------------|
|                                                |                        |   |    | 2023                   | 2022                |
|                                                | (Years)                |   |    | (Thousands of Dollars) |                     |
| Land, buildings and improvements               | 0                      | - | 40 | \$ 290,103             | \$ 362,444          |
| Pipelines, storage and terminals               | 15                     | - | 40 | 5,018,249              | 4,936,780           |
| Rights-of-way                                  | 15                     | - | 40 | 371,568                | 365,171             |
| Construction in progress                       |                        |   |    | 110,007                | 69,290              |
| Property plant and equipment, at cost          |                        |   |    | 5,789,927              | 5,733,685           |
| Less accumulated depreciation and amortization |                        |   |    | (2,507,390)            | (2,330,602)         |
| Property, plant and equipment, net             |                        |   |    | <u>\$ 3,282,537</u>    | <u>\$ 3,403,083</u> |

Capitalized interest costs added to property, plant and equipment totaled \$4.3 million, \$3.9 million and \$3.9 million for the years ended December 31, 2023, 2022 and 2021, respectively. Depreciation and amortization expense for property, plant and equipment totaled \$217.9 million, \$215.0 million and \$225.7 million for the years ended December 31, 2023, 2022 and 2021, respectively, which includes amortization of finance leases.

## 9. INTANGIBLE ASSETS

Intangible assets consisted of the following:

|                                      | Weighted-Average<br>Amortization Period<br>(Years) | December 31, 2023      |                             | December 31, 2022 |                             |
|--------------------------------------|----------------------------------------------------|------------------------|-----------------------------|-------------------|-----------------------------|
|                                      |                                                    | Cost                   | Accumulated<br>Amortization | Cost              | Accumulated<br>Amortization |
|                                      |                                                    | (Thousands of Dollars) |                             |                   |                             |
| Customer contracts and relationships | 20                                                 | \$ 726,000             | \$ (251,301)                | \$ 793,900        | \$ (281,618)                |
| Other                                | 47                                                 | 2,360                  | (996)                       | 2,359             | (945)                       |
| Total                                |                                                    | <u>\$ 728,360</u>      | <u>\$ (252,297)</u>         | <u>\$ 796,259</u> | <u>\$ (282,563)</u>         |

Intangible assets are recorded at fair value as of the date acquired. All our intangible assets are amortized on a straight-line basis. Amortization expense for intangible assets was \$37.6 million, \$44.1 million and \$48.5 million for the years ended December 31, 2023, 2022 and 2021, respectively. The estimated aggregate amortization expense is \$38.0 million for each of the years 2024 through 2026 and \$35.0 million for 2027 and 2028.

## 10. GOODWILL

As of December 31, 2023, December 31, 2022 and January 1, 2022, carrying amounts of goodwill by segment were as follows:

|                             | Pipeline               | Storage           | Total             |
|-----------------------------|------------------------|-------------------|-------------------|
|                             | (Thousands of Dollars) |                   |                   |
| Goodwill                    | \$ 704,231             | \$ 253,125        | \$ 957,356        |
| Accumulated impairment loss | (225,000)              | —                 | (225,000)         |
| Net goodwill                | <u>\$ 479,231</u>      | <u>\$ 253,125</u> | <u>\$ 732,356</u> |

We had no activity for the years ended December 31, 2023 or 2022.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**11. ACCRUED LIABILITIES**

Accrued liabilities consisted of the following:

|                                  | <b>December 31,</b>    |                  |
|----------------------------------|------------------------|------------------|
|                                  | <b>2023</b>            | <b>2022</b>      |
|                                  | (Thousands of Dollars) |                  |
| Employee wages and benefit costs | \$ 41,290              | \$ 40,249        |
| Revenue contract liabilities     | 27,131                 | 17,647           |
| Operating lease liabilities      | 6,188                  | 5,541            |
| Environmental costs              | 4,059                  | 3,122            |
| Other                            | 9,394                  | 9,513            |
| Accrued liabilities              | <u>\$ 88,062</u>       | <u>\$ 76,072</u> |

**12. DEBT**

Our debt consisted of the following:

|                                                        | <b>Maturity</b>  | <b>December 31,</b>    |                     |
|--------------------------------------------------------|------------------|------------------------|---------------------|
|                                                        |                  | <b>2023</b>            | <b>2022</b>         |
|                                                        |                  | (Thousands of Dollars) |                     |
| Current portion of finance leases                      | n/a              | \$ 4,951               | \$ 4,416            |
| 5.75% senior notes                                     | October 1, 2025  | 600,000                | 600,000             |
| 6.00% senior notes                                     | June 1, 2026     | 500,000                | 500,000             |
| Receivables Financing Agreement                        | July 1, 2026     | 69,800                 | 80,900              |
| Revolving Credit Agreement                             | January 27, 2027 | 343,000                | 220,000             |
| 5.625% senior notes                                    | April 28, 2027   | 550,000                | 550,000             |
| 6.375% senior notes                                    | October 1, 2030  | 600,000                | 600,000             |
| GoZone Bonds                                           | 2038 thru 2041   | 322,140                | 322,140             |
| Subordinated Notes                                     | January 15, 2043 | 402,500                | 402,500             |
| Unamortized debt issuance costs                        | n/a              | <u>(27,809)</u>        | <u>(33,251)</u>     |
| Long-term debt, excluding finance leases               |                  | 3,359,631              | 3,242,289           |
| Long-term portion of finance leases (Note 15)          |                  | <u>50,707</u>          | <u>51,126</u>       |
| Long-term debt, less current portion of finance leases |                  | <u>\$ 3,410,338</u>    | <u>\$ 3,293,415</u> |

The long-term debt repayments (excluding finance leases) as of December 31, 2023 are due as follows:

|                                          | <b>Long-Term Debt Repayments</b> |
|------------------------------------------|----------------------------------|
|                                          | (Thousands of Dollars)           |
| 2024                                     | \$ —                             |
| 2025                                     | 600,000                          |
| 2026                                     | 569,800                          |
| 2027                                     | 893,000                          |
| 2028                                     | —                                |
| Thereafter                               | <u>1,324,640</u>                 |
| Total repayments                         | 3,387,440                        |
| Unamortized debt issuance costs          | <u>(27,809)</u>                  |
| Long-term debt, excluding finance leases | <u>\$ 3,359,631</u>              |

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

Interest payments related to debt obligations (excluding finance leases) totaled \$226.9 million, \$197.3 million and \$220.0 million for the years ended December 31, 2023, 2022 and 2021, respectively. We amortized \$8.4 million, \$8.2 million and \$7.9 million of debt issuance costs for the years ended December 31, 2023, 2022 and 2021, respectively.

***Revolving Credit Agreement***

As of December 31, 2023, NuStar Logistics' \$1.0 billion unsecured revolving credit agreement (as amended, the Revolving Credit Agreement) had \$652.4 million available for borrowing and \$343.0 million borrowings outstanding. Letters of credit issued under our Revolving Credit Agreement totaled \$4.6 million as of December 31, 2023. Letters of credit limit the amount we can borrow under our Revolving Credit Agreement. Obligations under our Revolving Credit Agreement are guaranteed by NuStar Energy and NuPOP.

Our Revolving Credit Agreement is subject to maximum consolidated debt coverage ratio and minimum consolidated interest coverage ratio requirements, which may limit the amount we can borrow to an amount less than the total amount available for borrowing. For the rolling period ending December 31, 2023, the Consolidated Debt Coverage Ratio (as defined in the Revolving Credit Agreement) may not exceed 5.00-to-1.00 and the Consolidated Interest Coverage Ratio (as defined in the Revolving Credit Agreement), must not be less than 1.75-to-1.00. As of December 31, 2023, we believe that we are in compliance with these financial covenants. Our Revolving Credit Agreement also contains customary restrictive covenants, such as limitations on indebtedness, liens, mergers, asset transfers and certain investing activities.

Our Revolving Credit Agreement bears interest, at our option, based on an alternative base rate or a secured overnight financing rate (SOFR) based rate. The interest rate on our Revolving Credit Agreement is subject to adjustment if our debt rating is downgraded or upgraded by certain credit rating agencies. The interest rate on our Revolving Credit Agreement and certain fees under the Receivables Financing Agreement are the only debt arrangements that are subject to adjustment if our debt rating is downgraded or upgraded by certain credit rating agencies. As of December 31, 2023, our weighted-average interest rate under our Revolving Credit Agreement was 8.0%. During the year ended December 31, 2023, the weighted-average interest rate related to borrowings under our Revolving Credit Agreement was 7.8%.

On June 30, 2023, we amended our Revolving Credit Agreement, primarily to extend the maturity date from April 27, 2025 to January 27, 2027. The amendment also includes a requirement that we must demonstrate and certify, prior to using any borrowings under our Revolving Credit Agreement to redeem certain unsecured indebtedness or prior to their redemption/repurchase, the Series D Preferred Units, that the sum of our Revolving Credit Agreement availability and unrestricted cash balance is no less than \$150.0 million on a pro forma basis both before and immediately after giving effect to the borrowing and the redemption. On January 28, 2022, we amended and restated our Revolving Credit Agreement to, among other items: (i) increase the maximum amount of letters of credit capable of being issued from \$400.0 million to \$500.0 million; (ii) replace London Interbank Offering Rate (LIBOR) benchmark provisions with customary SOFR benchmark provisions; (iii) remove the 0.50x increase permitted in our Consolidated Debt Coverage Ratio for certain rolling periods in which an acquisition for aggregate net consideration of at least \$50.0 million occurs; and (iv) add baskets and exceptions to certain negative covenants.

***Notes***

***NuStar Logistics Senior Notes.*** On November 1, 2021, we repaid our \$250.0 million of 4.75% senior notes due February 1, 2022 with proceeds from the Eastern U.S. Terminals Disposition. We repaid our \$300.0 million of 6.75% senior notes due February 1, 2021 with borrowings under our Revolving Credit Agreement.

Interest is payable semi-annually in arrears for the \$600.0 million of 5.75% senior notes, \$500.0 million of 6.0% senior notes, \$550.0 million of 5.625% senior notes and \$600.0 million of 6.375% senior notes (collectively, the NuStar Logistics Senior Notes).

The NuStar Logistics Senior Notes do not have sinking fund requirements. These notes rank equally with existing senior unsecured indebtedness and senior to existing subordinated indebtedness of NuStar Logistics and contain restrictions on NuStar Logistics' ability to incur secured indebtedness unless the same security is also provided for the benefit of holders of the NuStar Logistics Senior Notes. In addition, the NuStar Logistics Senior Notes limit the ability of NuStar Logistics and its subsidiaries to, among other things, incur indebtedness secured by certain liens, engage in certain sale-leaseback transactions and engage in certain consolidations, mergers or asset sales. At the option of NuStar Logistics, the NuStar Logistics Senior Notes may be redeemed in whole or in part at any time at a redemption price, plus accrued and unpaid interest to the redemption date. If we undergo a change of control that is followed by a ratings decline that occurs within 60 days of the change of control, each holder of the applicable senior notes may require us to repurchase all or a portion of its notes at a price equal to 101% of the principal amount of the notes repurchased, plus any accrued and unpaid interest to the date of repurchase. The NuStar Logistics Senior Notes are fully and unconditionally guaranteed by NuStar Energy and NuPOP.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**NuStar Logistics Subordinated Notes.** NuStar Logistics’ \$402.5 million of fixed-to-floating rate subordinated notes are due January 15, 2043 (the Subordinated Notes). The Subordinated Notes are fully and unconditionally guaranteed on an unsecured and subordinated basis by NuStar Energy and NuPOP. Effective January 15, 2018, the interest rate on the Subordinated Notes converted from a fixed rate to an annual rate equal to the sum of three-month LIBOR for the related quarterly interest period plus 6.734%, payable quarterly, unless payment is deferred in accordance with the terms of the notes. Effective with the quarterly interest periods starting after June 30, 2023, three-month LIBOR was replaced with three-month CME term SOFR plus the applicable tenor spread adjustment of 0.26161%. NuStar Logistics may elect to defer interest payments on the Subordinated Notes on one or more occasions for up to five consecutive years. Deferred interest will accumulate additional interest at a rate equal to the interest rate then applicable to the Subordinated Notes until paid. If NuStar Logistics elects to defer interest payments, NuStar Energy cannot declare or make cash distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, its equity securities during the period that interest payments are deferred. As of December 31, 2023, the interest rate was 12.4% on the Subordinated Notes.

The Subordinated Notes do not have sinking fund requirements and are subordinated to existing senior unsecured indebtedness of NuStar Logistics and NuPOP. The Subordinated Notes do not contain restrictions on NuStar Logistics’ ability to incur additional indebtedness, including debt that ranks senior in priority of payment to the notes. In addition, the Subordinated Notes do not limit NuStar Logistics’ ability to incur indebtedness secured by liens or to engage in certain sale-leaseback transactions. Effective January 15, 2018, we may redeem the Subordinated Notes in whole or in part at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest to the redemption date.

**Gulf Opportunity Zone Revenue Bonds**

In 2008, 2010 and 2011, the Parish of St. James, Louisiana issued Revenue Bonds Series 2008, Series 2010, Series 2010A, Series 2010B and Series 2011 associated with our St. James terminal expansions pursuant to the Gulf Opportunity Zone Act of 2005 for an aggregate \$365.4 million (collectively, the GoZone Bonds). Following the issuances, the proceeds were deposited with a trustee and were disbursed to us upon our request for reimbursement of expenditures related to our St. James terminal. On March 4, 2020, NuStar Logistics repaid \$43.3 million of GoZone Bonds with unused funds, which had been held in trust. Also in 2020, we completed the reoffering and conversion of the GoZone Bonds which, among other things, converted the interest rate from a weekly rate to a long-term rate.

As reflected in the table below, the holders of the Series 2008, Series 2010B and Series 2011 GoZone Bonds are required to tender their bonds at the applicable mandatory purchase date in exchange for 100% of the principal plus accrued and unpaid interest, after which these bonds are expected to be remarketed with a new interest rate established. Each of the Series 2010 and Series 2010A GoZone Bonds is subject to redemption on or after June 1, 2030 by the Parish of St. James, at our option, in whole or in part, at a redemption price of 100% of the principal amount to be redeemed plus accrued and unpaid interest. Interest on the GoZone Bonds is payable semi-annually on June 1 and December 1 of each year.

The following table summarizes the GoZone Bonds outstanding as of December 31, 2023:

| Series                 | Date Issued       | Amount<br>Outstanding | Interest Rate | Mandatory<br>Purchase Date | Optional<br>Redemption Date | Maturity Date    |
|------------------------|-------------------|-----------------------|---------------|----------------------------|-----------------------------|------------------|
| (Thousands of Dollars) |                   |                       |               |                            |                             |                  |
| Series 2008            | June 26, 2008     | \$ 55,440             | 6.10 %        | June 1, 2030               | n/a                         | June 1, 2038     |
| Series 2010            | July 15, 2010     | 100,000               | 6.35 %        | n/a                        | June 1, 2030                | July 1, 2040     |
| Series 2010A           | October 7, 2010   | 43,300                | 6.35 %        | n/a                        | June 1, 2030                | October 1, 2040  |
| Series 2010B           | December 29, 2010 | 48,400                | 6.10 %        | June 1, 2030               | n/a                         | December 1, 2040 |
| Series 2011            | August 9, 2011    | 75,000                | 5.85 %        | June 1, 2025               | n/a                         | August 1, 2041   |
| Total                  |                   | <u>\$ 322,140</u>     |               |                            |                             |                  |

NuStar Logistics’ agreements with the Parish of St. James related to the GoZone Bonds contain: (i) customary restrictive covenants that limit the ability of NuStar Logistics and its subsidiaries, to, among other things, create liens, enter into certain sale-leaseback transactions, and engage in certain consolidations, mergers or asset sales; and (ii) a repurchase provision which provides that if we undergo a change of control that is followed by a ratings decline that occurs within 60 days of the change of control, then each holder may require the trustee, with funds provided by NuStar Logistics, to repurchase all or a portion of that holder’s GoZone Bonds at a price equal to 101% of the aggregate principal amount repurchased, plus any accrued and unpaid interest.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

***Receivables Financing Agreement***

NuStar Energy and NuStar Finance LLC (NuStar Finance), a special purpose entity and wholly owned subsidiary of NuStar Energy, are parties to a \$100.0 million receivables financing agreement with a third-party lender (as amended, the Receivables Financing Agreement) and agreements with certain of NuStar Energy's wholly owned subsidiaries (together with the Receivables Financing Agreement, the Securitization Program). Under the Securitization Program, certain of NuStar Energy's wholly owned subsidiaries (collectively, the Originators), sell their accounts receivable to NuStar Finance on an ongoing basis, and NuStar Finance provides the newly acquired accounts receivable as collateral for its revolving borrowings under the Receivables Financing Agreement. NuStar Energy provides a performance guarantee in connection with the Securitization Program. The amount available for borrowing is based on the availability of eligible receivables and other customary factors and conditions. The Securitization Program contains various customary affirmative and negative covenants and default, indemnification and termination provisions, and the Receivables Financing Agreement provides for acceleration of amounts owed upon the occurrence of certain specified events. NuStar Finance's sole activity consists of purchasing such receivables and providing them as collateral under the Securitization Program. NuStar Finance is a separate legal entity and the assets of NuStar Finance, including these accounts receivable, are not available to satisfy the claims of creditors of NuStar Energy, the Originators or their affiliates.

On June 29, 2023, we amended the Receivables Financing Agreement to extend the scheduled termination date from January 31, 2025 to July 1, 2026. On January 28, 2022, the Receivables Financing Agreement was amended to, among other items: (i) reduce the floor rate in the calculation of our borrowing rates; and (ii) replace provisions related to the LIBOR rate of interest with references to SOFR rates of interest.

Borrowings under the Receivables Financing Agreement bear interest, at NuStar Finance's option, at a base rate or a SOFR rate, each as defined in the Receivables Financing Agreement. As of December 31, 2023 and 2022, accounts receivable totaling \$121.0 million and \$121.5 million, respectively, were included in the Securitization Program. As of December 31, 2023, our interest rate under the Securitization Program was 7.0%. The weighted-average interest rate related to borrowings under the Securitization Program during the year ended December 31, 2023 was 6.7%.

**13. HEALTH, SAFETY AND ENVIRONMENTAL MATTERS**

Our operations are subject to extensive international, federal, state and local environmental laws and regulations, in the U.S. and in Mexico, including those relating to the discharge of materials into the environment, waste management, remediation, the characteristics and composition of fuels, climate change and greenhouse gases. Our operations are also subject to extensive health, safety and security laws and regulations, including those relating to worker and pipeline safety, pipeline and storage tank integrity and operations security. The principal environmental, health, safety and security risks associated with our operations relate to unauthorized emissions into the air, releases into soil, surface water or groundwater, personal injury and property damage. We have adopted policies, practices, systems and procedures designed to comply with the laws and regulations, and to help minimize and mitigate these risks, limit the liability that could result from such events, prevent material environmental or other damage, ensure the safety of our employees and the public and secure our pipelines, terminals and operations.

Compliance with environmental, health, safety and security laws, regulations and related permits increases our capital expenditures and operating expenses, and violation of these laws, regulations or permits could result in significant civil and criminal liabilities, injunctions or other penalties. Future governmental action and regulatory initiatives could result in more restrictive laws and regulations, which could increase required capital expenditures and operating expenses. The risk of additional compliance expenditures, expenses and liabilities are inherent to government-regulated industries, including midstream energy. As a result, there can be no assurances that significant expenditures, expenses and liabilities will not be incurred in the future.

Most of our pipelines are subject to federal regulation by one or more of the following governmental agencies: the Federal Energy Regulatory Commission (the FERC), the Surface Transportation Board (the STB), the Department of Transportation (the DOT), the Environmental Protection Agency (the EPA) and the Department of Homeland Security. Additionally, our pipelines are subject to the respective jurisdictions of the states those lines traverse.

Environmental and safety exposures and liabilities are difficult to assess and estimate due to unknown factors such as the timing and extent of remediation, the determination of our liability in proportion to other parties, improvements in cleanup technologies and the extent to which environmental and safety laws and regulations may change in the future. Although environmental and safety costs may have a significant impact on the results of operations for any single period, we believe that such costs will not have a material adverse effect on our financial position.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

The balance of and changes in the accruals for environmental matters were as follows:

|                                     | Year Ended December 31, |                 |
|-------------------------------------|-------------------------|-----------------|
|                                     | 2023                    | 2022            |
|                                     | (Thousands of Dollars)  |                 |
| Balance as of the beginning of year | \$ 8,369                | \$ 7,748        |
| Additions to accrual                | 3,153                   | 2,640           |
| Payments                            | (2,049)                 | (2,019)         |
| Balance as of the end of year       | <u>\$ 9,473</u>         | <u>\$ 8,369</u> |

Accruals for environmental matters are included in the consolidated balance sheets as follows:

|                                    | December 31,           |                 |
|------------------------------------|------------------------|-----------------|
|                                    | 2023                   | 2022            |
|                                    | (Thousands of Dollars) |                 |
| Accrued liabilities                | \$ 4,059               | \$ 3,122        |
| Other long-term liabilities        | 5,414                  | 5,247           |
| Accruals for environmental matters | <u>\$ 9,473</u>        | <u>\$ 8,369</u> |

#### 14. COMMITMENTS AND CONTINGENCIES

##### *Commitments*

Future minimum payments applicable to all noncancellable purchase obligations as of December 31, 2023 are as follows:

|                      | Payments Due by Period |          |          |          |        |            | Total     |
|----------------------|------------------------|----------|----------|----------|--------|------------|-----------|
|                      | 2024                   | 2025     | 2026     | 2027     | 2028   | Thereafter |           |
|                      | (Thousands of Dollars) |          |          |          |        |            |           |
| Purchase obligations | \$ 6,406               | \$ 5,003 | \$ 1,851 | \$ 1,134 | \$ 867 | \$ 4,038   | \$ 19,299 |

Our purchase obligations primarily consist of various service agreements with information technology providers, as well as right-of-way and easement agreements with government agencies and other landowners.

##### *Contingencies*

We have contingent liabilities resulting from various litigation, claims and commitments. We record accruals for loss contingencies when losses are considered probable and can be reasonably estimated. Legal fees associated with defending the Partnership in legal matters are expensed as incurred. We accrued \$1.3 million and \$0.3 million for contingent losses as of December 31, 2023 and 2022, respectively. The amount that will ultimately be paid related to such matters may differ from the recorded accruals, and the timing of such payments is uncertain. We evaluate each contingent loss at least quarterly, and more frequently as each matter progresses and develops over time, and we do not believe that the resolution of any particular claim or proceeding, or all matters in the aggregate, would have a material adverse effect on our results of operations, financial position or liquidity.

#### 15. LEASE ASSETS AND LIABILITIES

##### *Lessee Arrangements*

Our operating leases consist primarily of land and dock leases at various terminal facilities and the HQ Lease Agreement. As of December 31, 2023, land and dock leases generally have remaining terms of about five years and include options to extend for five to 25 years, which we are reasonably certain to exercise. Pursuant to the HQ Lease Agreement, which we entered into in the first quarter of 2023, rent for the initial term starts at \$6.4 million per year, increasing annually by 2.5%. The HQ Lease Agreement has an initial term of 20 years, with two renewal options of ten years each. At inception of the HQ Lease Agreement, we assumed a reasonably certain term of 20 years and we recorded additional lease liabilities and right-of-use assets totaling \$82.2 million.

The primary component of our finance lease portfolio is a dock at our Corpus Christi North Beach terminal, which includes a commitment for minimum dockage and wharfage throughput volumes. The dock lease has a remaining term of approximately two years and three additional five-year renewal periods, all of which we are reasonably certain to exercise.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

Right-of-use assets and lease liabilities included in our consolidated balance sheet were as follows:

|                                   |                                                                | December 31,           |           |
|-----------------------------------|----------------------------------------------------------------|------------------------|-----------|
|                                   |                                                                | 2023                   | 2022      |
| Balance Sheet Location            |                                                                | (Thousands of Dollars) |           |
| Right-of-use assets:              |                                                                |                        |           |
| Operating                         | Other long-term assets, net                                    | \$ 143,937             | \$ 62,745 |
|                                   | Property, plant and equipment, net of accumulated amortization |                        |           |
| Finance                           | of \$25,628 and \$19,295                                       | \$ 66,840              | \$ 68,219 |
| Lease liabilities:                |                                                                |                        |           |
| Operating:                        |                                                                |                        |           |
| Current                           | Accrued liabilities                                            | \$ 6,188               | \$ 5,541  |
| Noncurrent                        | Other long-term liabilities                                    | 137,945                | 56,577    |
| Total operating lease liabilities |                                                                | \$ 144,133             | \$ 62,118 |
| Finance:                          |                                                                |                        |           |
| Current                           | Current portion of finance leases                              | \$ 4,951               | \$ 4,416  |
| Noncurrent                        | Long-term debt, less current portion of finance leases         | 50,707                 | 51,126    |
| Total finance lease liabilities   |                                                                | \$ 55,658              | \$ 55,542 |

As of December 31, 2023, maturities of our operating and finance lease liabilities were as follows:

|                                    | Operating Leases       | Finance Leases |
|------------------------------------|------------------------|----------------|
|                                    | (Thousands of Dollars) |                |
| 2024                               | \$ 14,267              | \$ 7,067       |
| 2025                               | 14,221                 | 6,250          |
| 2026                               | 13,810                 | 5,703          |
| 2027                               | 13,791                 | 4,934          |
| 2028                               | 13,554                 | 4,311          |
| Thereafter                         | 182,655                | 45,802         |
| Total lease payments               | \$ 252,298             | \$ 74,067      |
| Less: Interest                     | 108,165                | 18,409         |
| Present value of lease liabilities | \$ 144,133             | \$ 55,658      |

Costs incurred for leases were as follows:

|                                     | Year Ended December 31, |           |           |
|-------------------------------------|-------------------------|-----------|-----------|
|                                     | 2023                    | 2022      | 2021      |
| (Thousands of Dollars)              |                         |           |           |
| Operating lease cost                | \$ 15,754               | \$ 11,777 | \$ 15,323 |
| Finance lease cost:                 |                         |           |           |
| Amortization of right-of-use assets | 6,378                   | 5,770     | 5,251     |
| Interest expense on lease liability | 2,109                   | 2,023     | 2,081     |
| Short-term lease cost               | 11,811                  | 10,345    | 14,198    |
| Variable lease cost                 | 4,640                   | 4,830     | 4,939     |
| Total lease cost                    | \$ 40,692               | \$ 34,745 | \$ 41,792 |



**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

The table below presents additional information regarding our leases.

|                                                                | 2023                |                   | 2022                |                   | 2021                |                   |
|----------------------------------------------------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
|                                                                | Operating<br>Leases | Finance<br>Leases | Operating<br>Leases | Finance<br>Leases | Operating<br>Leases | Finance<br>Leases |
| (Thousands of Dollars, Except Term and Rate Data)              |                     |                   |                     |                   |                     |                   |
| <b>For the year ended December 31:</b>                         |                     |                   |                     |                   |                     |                   |
| Cash outflows from operating activities                        | \$ 12,670           | \$ 2,095          | \$ 11,156           | \$ 2,019          | \$ 12,829           | \$ 2,090          |
| Cash outflows from financing activities                        | \$ —                | \$ 4,882          | \$ —                | \$ 4,222          | \$ —                | \$ 4,244          |
| Right-of-use assets obtained in exchange for lease liabilities | \$ 88,226           | \$ 5,064          | \$ 10,060           | \$ 3,004          | \$ 3,278            | \$ 3,173          |
| <b>As of December 31:</b>                                      |                     |                   |                     |                   |                     |                   |
| Weighted-average remaining lease term (in years)               | 18                  | 15                | 16                  | 16                | 13                  | 18                |
| Weighted-average discount rate                                 | 6.2 %               | 3.9 %             | 3.8 %               | 3.6 %             | 3.2 %               | 3.6 %             |

**Lessor Arrangements**

We have entered into certain revenue arrangements where we are considered to be the lessor. Under the largest of these arrangements, we lease certain of our storage tanks in exchange for a fixed fee, subject to an annual CPI adjustment. The operating leases commenced on January 1, 2017, and have initial terms of ten years with successive automatic renewal terms. We recognized lease revenues from these leases of \$45.3 million, \$43.1 million, and \$41.5 million for the years ended December 31, 2023, 2022 and 2021, respectively, which are included in “Service revenues” in the consolidated statements of income. As of December 31, 2023, we expect to receive minimum lease payments totaling \$117.4 million, based upon the CPI as of the adoption date. We will recognize these payments ratably over the remaining initial lease term.

The table below presents cost, accumulated depreciation and useful life information related to our storage lease assets, which are included in our “Pipeline, storage and terminals” asset class within property, plant and equipment:

|                               | Estimated Useful Life | December 31,     |                   |
|-------------------------------|-----------------------|------------------|-------------------|
|                               | (Years)               | 2023             | 2022              |
| (Thousands of Dollars)        |                       |                  |                   |
| Lease storage assets, at cost | 30                    | \$ 257,666       | \$ 251,801        |
| Less accumulated depreciation |                       | (157,836)        | (148,899)         |
| Lease storage assets, net     |                       | <u>\$ 99,830</u> | <u>\$ 102,902</u> |

**16. DERIVATIVES AND FAIR VALUE MEASUREMENTS**

**Derivative Instruments**

We utilize various derivative instruments to manage our exposure to interest rate risk and commodity price risk. Our risk management policies and procedures are designed to monitor interest rates, futures and swap positions and over-the-counter positions, as well as physical commodity volumes, grades, locations and delivery schedules, to help ensure that our hedging activities address our market risks.

**Commodity Price Risk.** The results of operations for the fuels marketing segment depend largely on the margin between our cost and the sales prices of the products we market. Therefore, the results of operations for this segment are more sensitive to changes in commodity prices compared to the operations of the pipeline and storage segments. Since our fuels marketing operations expose us to commodity price risk, we enter into derivative instruments to mitigate the effect of commodity price fluctuations on our operations. Derivative financial instruments associated with commodity price risk with respect to our petroleum product inventories and related firm commitments to purchase and/or sell such inventories were not material for any period presented.

**Interest Rate Risk.**

The remaining fair value amounts associated with unwound forward-starting interest rate swap agreements and included in “Accumulated other comprehensive loss” on the consolidated balance sheets are \$31.8 million and \$34.4 million as of December 31, 2023 and 2022, respectively. These amounts are amortized ratably over the remaining life of the related debt

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
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instrument into “Interest expense, net” on the consolidated statements of income. In conjunction with the early repayment of our \$250.0 million 4.75% senior notes due February 1, 2022 in the fourth quarter of 2021, we reclassified a loss of \$0.8 million from AOCI to “Interest expense, net” on the consolidated statements of income.

Our forward-starting interest rate swaps had the following impact on earnings:

|                                                                       | Year Ended December 31, |          |          |
|-----------------------------------------------------------------------|-------------------------|----------|----------|
|                                                                       | 2023                    | 2022     | 2021     |
|                                                                       | (Thousands of Dollars)  |          |          |
| Reclassification of loss on cash flow hedges to interest expense, net | \$ 2,581                | \$ 2,106 | \$ 5,664 |

As of December 31, 2023, we expect to reclassify a loss of \$3.6 million to “Interest expense, net” within the next twelve months associated with unwound forward-starting interest rate swap agreements.

***Fair Value Measurements***

We segregate the inputs used in measuring fair value into three levels: Level 1, defined as observable inputs such as quoted prices for identical assets or liabilities in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in markets that are not active; and Level 3, defined as unobservable inputs for which little or no market data exists. We consider counterparty credit risk and our own credit risk in the determination of all estimated fair values.

We recognize cash equivalents, receivables, payables and debt in our consolidated balance sheets at their carrying amounts. The fair values of these financial instruments, except for long-term debt other than finance leases, approximate their carrying amounts. The estimated fair values and carrying amounts of the long-term debt, excluding finance leases, were as follows:

|                 | December 31,           |              |
|-----------------|------------------------|--------------|
|                 | 2023                   | 2022         |
|                 | (Thousands of Dollars) |              |
| Fair value      | \$ 3,426,307           | \$ 3,169,664 |
| Carrying amount | \$ 3,359,631           | \$ 3,242,289 |

We have estimated the fair value of our publicly traded notes based upon quoted prices in active markets; therefore, we determined that the fair value of our publicly traded notes falls in Level 1 of the fair value hierarchy. With regard to our other debt, for which a quoted market price is not available, we have estimated the fair value using a discounted cash flow analysis using current incremental borrowing rates for similar types of borrowing arrangements and determined that the fair value falls in Level 2 of the fair value hierarchy. The carrying value includes unamortized debt issuance costs.

**17. SERIES D CUMULATIVE CONVERTIBLE PREFERRED UNITS**

***Units Issued and Outstanding***

In 2018, we entered into an agreement with investment funds, accounts and entities managed by EIG Management Company, LLC and FS/EIG Advisors, LLC to issue and sell Series D Cumulative Convertible Preferred Units (the Series D Preferred Units) in a private placement. The Partnership issued a total of 23,246,650 Series D Preferred Units.

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The following is a summary of the Series D Preferred Units issued and outstanding:

|                                           | Transaction Date   | Price per Unit | Number of Units |
|-------------------------------------------|--------------------|----------------|-----------------|
| Issuance                                  | June 29, 2018      | \$25.38        | 15,760,441      |
| Issuance                                  | July 13, 2018      | \$25.38        | 7,486,209       |
| Total units issued                        |                    |                | 23,246,650      |
| Units outstanding as of January 1, 2022   |                    |                | 23,246,650      |
| Repurchase                                | November 22, 2022  | \$32.73        | (6,900,000)     |
| Units outstanding as of December 31, 2022 |                    |                | 16,346,650      |
| Redemption                                | June 30, 2023      | \$31.88        | (5,500,000)     |
| Redemption                                | July 31, 2023      | \$32.18        | (2,560,000)     |
| Redemption                                | September 12, 2023 | \$32.59        | (8,286,650)     |
| Units outstanding as of December 31, 2023 |                    |                | —               |

***Redemptions and Repurchase***

In the fourth quarter of 2022, we repurchased 6,900,000 Series D Preferred Units with borrowings under our Revolving Credit Agreement. In the second and third quarters of 2023, we redeemed all the remaining outstanding Series D Preferred Units at the then applicable redemption price of \$31.73 per Series D Preferred Unit plus accrued and unpaid distributions. We funded the redemptions primarily with borrowings under our Revolving Credit Agreement, which had been partially paid down with proceeds from the Sale-Leaseback Transaction in the first quarter of 2023 and with proceeds from the issuance of common units in the third quarter of 2023.

On the notification dates for each redemption or repurchase, those Series D Preferred Units became mandatorily redeemable; therefore, we reclassified those Series D Preferred Units from mezzanine equity to liability-classified mandatorily redeemable Series D Preferred Units valued at the redemption or repurchase price, excluding accrued distributions (Net Redemption/Repurchase Price). We recorded the difference between the carrying value at each notification date and the Net Redemption/Repurchase Price as a deemed distribution, which reduced our common equity and was subtracted from net income to arrive at net income attributable to common units in the calculation of basic and diluted net income per common unit. At each closing, we accounted for the redemptions and repurchase as extinguishments of debt. Pursuant to our partnership agreement, the Series D Preferred Units were cancelled; therefore, the Series D Preferred Units no longer represent a limited partnership interest.

Distributions accrued for redeemed Series D Preferred Units from the notification dates to the redemption dates for the year ended December 31, 2023 totaled \$4.8 million, and are reported in “Interest expense, net” on the consolidated statements of income.

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Information related to the Series D Preferred Unit redemptions and repurchase is shown below (thousands of dollars, except unit and per unit data):

|                                                                       | <b>September 12, 2023</b> | <b>July 31, 2023</b> | <b>June 30, 2023</b> | <b>November 22, 2022</b> |
|-----------------------------------------------------------------------|---------------------------|----------------------|----------------------|--------------------------|
|                                                                       | <b>Redemption</b>         | <b>Redemption</b>    | <b>Redemption</b>    | <b>Repurchase</b>        |
| Notification date                                                     | August 14, 2023           | June 29, 2023        | May 25, 2023         | November 16, 2022        |
| Units redeemed/repurchased                                            | 8,286,650                 | 2,560,000            | 5,500,000            | 6,900,000                |
| Redemption/repurchase price per unit, including accrued distributions | \$ 32.59                  | \$ 32.18             | \$ 31.88             | \$ 32.73                 |
| Redemption/repurchase price, including accrued distributions          | \$ 270,062                | \$ 82,381            | \$ 175,340           | \$ 225,837               |
| Accrued distributions                                                 | 7,126                     | 1,152                | 825                  | 3,450                    |
| Net Redemption/Repurchase Price                                       | \$ 262,936                | \$ 81,229            | \$ 174,515           | \$ 222,387               |
| Carrying value at notification date                                   | \$ 230,461                | \$ 71,210            | \$ 152,467           | \$ 188,005               |
| Net Redemption/Repurchase Price                                       | 262,936                   | 81,229               | 174,515              | 222,387                  |
| Loss to common limited partners attributable to redemption/repurchase | \$ (32,475)               | \$ (10,019)          | \$ (22,048)          | \$ (34,382)              |

For the years ended December 31, 2023 and 2022, we recorded losses of \$0.55 and \$0.31 per common unit, respectively, attributable to the Series D Preferred Unit redemptions and repurchase.

**Distributions**

Distributions on the Series D Preferred Units were payable out of any legally available funds, accrued and were cumulative from the issuance dates and were payable on the 15th day (or next business day) of each of March, June, September and December, beginning September 17, 2018, to holders of record on the first business day of each payment month. The distribution rates on the Series D Preferred Units were as follows: (i) 9.75% per annum (\$0.619 per unit per distribution period) for the first two years; (ii) 10.75% per annum (\$0.682 per unit per distribution period) for years three through five; and (iii) the greater of 13.75% per annum (\$0.872 per unit per distribution period) or the distribution per common unit thereafter. While the Series D Preferred Units were outstanding, we were prohibited from paying distributions on any junior securities, including the common units, unless full cumulative distributions on the Series D Preferred Units (and any parity securities) had been, or contemporaneously were being, paid or set aside for payment through the most recent Series D Preferred Unit distribution payment date.

The distribution rate on the Series D Preferred Units increased on June 15, 2023, to the greater of 13.75% per annum (\$0.872 per unit per distribution period) or the distribution per common unit. The total distribution for the applicable periods in the table below excludes amounts reported in “Interest expense, net” as described above under “Redemptions and Repurchase.”

Distribution information on the Series D Preferred Units was as follows:

| <b>Distribution Period</b>             | <b>Distribution Rate per Unit</b> | <b>Total Distribution</b> |
|----------------------------------------|-----------------------------------|---------------------------|
|                                        |                                   | (Thousands of Dollars)    |
| June 15, 2023 - September 12, 2023     | \$ 0.872                          | \$ 5,134                  |
| March 15, 2023 - June 14, 2023         | \$ 0.682                          | \$ 10,315                 |
| December 15, 2022 - March 14, 2023     | \$ 0.682                          | \$ 11,148                 |
| September 15, 2022 - December 14, 2022 | \$ 0.682                          | \$ 14,337                 |
| June 15, 2022 - September 14, 2022     | \$ 0.682                          | \$ 15,854                 |
| March 15, 2022 - June 14, 2022         | \$ 0.682                          | \$ 15,854                 |
| December 15, 2021 - March 14, 2022     | \$ 0.682                          | \$ 15,854                 |

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**Accounting Treatment**

The Series D Preferred Units included redemption provisions at the option of the holders of the Series D Preferred Units and upon a Series D Change of Control (as defined in the partnership agreement), which were outside the Partnership's control. Therefore, the Series D Preferred Units were presented in the mezzanine section of the consolidated balance sheets. The Series D Preferred Units were recorded at their issuance date fair value, net of issuance costs.

The Series D Preferred Units were subject to accretion from their carrying value at the issuance date to the redemption value of \$29.19 per Series D Preferred Unit, which was based on the redemption right of the Series D Preferred Unit holders that may have been exercised at any time on or after June 29, 2028, using the effective interest method over a period of ten years. In the calculation of net income per unit, the accretion was treated in the same manner as a distribution and deducted from net income to arrive at net income attributable to common units.

**18. PARTNERS' EQUITY**

**Series A, B and C Preferred Units**

Information on our 8.50% Series A, 7.625% Series B and 9.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (collectively the Series A, B and C Preferred Units) issued and outstanding as of December 31, 2023 is shown below:

| Units                    | Original Issuance Date | Units Issued and Outstanding | Price per Unit | Fixed Distribution Rate per Unit per Annum | Fixed Distribution per Annum<br>(Thousands of Dollars) | Optional Redemption Date/Date When Distribution Rate Became Floating | Floating Annual Rate (as a Percentage of the \$25.00 Liquidation Preference per Unit) |
|--------------------------|------------------------|------------------------------|----------------|--------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Series A Preferred Units | November 25, 2016      | 9,060,000                    | \$ 25.00       | \$ 2.125                                   | \$ 19,252                                              | December 15, 2021                                                    | Three-month LIBOR <sup>(a)</sup> plus 6.766%                                          |
| Series B Preferred Units | April 28, 2017         | 15,400,000                   | \$ 25.00       | \$ 1.90625                                 | \$ 29,357                                              | June 15, 2022                                                        | Three-month LIBOR <sup>(a)</sup> plus 5.643%                                          |
| Series C Preferred Units | November 30, 2017      | 6,900,000                    | \$ 25.00       | \$ 2.25                                    | \$ 15,525                                              | December 15, 2022                                                    | Three-month LIBOR <sup>(a)</sup> plus 6.88%                                           |

(a) Beginning with the distribution period starting on September 15, 2023, LIBOR was replaced with the corresponding CME Term SOFR plus the applicable tenor spread adjustment of 0.26161%.

Distributions on the Series A, B and C Preferred Units are payable out of any legally available funds, accrue and are cumulative from the original issuance dates, and are payable on the 15th day (or the next business day) of each of March, June, September and December of each year to holders of record on the first business day of each payment month. The Series A, B and C Preferred Units rank equal to each other (and to the Series D Preferred Units prior to their redemption/repurchase) and senior to all our other classes of equity securities with respect to distribution rights and rights upon liquidation.

On January 25, 2024, our Board of Directors declared quarterly distributions with respect to the Series A, B and C Preferred Units to be paid on March 15, 2024 to holders of record as of March 1, 2024.

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Distribution information on our Series A, B and C Preferred Units is as follows (thousands of dollars, except per unit data):

| Distribution Period                    | Series A Preferred Units |                    | Series B Preferred Units |                    | Series C Preferred Units |                    |
|----------------------------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|
|                                        | Distribution Rate        |                    | Distribution Rate        |                    | Distribution Rate        |                    |
|                                        | per Unit                 | Total Distribution | per Unit                 | Total Distribution | per Unit                 | Total Distribution |
| December 15, 2023 - March 14, 2024     | \$ 0.77533               | \$ 7,024           | \$ 0.70515               | \$ 10,859          | \$ 0.78246               | \$ 5,399           |
| September 15, 2023 - December 14, 2023 | \$ 0.77736               | \$ 7,043           | \$ 0.70717               | \$ 10,890          | \$ 0.78448               | \$ 5,413           |
| June 15, 2023 - September 14, 2023     | \$ 0.76715               | \$ 6,950           | \$ 0.69696               | \$ 10,733          | \$ 0.77428               | \$ 5,343           |
| March 15, 2023 - June 14, 2023         | \$ 0.73169               | \$ 6,629           | \$ 0.66150               | \$ 10,187          | \$ 0.73881               | \$ 5,098           |
| December 15, 2022 - March 14, 2023     | \$ 0.71889               | \$ 6,513           | \$ 0.64871               | \$ 9,990           | \$ 0.72602               | \$ 5,010           |
| September 15, 2022 - December 14, 2022 | \$ 0.64059               | \$ 5,804           | \$ 0.57040               | \$ 8,784           | \$ 0.56250               | \$ 3,881           |
| June 15, 2022 - September 14, 2022     | \$ 0.54808               | \$ 4,966           | \$ 0.47789               | \$ 7,360           | \$ 0.56250               | \$ 3,881           |
| March 15, 2022 - June 14, 2022         | \$ 0.47817               | \$ 4,332           | \$ 0.47657               | \$ 7,339           | \$ 0.56250               | \$ 3,881           |
| December 15, 2021 - March 14, 2022     | \$ 0.43606               | \$ 3,951           | \$ 0.47657               | \$ 7,339           | \$ 0.56250               | \$ 3,881           |

We may redeem any of our outstanding Series A, B and C Preferred Units at any time on or after the optional redemption date set forth above for each series of the Series A, B and C Preferred Units, in whole or in part, at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions to, but not including, the date of redemption, whether or not declared. We may also redeem the Series A, B and C Preferred Units upon the occurrence of certain rating events or a change of control as defined in our partnership agreement. In the case of the latter instance, if we choose not to redeem the Series A, B and C Preferred Units, those preferred unitholders may have the ability to convert their Series A, B and C Preferred Units to common units at the then-applicable conversion rate, which are subject to caps of 1.0915, 1.04297 and 1.7928, respectively. Holders of the Series A, B and C Preferred Units have no voting rights except for certain exceptions set forth in our partnership agreement.

**Common Units**

The following table shows the balance of and changes in the number of our common units outstanding:

|                                   | Year Ended December 31, |             |             |
|-----------------------------------|-------------------------|-------------|-------------|
|                                   | 2023                    | 2022        | 2021        |
| <b>Balance as of January 1</b>    | 110,818,718             | 109,986,273 | 109,468,127 |
| Issuance of units                 | 14,950,000              | —           | —           |
| Unit-based compensation (Note 22) | 747,995                 | 832,445     | 518,146     |
| <b>Balance as of December 31</b>  | 126,516,713             | 110,818,718 | 109,986,273 |

*Issuance of Common Units.* On August 11, 2023, we issued 14,950,000 common units representing limited partner interests at a price of \$15.35 per unit for proceeds of approximately \$222.0 million, net of approximately \$7.5 million of issuance costs. We used these proceeds to repay outstanding borrowings under our Revolving Credit Agreement.

*Cash Distributions.* We are required by our partnership agreement to make quarterly distributions to common limited partners of 100% of our Available Cash (as defined in our partnership agreement), which is generally defined as all cash receipts less cash disbursements, including distributions to our preferred unit holders, and cash reserves established by our general partner, in its sole discretion. We are required under our partnership agreement to declare and pay these quarterly distributions within 45 days subsequent to each quarter-end. The common unitholders will receive a distribution each quarter as determined by the Board of Directors, subject to limitation by distributions in arrears, if any, on our preferred units. On January 25, 2024, our Board of Directors declared distributions with respect to our common units for the quarter ended December 31, 2023.

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The following table summarizes information about cash distributions to our common limited partners applicable to the period in which the distributions were earned:

| Quarter Ended                | Cash Distributions Per Unit | Total Cash Distributions<br>(Thousands of Dollars) | Record Date      | Payment Date      |
|------------------------------|-----------------------------|----------------------------------------------------|------------------|-------------------|
| December 31, 2023            | \$ 0.40                     | \$ 50,607                                          | February 7, 2024 | February 13, 2024 |
| September 30, 2023           | 0.40                        | 50,358                                             | November 7, 2023 | November 14, 2023 |
| June 30, 2023                | 0.40                        | 44,363                                             | August 8, 2023   | August 14, 2023   |
| March 31, 2023               | 0.40                        | 44,396                                             | May 8, 2023      | May 12, 2023      |
| Year ended December 31, 2023 | <u>\$ 1.60</u>              | <u>\$ 189,724</u>                                  |                  |                   |
| Year ended December 31, 2022 | \$ 1.60                     | \$ 176,746                                         |                  |                   |
| Year ended December 31, 2021 | \$ 1.60                     | \$ 175,470                                         |                  |                   |

**Accumulated Other Comprehensive Income (Loss)**

The balance of and changes in the components included in AOCI were as follows:

|                                                                                   | Foreign<br>Currency<br>Translation | Cash Flow Hedges   | Pension and<br>Other<br>Postretirement<br>Benefits | Total              |
|-----------------------------------------------------------------------------------|------------------------------------|--------------------|----------------------------------------------------|--------------------|
|                                                                                   | (Thousands of Dollars)             |                    |                                                    |                    |
| <b>Balance as of January 1, 2021</b>                                              | \$ (42,362)                        | \$ (42,150)        | \$ (12,144)                                        | \$ (96,656)        |
| Other comprehensive income before reclassifications                               | 601                                | —                  | 17,721                                             | 18,322             |
| Net gain reclassified into other income, net                                      | —                                  | —                  | (1,308)                                            | (1,308)            |
| Net loss reclassified into interest expense, net                                  | —                                  | 5,664              | —                                                  | 5,664              |
| Other comprehensive income                                                        | <u>601</u>                         | <u>5,664</u>       | <u>16,413</u>                                      | <u>22,678</u>      |
| <b>Balance as of December 31, 2021</b>                                            | (41,761)                           | (36,486)           | 4,269                                              | (73,978)           |
| Other comprehensive income (loss) before reclassifications                        | 2,177                              | —                  | (516)                                              | 1,661              |
| Sale of Point Tupper Terminal Operations reclassified into net income<br>(Note 4) | 39,646                             | —                  | —                                                  | 39,646             |
| Net gain reclassified into other income, net                                      | —                                  | —                  | (1,040)                                            | (1,040)            |
| Net loss reclassified into interest expense, net                                  | —                                  | 2,106              | —                                                  | 2,106              |
| Other comprehensive income (loss)                                                 | <u>41,823</u>                      | <u>2,106</u>       | <u>(1,556)</u>                                     | <u>42,373</u>      |
| <b>Balance as of December 31, 2022</b>                                            | 62                                 | (34,380)           | 2,713                                              | (31,605)           |
| Other comprehensive income before reclassifications                               | 728                                | —                  | 8,317                                              | 9,045              |
| Net gain reclassified into other income, net                                      | —                                  | —                  | (2,946)                                            | (2,946)            |
| Net loss reclassified into interest expense, net                                  | —                                  | 2,581              | —                                                  | 2,581              |
| Other comprehensive income                                                        | <u>728</u>                         | <u>2,581</u>       | <u>5,371</u>                                       | <u>8,680</u>       |
| <b>Balance as of December 31, 2023</b>                                            | <u>\$ 790</u>                      | <u>\$ (31,799)</u> | <u>\$ 8,084</u>                                    | <u>\$ (22,925)</u> |

**19. NET INCOME (LOSS) PER COMMON UNIT**

The Series D Preferred Units contained certain unitholder conversion and redemption features, and we used the if-converted method to calculate the dilutive effect of the conversion or redemption feature that would have been most advantageous to the Series D preferred unitholders. The effect of the assumed conversion or redemption of the Series D Preferred Units outstanding, prior to their redemption and/or repurchase, was antidilutive for each of the years ended December 31, 2023, 2022 and 2021; therefore, we did not include such conversion or redemption in the computation of diluted net income (loss) per common unit.

Contingently issuable performance units are included as dilutive potential common units if it is probable that the performance measures will be achieved, unless to do so would be antidilutive. For the years ended December 31, 2023 and 2022, there were no performance unit awards outstanding. For the year ended December 31, 2021, we determined that it was probable that the

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performance measures would be achieved, but the effect would be antidilutive; therefore, we did not include any contingently issuable performance units as dilutive common units in the computation below.

The following table details the calculation of basic and diluted net income (loss) per common unit:

|                                                                            | Year Ended December 31,                               |                    |                     |
|----------------------------------------------------------------------------|-------------------------------------------------------|--------------------|---------------------|
|                                                                            | 2023                                                  | 2022               | 2021                |
|                                                                            | (Thousands of Dollars, Except Unit and Per Unit Data) |                    |                     |
| Net income                                                                 | \$ 273,663                                            | \$ 222,747         | \$ 38,225           |
| Distributions to preferred limited partners                                | (114,729)                                             | (127,589)          | (127,399)           |
| Distributions to common limited partners                                   | (189,724)                                             | (176,746)          | (175,470)           |
| Distribution equivalent rights to restricted units                         | (2,685)                                               | (2,534)            | (2,396)             |
| Distributions in excess of income                                          | <u>\$ (33,475)</u>                                    | <u>\$ (84,122)</u> | <u>\$ (267,040)</u> |
| Distributions to common limited partners                                   | \$ 189,724                                            | \$ 176,746         | \$ 175,470          |
| Allocation of distributions in excess of income to common limited partners | (33,475)                                              | (84,122)           | (267,040)           |
| Series D Preferred Unit accretion                                          | (7,171)                                               | (18,538)           | (16,903)            |
| Series D Preferred Unit redemptions/repurchase                             | (64,542)                                              | (34,382)           | —                   |
| Net income (loss) attributable to common units                             | <u>\$ 84,536</u>                                      | <u>\$ 39,704</u>   | <u>\$ (108,473)</u> |
| Basic and diluted weighted-average common units outstanding                | 116,851,373                                           | 110,341,206        | 109,585,635         |
| Basic and diluted net income (loss) per common unit                        | \$ 0.72                                               | \$ 0.36            | \$ (0.99)           |

## 20. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in current assets and current liabilities were as follows:

|                                                   | Year Ended December 31, |               |                    |
|---------------------------------------------------|-------------------------|---------------|--------------------|
|                                                   | 2023                    | 2022          | 2021               |
|                                                   | (Thousands of Dollars)  |               |                    |
| Decrease (increase) in current assets:            |                         |               |                    |
| Accounts receivable                               | \$ 1,923                | \$ (6,762)    | \$ (2,105)         |
| Inventories                                       | (3,226)                 | 836           | (5,585)            |
| Prepaid and other current assets                  | (5,833)                 | 768           | (1,710)            |
| Increase (decrease) in current liabilities:       |                         |               |                    |
| Accounts payable                                  | 534                     | (2,960)       | 10,202             |
| Accrued interest payable                          | 2,368                   | 3,468         | (16,708)           |
| Accrued liabilities                               | 13,642                  | 9,018         | 4,448              |
| Taxes other than income tax                       | 1,210                   | (3,631)       | (2,689)            |
| Changes in current assets and current liabilities | <u>\$ 10,618</u>        | <u>\$ 737</u> | <u>\$ (14,147)</u> |

The above changes in current assets and current liabilities differ from changes between amounts reflected in the applicable consolidated balance sheets due to:

- the change in the amount accrued for capital expenditures;
- the effect of foreign currency translation;
- the effect of accrued compensation expense paid with fully vested common unit awards; and
- current assets and current liabilities disposed of during the period.



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Cash flows related to interest and income taxes were as follows:

|                                                         | Year Ended December 31, |            |            |
|---------------------------------------------------------|-------------------------|------------|------------|
|                                                         | 2023                    | 2022       | 2021       |
|                                                         | (Thousands of Dollars)  |            |            |
| Cash paid for interest, net of amount capitalized       | \$ 229,528              | \$ 195,697 | \$ 218,181 |
| Cash paid for income taxes, net of tax refunds received | \$ 2,188                | \$ 4,368   | \$ 5,491   |

Restricted cash is included in “Other long-term assets, net” on the consolidated balance sheets. “Cash, cash equivalents and restricted cash” on the consolidated statements of cash flows was included in the consolidated balance sheets as follows:

|                                            | December 31,           |           |
|--------------------------------------------|------------------------|-----------|
|                                            | 2023                   | 2022      |
|                                            | (Thousands of Dollars) |           |
| Cash and cash equivalents                  | \$ 2,765               | \$ 14,489 |
| Other long-term assets, net                | 9,251                  | 8,888     |
| Cash, cash equivalents and restricted cash | \$ 12,016              | \$ 23,377 |

## 21. EMPLOYEE BENEFIT PLANS

### *Thrift Plans*

The NuStar Thrift Plan (the Thrift Plan) is a qualified defined contribution plan that became effective June 26, 2006. Participation in the Thrift Plan is voluntary and open to substantially all our domestic employees upon their dates of hire. Thrift Plan participants can contribute from 1% up to 30% of their total annual compensation to the Thrift Plan in the form of pre-tax and/or after-tax employee contributions. We make matching contributions in an amount equal to 100% of each participant’s employee contributions up to a maximum of 6% of the participant’s total annual compensation. The matching contributions to the Thrift Plan for the years ended December 31, 2023, 2022 and 2021 totaled \$7.3 million, \$7.3 million and \$7.6 million, respectively.

The NuStar Excess Thrift Plan (the Excess Thrift Plan) is a nonqualified deferred compensation plan that became effective July 1, 2006. The Excess Thrift Plan provides benefits to those employees whose compensation and/or annual contributions under the Thrift Plan are subject to the limitations applicable to qualified retirement plans under the Code.

### *Pension and Other Postretirement Benefits*

The NuStar Pension Plan (the Pension Plan) is a qualified non-contributory defined benefit pension plan that provides eligible U.S. employees with retirement income as calculated under a cash balance formula. Under the cash balance formula, benefits are determined based on age, years of vesting service and interest credits, and employees become fully vested in their benefits upon attaining three years of vesting service. Prior to January 1, 2014, eligible employees were covered under either a cash balance formula or a final average pay formula (FAP). The Pension Plan was amended to freeze the FAP benefits as of December 31, 2013, and effective January 1, 2014, eligible employees are covered under the cash balance formula discussed above.

We also maintain an excess pension plan (the Excess Pension Plan), which is a nonqualified deferred compensation plan that provides benefits to a select group of management or other highly compensated employees. Neither the Excess Thrift Plan nor the Excess Pension Plan is intended to constitute either a qualified plan under the provisions of Section 401 of the Code or a funded plan subject to the Employee Retirement Income Security Act.

The Pension Plan and Excess Pension Plan are collectively referred to as the Pension Plans in the tables and discussion below. Our other postretirement benefit plans include a contributory medical benefits plan for U.S. employees who retired prior to April 1, 2014 and, for employees who retire on or after April 1, 2014, a partial reimbursement for eligible third-party health care premiums. We use December 31 as the measurement date for our pension and other postretirement plans.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

The changes in the benefit obligation, the changes in fair value of plan assets, the funded status and the amounts recognized in the consolidated balance sheets for our Pension Plans and other postretirement benefit plans as of and for the years ended December 31, 2023 and 2022 were as follows:

|                                                                                     | <b>Pension Plans</b> |                   | <b>Other Postretirement Benefit Plans</b> |                    |
|-------------------------------------------------------------------------------------|----------------------|-------------------|-------------------------------------------|--------------------|
|                                                                                     | <b>2023</b>          | <b>2022</b>       | <b>2023</b>                               | <b>2022</b>        |
| (Thousands of Dollars)                                                              |                      |                   |                                           |                    |
| <b>Change in benefit obligation:</b>                                                |                      |                   |                                           |                    |
| Benefit obligation as of January 1                                                  | \$ 144,311           | \$ 179,907        | \$ 11,983                                 | \$ 16,270          |
| Service cost                                                                        | 9,041                | 9,752             | 359                                       | 605                |
| Interest cost                                                                       | 7,224                | 4,619             | 602                                       | 423                |
| Benefits paid (a)                                                                   | (8,962)              | (15,949)          | (532)                                     | (603)              |
| Participant contributions                                                           | —                    | —                 | 71                                        | 66                 |
| Actuarial loss (gain)                                                               | 6,999                | (34,221)          | 404                                       | (4,778)            |
| Other                                                                               | —                    | 203               | —                                         | —                  |
| <b>Benefit obligation as of December 31</b>                                         | <b>\$ 158,613</b>    | <b>\$ 144,311</b> | <b>\$ 12,887</b>                          | <b>\$ 11,983</b>   |
| <b>Change in plan assets:</b>                                                       |                      |                   |                                           |                    |
| Plan assets at fair value as of January 1                                           | \$ 148,496           | \$ 189,838        | \$ —                                      | \$ —               |
| Actual return on plan assets                                                        | 25,448               | (30,405)          | —                                         | —                  |
| Employer contributions                                                              | 11,203               | 5,012             | 461                                       | 537                |
| Benefits paid (a)                                                                   | (8,962)              | (15,949)          | (532)                                     | (603)              |
| Participant contributions                                                           | —                    | —                 | 71                                        | 66                 |
| <b>Plan assets at fair value as of December 31</b>                                  | <b>\$ 176,185</b>    | <b>\$ 148,496</b> | <b>\$ —</b>                               | <b>\$ —</b>        |
| <b>Reconciliation of funded status as of December 31:</b>                           |                      |                   |                                           |                    |
| Fair value of plan assets                                                           | \$ 176,185           | \$ 148,496        | \$ —                                      | \$ —               |
| Less: Benefit obligation                                                            | 158,613              | 144,311           | 12,887                                    | 11,983             |
| <b>Funded status</b>                                                                | <b>\$ 17,572</b>     | <b>\$ 4,185</b>   | <b>\$ (12,887)</b>                        | <b>\$ (11,983)</b> |
| <b>Amounts recognized in the consolidated balance sheets as of December 31 (b):</b> |                      |                   |                                           |                    |
| Other long-term assets, net                                                         | \$ 22,720            | \$ 9,130          | \$ —                                      | \$ —               |
| Accrued liabilities                                                                 | (648)                | (552)             | (580)                                     | (507)              |
| Other long-term liabilities                                                         | (4,500)              | (4,393)           | (12,307)                                  | (11,476)           |
| <b>Net pension asset (liability)</b>                                                | <b>\$ 17,572</b>     | <b>\$ 4,185</b>   | <b>\$ (12,887)</b>                        | <b>\$ (11,983)</b> |
| <b>Accumulated benefit obligation</b>                                               | <b>\$ 153,318</b>    | <b>\$ 141,517</b> | <b>\$ 12,887</b>                          | <b>\$ 11,983</b>   |

- (a) Benefit payments for the year ended December 31, 2022 include lump-sum payments of \$2.9 million to participants of the Pension Plans following the Eastern U.S. Terminals Disposition, as discussed in Note 4.
- (b) For the Pension Plan, since assets exceed the present value of expected benefit payments for the next 12 months, the asset is noncurrent. For the Excess Pension Plan and the other postretirement benefit plans, since there are no assets, the current liability is the present value of expected benefit payments for the next 12 months; the remainder is noncurrent.

The actuarial loss (gain) related to the benefit obligation for our pension plans was primarily attributable to a decrease in the discount rates used to determine the benefit obligation from 5.26% to 5.08% in 2023 and an increase from 3.10% to 5.26% in 2022. The fair value of our plan assets is affected by the return on plan assets resulting primarily from the performance of equity and bond markets during the period.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

The Excess Pension Plan has no plan assets and an accumulated benefit obligation of \$4.8 million and \$4.6 million as of December 31, 2023 and 2022, respectively. The accumulated benefit obligation is the present value of benefits earned to date, while the projected benefit obligation may include future salary increase assumptions. The projected benefit obligation for the Excess Pension Plan was \$5.1 million and \$4.9 million as of December 31, 2023 and 2022, respectively.

The components of net periodic benefit cost (income) related to our Pension Plans and other postretirement benefit plans were as follows:

|                                      | Pension Plans           |                 |                 | Other Postretirement Benefit Plans |              |                |
|--------------------------------------|-------------------------|-----------------|-----------------|------------------------------------|--------------|----------------|
|                                      | Year Ended December 31, |                 |                 | Year Ended December 31,            |              |                |
|                                      | 2023                    | 2022            | 2021            | 2023                               | 2022         | 2021           |
|                                      | (Thousands of Dollars)  |                 |                 |                                    |              |                |
| Service cost                         | \$ 9,041                | \$ 9,752        | \$ 9,978        | \$ 359                             | \$ 605       | \$ 593         |
| Interest cost                        | 7,224                   | 4,619           | 4,084           | 602                                | 423          | 326            |
| Expected return on plan assets       | (9,660)                 | (9,087)         | (9,233)         | —                                  | —            | —              |
| Amortization of prior service credit | (1,876)                 | (1,876)         | (2,057)         | (1,145)                            | (1,145)      | (1,145)        |
| Amortization of net actuarial loss   | 75                      | 1,129           | 2,279           | —                                  | 209          | 176            |
| Other                                | —                       | 846             | (561)           | —                                  | —            | —              |
| Net periodic benefit cost (income)   | <u>\$ 4,804</u>         | <u>\$ 5,383</u> | <u>\$ 4,490</u> | <u>\$ (184)</u>                    | <u>\$ 92</u> | <u>\$ (50)</u> |

We amortize prior service costs and credits on a straight-line basis over the average remaining service period of employees expected to receive benefits under our Pension Plans and other postretirement benefit plans (“Amortization of prior service credit” in table above). We amortize the actuarial gains and losses that exceed 10% of the greater of the projected benefit obligation or market-related value of plan assets (smoothed asset value) over the average remaining service period of active employees expected to receive benefits under our Pension Plans and other postretirement benefit plans (“Amortization of net actuarial loss” in table above).

The service cost component of net periodic benefit cost (income) is reported in “General and administrative expenses” and “Operating expenses” on the consolidated statements of income, and the remaining components of net periodic benefit cost (income) are reported in “Other income, net.”

Adjustments to other comprehensive income related to our Pension Plans and other postretirement benefit plans were as follows:

|                                                       | Pension Plans           |                   |                  | Other Postretirement Benefit Plans |                 |                   |
|-------------------------------------------------------|-------------------------|-------------------|------------------|------------------------------------|-----------------|-------------------|
|                                                       | Year Ended December 31, |                   |                  | Year Ended December 31,            |                 |                   |
|                                                       | 2023                    | 2022              | 2021             | 2023                               | 2022            | 2021              |
|                                                       | (Thousands of Dollars)  |                   |                  |                                    |                 |                   |
| Net unrecognized gain (loss) arising during the year: |                         |                   |                  |                                    |                 |                   |
| Net actuarial gain (loss)                             | \$ 8,790                | \$ (5,271)        | \$ 18,666        | \$ (404)                           | \$ 4,779        | \$ (884)          |
| Net (gain) loss reclassified into income:             |                         |                   |                  |                                    |                 |                   |
| Amortization of prior service credit                  | (1,876)                 | (1,876)           | (2,057)          | (1,145)                            | (1,145)         | (1,145)           |
| Amortization of net actuarial loss                    | 75                      | 1,129             | 2,279            | —                                  | 209             | 176               |
| Other                                                 | —                       | 643               | (561)            | —                                  | —               | —                 |
| Net gain reclassified into income                     | (1,801)                 | (104)             | (339)            | (1,145)                            | (936)           | (969)             |
| Income tax expense                                    | (69)                    | (24)              | (61)             | —                                  | —               | —                 |
| Total changes to other comprehensive income           | <u>\$ 6,920</u>         | <u>\$ (5,399)</u> | <u>\$ 18,266</u> | <u>\$ (1,549)</u>                  | <u>\$ 3,843</u> | <u>\$ (1,853)</u> |

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

The amounts recorded as a component of “Accumulated other comprehensive loss” on the consolidated balance sheets related to our Pension Plans and other postretirement benefit plans were as follows:

|                                                           | <b>Pension Plans</b>   |                   | <b>Other Postretirement Benefit Plans</b> |                 |
|-----------------------------------------------------------|------------------------|-------------------|-------------------------------------------|-----------------|
|                                                           | <b>December 31,</b>    |                   | <b>December 31,</b>                       |                 |
|                                                           | <b>2023</b>            | <b>2022</b>       | <b>2023</b>                               | <b>2022</b>     |
|                                                           | (Thousands of Dollars) |                   |                                           |                 |
| Unrecognized actuarial gain (loss)                        | \$ 1,618               | \$ (7,247)        | \$ 30                                     | \$ 434          |
| Prior service credit                                      | 3,878                  | 5,754             | 2,594                                     | 3,739           |
| Other                                                     | (36)                   | 33                | —                                         | —               |
| Accumulated other comprehensive income (loss), net of tax | <u>\$ 5,460</u>        | <u>\$ (1,460)</u> | <u>\$ 2,624</u>                           | <u>\$ 4,173</u> |

**Investment Policies and Strategies**

The investment policies and strategies for the assets of our qualified Pension Plan incorporate a well-diversified approach that is expected to earn long-term returns from capital appreciation and a growing stream of current income. This approach recognizes that assets are exposed to risk, and the market value of the Pension Plan’s assets may fluctuate from year to year. Risk tolerance is determined based on our financial ability to withstand risk within the investment program and the willingness to accept return volatility. In line with the investment return objective and risk parameters, the Pension Plan’s mix of assets includes a diversified portfolio of equity and fixed-income instruments. The aggregate asset allocation is reviewed on an annual basis. As of December 31, 2023, the target allocations for plan assets were approximately 65% equity securities and 35% fixed income investments, with certain fluctuations permitted.

The overall expected long-term rate of return on plan assets for the Pension Plan is estimated using various models of asset returns. Model assumptions are derived using historical data with the assumption that capital markets are informationally efficient. Three models are used to derive the long-term expected returns for each asset class. Since each method has distinct advantages and disadvantages and differing results, an equal weighted average of the methods’ results is used.

**Fair Value of Plan Assets**

We disclose the fair value for each major class of plan assets in the Pension Plan in three levels: Level 1, defined as observable inputs such as quoted prices for identical assets or liabilities in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in markets that are not active; and Level 3, defined as unobservable inputs for which little or no market data exists.

The major classes of plan assets measured at fair value for the Pension Plan were as follows:

|                                    | <b>December 31, 2023</b> |                  |                |                   |
|------------------------------------|--------------------------|------------------|----------------|-------------------|
|                                    | <b>Level 1</b>           | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>      |
|                                    | (Thousands of Dollars)   |                  |                |                   |
| Cash equivalent securities         | \$ 373                   | \$ —             | \$ —           | \$ 373            |
| Equity securities:                 |                          |                  |                |                   |
| U.S. large cap equity fund (a)     | —                        | 99,301           | —              | 99,301            |
| International stock index fund (b) | 17,715                   | —                | —              | 17,715            |
| Fixed income securities:           |                          |                  |                |                   |
| Bond market index fund (c)         | 58,796                   | —                | —              | 58,796            |
| Total                              | <u>\$ 76,884</u>         | <u>\$ 99,301</u> | <u>\$ —</u>    | <u>\$ 176,185</u> |

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

|                                    | December 31, 2022      |                  |             |                   |
|------------------------------------|------------------------|------------------|-------------|-------------------|
|                                    | Level 1                | Level 2          | Level 3     | Total             |
|                                    | (Thousands of Dollars) |                  |             |                   |
| Cash equivalent securities         | \$ 789                 | \$ —             | \$ —        | \$ 789            |
| Equity securities:                 |                        |                  |             |                   |
| U.S. large cap equity fund (a)     | —                      | 81,754           | —           | 81,754            |
| International stock index fund (b) | 14,836                 | —                | —           | 14,836            |
| Fixed income securities:           |                        |                  |             |                   |
| Bond market index fund (c)         | 51,117                 | —                | —           | 51,117            |
| Total                              | <u>\$ 66,742</u>       | <u>\$ 81,754</u> | <u>\$ —</u> | <u>\$ 148,496</u> |

(a) This fund is a low-cost equity index fund not actively managed that tracks the S&P 500. Fair values were estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

(b) This fund tracks the performance of the Total International Composite Index.

(c) This fund tracks the performance of the Barclays Capital U.S. Aggregate Bond Index.

**Contributions to the Pension Plans**

For the year ended December 31, 2023, we contributed \$11.2 million and \$0.5 million to our Pension Plan and other postretirement benefit plans, respectively. During 2024, we expect to contribute approximately \$9.6 million and \$0.6 million to the Pension Plans and other postretirement benefit plans, respectively. We will monitor our funding status in 2024 to determine if any contributions are required by regulations or laws, or with respect to unfunded plans, necessary to fund current benefits.

**Estimated Future Benefit Payments**

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years ending December 31:

|           | Pension Plans          | Other Postretirement Benefit Plans |
|-----------|------------------------|------------------------------------|
|           | (Thousands of Dollars) |                                    |
| 2024      | \$ 10,023              | \$ 580                             |
| 2025      | \$ 11,151              | \$ 621                             |
| 2026      | \$ 11,286              | \$ 665                             |
| 2027      | \$ 11,619              | \$ 708                             |
| 2028      | \$ 12,339              | \$ 753                             |
| 2029-2033 | \$ 69,178              | \$ 4,363                           |

**Assumptions**

The discount rate is based on a hypothetical yield curve represented by a series of annualized individual discount rates. Each bond issue underlying the hypothetical yield curve required an average rating of double-A, when averaging all available ratings by Moody's Investor Service Inc., S&P Global Ratings and Fitch Ratings. The expected long-term rate of return on plan assets is based on the weighted averages of the expected long-term rates of return for each asset class of investments held in our plans as determined using historical data and the assumption that capital markets are informationally efficient. The expected rate of compensation increase represents average long-term salary increases.

The weighted-average assumptions used to determine the benefit obligations were as follows:

|                                      | Pension Plans |        | Other Postretirement Benefit Plans |        |
|--------------------------------------|---------------|--------|------------------------------------|--------|
|                                      | December 31,  |        | December 31,                       |        |
|                                      | 2023          | 2022   | 2023                               | 2022   |
| Discount rate                        | 5.08 %        | 5.26 % | 5.06 %                             | 5.25 % |
| Rate of compensation increase        | 3.99 %        | 3.99 % | n/a                                | n/a    |
| Cash balance interest crediting rate | 3.58 %        | 3.76 % | n/a                                | n/a    |

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

The weighted-average assumptions used to determine the net periodic benefit cost (income) were as follows:

|                                                  | Pension Plans           |        |        | Other Postretirement Benefit Plans |        |        |
|--------------------------------------------------|-------------------------|--------|--------|------------------------------------|--------|--------|
|                                                  | Year Ended December 31, |        |        | Year Ended December 31,            |        |        |
|                                                  | 2023                    | 2022   | 2021   | 2023                               | 2022   | 2021   |
| Discount rate                                    | 5.26 %                  | 3.10 % | 2.84 % | 5.25 %                             | 3.08 % | 2.83 % |
| Expected long-term rate of return on plan assets | 6.50 %                  | 6.00 % | 6.00 % | n/a                                | n/a    | n/a    |
| Rate of compensation increase                    | 3.99 %                  | 3.99 % | 3.51 % | n/a                                | n/a    | n/a    |
| Cash balance interest crediting rate             | 3.76 %                  | 2.00 % | 2.00 % | n/a                                | n/a    | n/a    |

We sponsor a contributory postretirement health care plan for employees who retired prior to April 1, 2014. The plan has an annual limitation (a cap) on the increase of the employer's share of the cost of covered benefits. The cap on the increase in employer's cost is 2.5% per year. The assumed health care cost trend rates were as follows:

|                                                                                     | December 31, |        |
|-------------------------------------------------------------------------------------|--------------|--------|
|                                                                                     | 2023         | 2022   |
| Health care cost trend rate assumed for next year                                   | 6.88 %       | 7.00 % |
| Rate to which the cost trend rate was assumed to decrease (the ultimate trend rate) | 5.00 %       | 5.00 % |
| Year that the rate reaches the ultimate trend rate                                  | 2032         | 2032   |

## 22. UNIT-BASED COMPENSATION

### Overview

**2019 LTIP.** In April 2019, our common unitholders approved the 2019 Long-Term Incentive Plan (2019 LTIP) for eligible employees, consultants and directors of NuStar Energy L.P., and of NuStar GP, LLC, and their respective affiliates who perform services for us and our subsidiaries. The 2019 LTIP allows for the awarding of (i) options; (ii) restricted units; (iii) distribution equivalent rights (DERs); (iv) performance cash; (v) performance units; and (vi) unit awards. DERs entitle the participant to receive cash equal to cash distributions made on any award prior to its vesting. The 2019 LTIP, as amended and restated on April 27, 2023, permits the granting of awards totaling an aggregate of 7,500,000 common units, subject to adjustment as provided by the terms of the 2019 LTIP. The 2019 LTIP generally will be administered by the compensation committee of our Board of Directors. As of December 31, 2023, a total of 2,651,315 common units remained available to be awarded under the 2019 LTIP.

**Other Plans.** We sponsor the NuStar GP, LLC Fifth Amended and Restated 2000 Long-Term Incentive Plan, as amended (2000 LTIP), and the NuStar GP Holdings, LLC Long-Term Incentive Plan, as amended (2006 LTIP). Effective with the approval of the 2019 LTIP in April 2019, the 2000 LTIP and the 2006 LTIP terminated with respect to new grants; however, unvested restricted unit awards granted under the 2000 LTIP and the 2006 LTIP remain outstanding as of December 31, 2023.

The following table summarizes information pertaining to all our long-term incentive plans:

|                               | Units Outstanding |           |           | Compensation Expense    |           |           |
|-------------------------------|-------------------|-----------|-----------|-------------------------|-----------|-----------|
|                               | December 31,      |           |           | Year Ended December 31, |           |           |
|                               | 2023              | 2022      | 2021      | 2023                    | 2022      | 2021      |
| (Thousands of Dollars)        |                   |           |           |                         |           |           |
| Restricted units:             |                   |           |           |                         |           |           |
| Domestic employees            | 3,017,060         | 2,859,189 | 2,520,436 | \$ 14,580               | \$ 12,759 | \$ 11,892 |
| Non-employee directors (NEDs) | 143,374           | 133,604   | 129,312   | 967                     | 1,021     | 856       |
| International employees       | —                 | —         | 21,760    | —                       | (20)      | 139       |
| Performance awards            | —                 | —         | 33,695    | 2,815                   | 2,442     | 3,047     |
| Unit awards                   | —                 | —         | —         | —                       | —         | 4,645     |
| Total                         | 3,160,434         | 2,992,793 | 2,705,203 | \$ 18,362               | \$ 16,202 | \$ 20,579 |

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

Common units issued under our long-term incentive plans, net of employee tax withholding requirements, were as follows:

|                    | Year Ended December 31, |         |         |
|--------------------|-------------------------|---------|---------|
|                    | 2023                    | 2022    | 2021    |
| Restricted units   | 661,050                 | 531,637 | 460,076 |
| Performance awards | 86,945                  | 114,618 | 58,070  |
| Unit awards        | —                       | 186,190 | —       |
| Total              | 747,995                 | 832,445 | 518,146 |

**Restricted Units**

Our restricted unit awards are considered phantom units, as they represent the right to receive our common units upon vesting. We account for restricted units as either equity-classified awards or liability-classified awards, depending on expected method of settlement. Awards we settle with the issuance of common units upon vesting are equity-classified. Awards we settle in cash upon vesting are liability-classified. We record compensation expense ratably over the vesting period based on the fair value of the common units at the grant date (for domestic employees and NEDs), or, prior to the sale of our Point Tupper Terminal Operations on April 29, 2022, the fair value of the common units measured at each reporting period (for international employees). DERs paid with respect to outstanding equity-classified unvested restricted units reduce equity, similar to cash distributions to unitholders, whereas DERs paid with respect to outstanding liability-classified unvested restricted units were expensed prior to the sale of our Point Tupper Terminal Operations on April 29, 2022. In connection with the DERs for equity awards, we paid \$2.7 million, \$2.5 million and \$2.4 million respectively, in cash, for the years ended December 31, 2023, 2022 and 2021.

*Domestic Employees.* The outstanding restricted units granted to domestic employees are equity-classified awards and generally vest over five years, beginning one year after the grant date. The fair value of these awards is measured at the grant date.

*Non-Employee Directors.* The outstanding restricted units granted to NEDs are equity-classified awards that vest over three years. The fair value of these awards is measured at the grant date.

*International Employees.* Prior to the sale of our Point Tupper Terminal Operations on April 29, 2022, the outstanding restricted units granted to international employees were cash-settled and accounted for as liability-classified awards. These awards vested over three years and the fair value was equal to the market price of our common units at each reporting period. For the year ended December 31, 2022, 11,364 restricted units vested, and 10,396 restricted units were forfeited related to our international employees.

A summary of our equity-classified restricted unit awards is as follows:

|                                         | Measured at Grant Date Fair Value |                                      |
|-----------------------------------------|-----------------------------------|--------------------------------------|
|                                         | Number of Units                   | Weighted-Average Fair Value Per Unit |
| Nonvested units as of January 1, 2021   | 2,333,894                         | \$ 17.70                             |
| Granted                                 | 1,049,081                         | 16.28                                |
| Vested                                  | (630,888)                         | 20.07                                |
| Forfeited                               | (102,339)                         | 14.28                                |
| Nonvested units as of December 31, 2021 | 2,649,748                         | 16.57                                |
| Granted                                 | 1,206,824                         | 16.09                                |
| Vested                                  | (738,701)                         | 17.79                                |
| Forfeited                               | (125,078)                         | 16.23                                |
| Nonvested units as of December 31, 2022 | 2,992,793                         | 16.08                                |
| Granted                                 | 1,112,965                         | 17.49                                |
| Vested                                  | (921,890)                         | 16.81                                |
| Forfeited                               | (23,434)                          | 15.93                                |
| Nonvested units as of December 31, 2023 | 3,160,434                         | 16.39                                |

The total fair value of our equity-classified restricted unit awards vested for the years ended December 31, 2023, 2022 and 2021 was \$16.1 million, \$11.9 million and \$10.3 million, respectively. We issued 661,050, 531,637 and 460,076 common units in

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

connection with these award vestings, net of employee tax withholding requirements, for the years ended December 31, 2023, 2022 and 2021, respectively. Unrecognized compensation cost related to our equity-classified employee awards totaled \$49.2 million as of December 31, 2023, which we expect to recognize over a weighted-average period of 3.6 years.

**Performance Awards**

Performance awards are issued to certain of our key employees and represent either rights to receive our common units or cash upon achieving performance measures for the performance period established by the NuStar GP, LLC Compensation Committee (the Compensation Committee). Achievement of the performance measures determines the rate at which the performance awards convert into our common units or cash, which ranges from zero to 200% for certain awards.

Performance awards vest in three annual increments (tranches), based upon our achievement of the performance measures set by the Compensation Committee during the performance periods that end on December 31 of each applicable year. Therefore, the performance awards are not considered granted for accounting purposes until the Compensation Committee has set the performance measures for each tranche of awards. Performance unit awards are equity-classified awards measured at the grant date fair value. In addition, since the performance unit awards granted do not receive DERs, the grant date fair value of these awards is reduced by the per unit distributions expected to be paid to common unit holders during the vesting period. Performance cash awards are accounted for as a liability but may be settled in common units. We record compensation expense ratably for each vesting tranche over its requisite service period (one year) if it is probable that the specified performance measures will be achieved. Additionally, changes in the actual or estimated outcomes that affect the quantity of performance awards expected to be converted into common units or paid in cash, are recognized as a cumulative adjustment. Performance units vested relate to the performance for the performance period ended December 31 of the previous year.

A summary of our performance awards is shown below:

|                                     | Performance Cash Awards<br>(Thousands of Dollars) | Performance Unit Awards                  |                                 |                                                    |       |
|-------------------------------------|---------------------------------------------------|------------------------------------------|---------------------------------|----------------------------------------------------|-------|
|                                     |                                                   | Total Performance<br>Unit Awards Granted | Granted for Accounting Purposes |                                                    |       |
|                                     |                                                   |                                          | Performance Unit Awards         | Weighted-Average Grant<br>Date Fair Value per Unit |       |
| Outstanding as of January 1, 2021   | \$ 2,167                                          | 87,122                                   | 57,448                          | \$                                                 | 13.21 |
| Granted                             | 2,254                                             | 4,021                                    | 33,695                          |                                                    | 15.79 |
| Vested (a)                          | (672)                                             | (53,427)                                 | (53,427)                        |                                                    | 13.21 |
| Forfeited                           | (51)                                              | (4,021)                                  | (4,021)                         |                                                    | 13.21 |
| Outstanding as of December 31, 2021 | 3,698                                             | 33,695                                   | 33,695                          |                                                    | 15.79 |
| Granted                             | 2,954                                             | —                                        | —                               |                                                    | —     |
| Performance adjustment (b)          | —                                                 | 14,839                                   | 14,839                          |                                                    | 15.79 |
| Vested (a)                          | (1,507)                                           | (48,534)                                 | (48,534)                        |                                                    | 15.79 |
| Outstanding as of December 31, 2022 | 5,145                                             | —                                        | —                               |                                                    | —     |
| Granted                             | 3,287                                             | —                                        | —                               |                                                    | —     |
| Vested (a)                          | (2,575)                                           | —                                        | —                               |                                                    | —     |
| Forfeited                           | (141)                                             | —                                        | —                               |                                                    | —     |
| Outstanding as of December 31, 2023 | \$ 5,716                                          | —                                        | —                               |                                                    | —     |

- (a) For the years ended December 31, 2023, 2022 and 2021, we settled performance cash awards with 149,608, 137,931 and 43,733 common units, respectively, and issued 86,945, 84,778 and 26,704 common units, net of employee tax withholding requirements, respectively.
- (b) For the year ended December 31, 2022, common units granted and issued upon vesting resulted from performance units earned at 150% of the 2021 target.

The total fair value of our performance unit awards vested for the years ended December 31, 2022 and 2021 was \$0.8 million and \$0.8 million, respectively. For the years ended December 31, 2022 and 2021 we issued 29,840 and 31,366 common units in connection with the performance unit award vestings, net of employee tax withholding requirements, respectively. In January 2024, we settled performance cash awards, net of employee tax withholding requirements, in cash for \$1.6 million.



**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**Unit Awards**

Unit awards are equity-classified awards of fully vested common units. We accrued compensation expense in 2021 that was paid in unit awards in the first quarter of 2022. We base the number of unit awards granted on the fair value of the common units at the grant date. A summary of our unit awards is shown below:

| Date of Grant | Grant Date Fair Value  | Unit Awards Granted | Common Units Issued, Net of<br>Employee Withholding Tax |
|---------------|------------------------|---------------------|---------------------------------------------------------|
|               | (Thousands of Dollars) |                     |                                                         |
| February 2022 | \$ 4,645               | 280,685             | 186,190                                                 |

**23. INCOME TAXES**

Components of income tax expense related to certain of our operations conducted through separate taxable wholly owned corporate subsidiaries were as follows:

|                         | Year Ended December 31, |                 |                 |
|-------------------------|-------------------------|-----------------|-----------------|
|                         | 2023                    | 2022            | 2021            |
|                         | (Thousands of Dollars)  |                 |                 |
| <b>Current:</b>         |                         |                 |                 |
| U.S.                    | \$ 4,292                | \$ 3,558        | \$ 3,755        |
| Foreign                 | —                       | 272             | 221             |
| Foreign withholding tax | 519                     | 355             | 1,281           |
| Total current           | <u>4,811</u>            | <u>4,185</u>    | <u>5,257</u>    |
| <b>Deferred:</b>        |                         |                 |                 |
| U.S.                    | 601                     | 341             | (93)            |
| Foreign                 | —                       | (1,287)         | (531)           |
| Foreign withholding tax | —                       | —               | (745)           |
| Total deferred          | <u>601</u>              | <u>(946)</u>    | <u>(1,369)</u>  |
| Income tax expense      | <u>\$ 5,412</u>         | <u>\$ 3,239</u> | <u>\$ 3,888</u> |

The difference between income tax expense recorded in our consolidated statements of income and income taxes computed by applying the applicable statutory federal income tax rate to income before income tax expense is due to the fact that the majority of our income is not subject to federal income tax due to our status as a limited partnership. We record a tax provision related to the amount of undistributed earnings of our foreign subsidiaries expected to be repatriated.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

The tax effects of significant temporary differences representing deferred income tax assets and liabilities were as follows:

|                                         | December 31, |            |
|-----------------------------------------|--------------|------------|
|                                         | 2023         | 2022       |
| (Thousands of Dollars)                  |              |            |
| <b>Deferred income tax assets:</b>      |              |            |
| Net operating losses                    | \$ 19,340    | \$ 17,710  |
| Capital loss                            | 3,714        | 3,714      |
| Other                                   | 701          | 793        |
| Total deferred income tax assets        | 23,755       | 22,217     |
| Less: Valuation allowance               | (22,866)     | (21,573)   |
| Net deferred income tax assets          | 889          | 644        |
| <b>Deferred income tax liabilities:</b> |              |            |
| Property, plant and equipment           | (4,420)      | (3,534)    |
| Foreign withholding tax                 | (330)        | (286)      |
| Other                                   | (72)         | (43)       |
| Total deferred income tax liabilities   | (4,822)      | (3,863)    |
| Net deferred income tax liability       | \$ (3,933)   | \$ (3,219) |

As of December 31, 2023, our U.S. and foreign corporate operations have net operating loss carryforwards for tax purposes totaling \$49.2 million and \$30.1 million, respectively, which are subject to various limitations on use and expire in years 2032 through 2034 for U.S. losses and in years 2024 through 2034 for foreign losses. However, U.S. losses generated after December 31, 2017, totaling \$5.1 million, can be carried forward indefinitely. As of December 31, 2023, our U.S. corporate operations have a capital loss carryforward for tax purposes totaling \$17.7 million, which is subject to limitations on use and expires in 2024.

As of December 31, 2023 and 2022, we have a valuation allowance of \$22.9 million and \$21.6 million, respectively, related to our deferred tax assets on net operating losses and capital losses. We estimate the amount of valuation allowance based upon our expectations of taxable income in the various jurisdictions in which we operate and the period over which we can utilize those future deductions. The valuation allowance reflects uncertainties related to our ability to utilize certain net operating loss carryforwards before they expire. In 2023, there was a \$0.4 million decrease in the valuation allowance for the U.S. net operating loss and a \$1.7 million increase in the foreign net operating loss valuation allowance due to changes in our estimates of the amount of loss carryforwards that will be realized, based upon future taxable income.

The realization of net deferred income tax assets recorded as of December 31, 2023 is dependent upon our ability to generate future taxable income in the United States. We believe it is more likely than not that the net deferred income tax assets as of December 31, 2023 will be realized, based on expected future taxable income.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

## 24. SEGMENT INFORMATION

Our reportable business segments consist of the pipeline, storage and fuels marketing segments. Our segments represent strategic business units that offer different services and products. We evaluate the performance of each segment based on its respective operating income, before general and administrative expenses and certain non-segmental depreciation and amortization expense. General and administrative expenses are not allocated to the operating segments since those expenses relate primarily to the overall management at the entity level. We are primarily engaged in the transportation, terminalling and storage of petroleum products and renewable fuels and the transportation of anhydrous ammonia. We also market petroleum products.

Results of operations for the reportable segments were as follows:

|                                                                                        | Year Ended December 31, |                     |                     |
|----------------------------------------------------------------------------------------|-------------------------|---------------------|---------------------|
|                                                                                        | 2023                    | 2022                | 2021                |
|                                                                                        | (Thousands of Dollars)  |                     |                     |
| <b>Revenues:</b>                                                                       |                         |                     |                     |
| Pipeline                                                                               | \$ 873,869              | \$ 828,191          | \$ 762,238          |
| Storage                                                                                | 319,599                 | 334,549             | 427,668             |
| Fuels marketing                                                                        | 440,725                 | 520,486             | 428,608             |
| Consolidation and intersegment eliminations                                            | (6)                     | (3)                 | (14)                |
| Total revenues                                                                         | <u>\$ 1,634,187</u>     | <u>\$ 1,683,223</u> | <u>\$ 1,618,500</u> |
| <b>Depreciation and amortization expense:</b>                                          |                         |                     |                     |
| Pipeline                                                                               | \$ 175,930              | \$ 178,802          | \$ 179,088          |
| Storage                                                                                | 75,052                  | 73,076              | 87,500              |
| Segment depreciation and amortization expense                                          | 250,982                 | 251,878             | 266,588             |
| Other depreciation and amortization expense                                            | 4,728                   | 7,358               | 7,792               |
| Total depreciation and amortization expense                                            | <u>\$ 255,710</u>       | <u>\$ 259,236</u>   | <u>\$ 274,380</u>   |
| <b>Reconciliation of segment operating income to income before income tax expense:</b> |                         |                     |                     |
| Pipeline                                                                               | \$ 483,188              | \$ 438,670          | \$ 321,472          |
| Storage                                                                                | 87,609                  | 61,081              | 24,800              |
| Fuels marketing                                                                        | 32,926                  | 33,536              | 11,181              |
| Segment operating income                                                               | 603,723                 | 533,287             | 357,453             |
| Gain on sale of assets                                                                 | 41,075                  | —                   | —                   |
| General and administrative expenses                                                    | 129,846                 | 117,116             | 113,207             |
| Other depreciation and amortization expense                                            | 4,728                   | 7,358               | 7,792               |
| Operating income                                                                       | 510,224                 | 408,813             | 236,454             |
| Interest expense, net                                                                  | (241,364)               | (209,009)           | (213,985)           |
| Other income, net                                                                      | 10,215                  | 26,182              | 19,644              |
| Income before income tax expense                                                       | <u>\$ 279,075</u>       | <u>\$ 225,986</u>   | <u>\$ 42,113</u>    |

Revenues by geographic area are shown in the table below:

|                | Year Ended December 31, |                     |                     |
|----------------|-------------------------|---------------------|---------------------|
|                | 2023                    | 2022                | 2021                |
|                | (Thousands of Dollars)  |                     |                     |
| United States  | \$ 1,628,215            | \$ 1,667,672        | \$ 1,582,672        |
| Foreign        | 5,972                   | 15,551              | 35,828              |
| Total revenues | <u>\$ 1,634,187</u>     | <u>\$ 1,683,223</u> | <u>\$ 1,618,500</u> |

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

For the years ended December 31, 2023, 2022 and 2021, Valero Energy Corporation accounted for approximately 22%, or \$360.4 million, 18%, or \$307.3 million, and 19%, or \$308.5 million, of our revenues, respectively. These revenues were included in our pipeline and storage segments for the year ended December 31, 2023, and in all of our reportable business segments for the years ended December 31, 2022 and 2021. No other single customer accounted for 10% or more of our consolidated revenues.

Total amounts of property, plant and equipment, net by geographic area were as follows:

|                                    | December 31,           |                     |
|------------------------------------|------------------------|---------------------|
|                                    | 2023                   | 2022                |
|                                    | (Thousands of Dollars) |                     |
| United States                      | \$ 3,234,544           | \$ 3,359,427        |
| Foreign                            | 47,993                 | 43,656              |
| Property, plant and equipment, net | <u>\$ 3,282,537</u>    | <u>\$ 3,403,083</u> |

Total assets by reportable segment were as follows:

|                          | December 31,           |                     |
|--------------------------|------------------------|---------------------|
|                          | 2023                   | 2022                |
|                          | (Thousands of Dollars) |                     |
| Pipeline                 | \$ 3,292,546           | \$ 3,360,685        |
| Storage                  | 1,398,929              | 1,438,609           |
| Fuels marketing          | <u>46,151</u>          | <u>37,763</u>       |
| Total segment assets     | 4,737,626              | 4,837,057           |
| Other partnership assets | <u>158,766</u>         | <u>136,629</u>      |
| Total assets             | <u>\$ 4,896,392</u>    | <u>\$ 4,973,686</u> |

Capital expenditures by reportable segment were as follows:

|                          | Year Ended December 31, |                   |                   |
|--------------------------|-------------------------|-------------------|-------------------|
|                          | 2023                    | 2022              | 2021              |
|                          | (Thousands of Dollars)  |                   |                   |
| Pipeline                 | \$ 100,759              | \$ 90,430         | \$ 67,340         |
| Storage                  | 43,584                  | 47,222            | 112,043           |
| Other partnership assets | <u>3,165</u>            | <u>2,978</u>      | <u>1,750</u>      |
| Capital expenditures     | <u>\$ 147,508</u>       | <u>\$ 140,630</u> | <u>\$ 181,133</u> |

## 25. SUBSEQUENT EVENT

On January 22, 2024, NuStar Energy entered into an Agreement and Plan of Merger (the Merger Agreement) with Sunoco LP, a Delaware limited partnership (Sunoco), Saturn Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of Sunoco (Merger Sub), Riverwalk Logistics, L.P., NuStar GP, LLC, and Sunoco GP LLC, a Delaware limited liability company and sole general partner of Sunoco (the Sunoco GP). The Merger Agreement provides that, among other things and on the terms and subject to the conditions set forth therein, Sunoco will acquire NuStar Energy in an all-equity transaction by means of a merger of Merger Sub with and into NuStar Energy (the Merger) with NuStar Energy surviving the Merger as a subsidiary of Sunoco.

On the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the Effective Time), each NuStar Energy common unit issued and outstanding immediately prior to the Effective Time will be converted into and shall thereafter represent the right to receive 0.400 of a common unit of Sunoco and, if applicable, cash in lieu of fractional units. In addition, prior to the Effective Time, we will declare and pay a special cash distribution to our common unitholders in the amount of \$0.212 per common unit (the Special Distribution) (in addition to continuing to pay our quarterly distributions in the ordinary course, subject to certain conditions, until the Effective Time).

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

Each Series A, B and C Preferred Unit issued and outstanding immediately prior to the Effective Time will remain issued and outstanding from and after the Effective Time as limited partnership interests of the surviving entity having the same terms as are applicable to the applicable series of NuStar Energy preferred unit immediately prior to the Effective Time.

The completion of the Merger is subject to the fulfillment or waiver of certain conditions, including, among others: approval and adoption by NuStar Energy's common unitholders of the Merger Agreement and the transactions contemplated thereby, including the Merger; expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; and the effectiveness of the registration statement on Form S-4 to be filed by Sunoco pursuant to which Sunoco common units to be issued in connection with the Merger are registered with the U.S. Securities and Exchange Commission (the SEC).

The Merger Agreement contains termination rights for each of NuStar Energy and Sunoco. Upon termination of the Merger Agreement under specified circumstances, including the termination by Sunoco in the event of an adverse recommendation change by our Board of Directors or by NuStar Energy to accept a Superior Proposal (as defined in the Merger Agreement), NuStar Energy would be required to pay Sunoco a termination fee of approximately \$90.3 million.

Concurrently with the entry into the Merger Agreement, NuStar Energy and Sunoco entered into an agreement (the Support Agreement) with Energy Transfer LP (Energy Transfer), a Delaware limited partnership and the sole member of the Sunoco GP. The Support Agreement provides, among other things, that Energy Transfer will not transfer its ownership interest in the Sunoco GP, any of the Sunoco incentive distribution rights owned by it or any material portion of the Sunoco common units owned by it prior to the Effective Time. Energy Transfer has also agreed to be bound by the terms of the non-solicitation provisions in the Merger Agreement with respect to competing proposals for Sunoco and the Sunoco GP and to abide by certain covenants with respect to regulatory approvals, SEC filings, confidentiality and litigation, among other things.

The foregoing descriptions of the Merger Agreement and the Support Agreement and the transactions contemplated thereby, including the Merger, are summaries, do not purport to be complete and are qualified in their entirety by reference to the full text of the Merger Agreement and the Support Agreement.

## **NuStar Interim Consolidated Financial Statements**

[See attached]

## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements

#### NUSTAR ENERGY L.P. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (Unaudited, Thousands of Dollars, Except Unit Data)

|                                                                                                                                  | March 31,<br>2024          | December 31,<br>2023       |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Assets</b>                                                                                                                    |                            |                            |
| Current assets:                                                                                                                  |                            |                            |
| Cash and cash equivalents                                                                                                        | \$ 5,374                   | \$ 2,765                   |
| Accounts receivable                                                                                                              | 140,522                    | 135,787                    |
| Inventories                                                                                                                      | 18,057                     | 18,623                     |
| Prepaid and other current assets                                                                                                 | 22,061                     | 29,927                     |
| Total current assets                                                                                                             | <u>186,014</u>             | <u>187,102</u>             |
| Property, plant and equipment, at cost                                                                                           | 5,825,323                  | 5,789,927                  |
| Accumulated depreciation and amortization                                                                                        | <u>(2,560,477)</u>         | <u>(2,507,390)</u>         |
| Property, plant and equipment, net                                                                                               | <u>3,264,846</u>           | <u>3,282,537</u>           |
| Intangible assets, net                                                                                                           | 466,654                    | 476,063                    |
| Goodwill                                                                                                                         | 732,356                    | 732,356                    |
| Other long-term assets, net                                                                                                      | <u>212,255</u>             | <u>218,334</u>             |
| Total assets                                                                                                                     | <u><u>\$ 4,862,125</u></u> | <u><u>\$ 4,896,392</u></u> |
| <b>Liabilities and Partners' Equity</b>                                                                                          |                            |                            |
| Current liabilities:                                                                                                             |                            |                            |
| Accounts payable                                                                                                                 | \$ 62,793                  | \$ 77,050                  |
| Current portion of finance leases                                                                                                | 4,958                      | 4,951                      |
| Accrued interest payable                                                                                                         | 77,903                     | 39,975                     |
| Accrued liabilities                                                                                                              | 74,535                     | 88,062                     |
| Taxes other than income tax                                                                                                      | 8,443                      | 10,948                     |
| Total current liabilities                                                                                                        | <u>228,632</u>             | <u>220,986</u>             |
| Long-term debt, less current portion of finance leases                                                                           | 3,394,454                  | 3,410,338                  |
| Deferred income tax liability                                                                                                    | 3,940                      | 3,933                      |
| Other long-term liabilities                                                                                                      | <u>216,236</u>             | <u>214,854</u>             |
| Total liabilities                                                                                                                | <u><u>3,843,262</u></u>    | <u><u>3,850,111</u></u>    |
| Commitments and contingencies (Note 5)                                                                                           |                            |                            |
| Partners' equity (Note 6):                                                                                                       |                            |                            |
| Preferred limited partners                                                                                                       |                            |                            |
| Series A (9,060,000 units outstanding as of March 31, 2024 and December 31, 2023)                                                | 218,307                    | 218,307                    |
| Series B (15,400,000 units outstanding as of March 31, 2024 and December 31, 2023)                                               | 371,476                    | 371,476                    |
| Series C (6,900,000 units outstanding as of March 31, 2024 and December 31, 2023)                                                | 166,518                    | 166,518                    |
| Common limited partners (126,535,271 and 126,516,713 units outstanding as of March 31, 2024 and December 31, 2023, respectively) | 285,303                    | 312,905                    |
| Accumulated other comprehensive loss                                                                                             | <u>(22,741)</u>            | <u>(22,925)</u>            |
| Total partners' equity                                                                                                           | <u>1,018,863</u>           | <u>1,046,281</u>           |
| Total liabilities and partners' equity                                                                                           | <u><u>\$ 4,862,125</u></u> | <u><u>\$ 4,896,392</u></u> |

See Condensed Notes to Consolidated Financial Statements.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF  
COMPREHENSIVE INCOME (Unaudited, Thousands of Dollars, Except Unit and Per Unit Data)**

|                                                                                       | <b>Three Months Ended March 31,</b> |                   |
|---------------------------------------------------------------------------------------|-------------------------------------|-------------------|
|                                                                                       | <b>2024</b>                         | <b>2023</b>       |
| <b>Revenues:</b>                                                                      |                                     |                   |
| Service revenues                                                                      | \$ 278,539                          | \$ 285,266        |
| Product sales                                                                         | 112,288                             | 108,601           |
| <b>Total revenues</b>                                                                 | <b>390,827</b>                      | <b>393,867</b>    |
| <b>Costs and expenses:</b>                                                            |                                     |                   |
| Costs associated with service revenues:                                               |                                     |                   |
| Operating expenses (excluding depreciation and amortization expense)                  | 85,901                              | 89,162            |
| Depreciation and amortization expense                                                 | 63,603                              | 62,054            |
| <b>Total costs associated with service revenues</b>                                   | <b>149,504</b>                      | <b>151,216</b>    |
| Costs associated with product sales                                                   | 94,166                              | 93,461            |
| General and administrative expenses (excluding depreciation and amortization expense) | 42,237                              | 28,725            |
| Other depreciation and amortization expense                                           | 1,053                               | 1,555             |
| <b>Total costs and expenses</b>                                                       | <b>286,960</b>                      | <b>274,957</b>    |
| Gain on sale of assets                                                                | —                                   | 41,075            |
| <b>Operating income</b>                                                               | <b>103,867</b>                      | <b>159,985</b>    |
| Interest expense, net                                                                 | (62,480)                            | (57,371)          |
| Other income, net                                                                     | 2,599                               | 4,509             |
| Income before income tax expense                                                      | 43,986                              | 107,123           |
| Income tax expense                                                                    | 1,244                               | 1,187             |
| <b>Net income</b>                                                                     | <b>\$ 42,742</b>                    | <b>\$ 105,936</b> |
| Basic and diluted net income per common unit (Note 7)                                 | \$ 0.15                             | \$ 0.61           |
| Basic and diluted weighted-average common units outstanding                           | 126,533,909                         | 110,880,981       |
| <b>Comprehensive income</b>                                                           | <b>\$ 42,926</b>                    | <b>\$ 106,140</b> |

See Condensed Notes to Consolidated Financial Statements.



**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited, Thousands of Dollars)

|                                                                                   | Three Months Ended March 31, |                  |
|-----------------------------------------------------------------------------------|------------------------------|------------------|
|                                                                                   | 2024                         | 2023             |
| <b>Cash flows from operating activities:</b>                                      |                              |                  |
| Net income                                                                        | \$ 42,742                    | \$ 105,936       |
| Adjustments to reconcile net income to net cash provided by operating activities: |                              |                  |
| Depreciation and amortization expense                                             | 64,656                       | 63,609           |
| Amortization of unit-based compensation                                           | 4,340                        | 3,628            |
| Amortization of debt related items                                                | 3,011                        | 2,607            |
| Gain on sale of assets                                                            | —                            | (41,075)         |
| Changes in current assets and current liabilities (Note 8)                        | 20,714                       | 32,614           |
| Decrease in other long-term assets, net                                           | 4,681                        | 3,294            |
| Increase (decrease) in other long-term liabilities                                | 1,510                        | (1,729)          |
| Other, net                                                                        | (1,920)                      | (4,300)          |
| <b>Net cash provided by operating activities</b>                                  | <b>139,734</b>               | <b>164,584</b>   |
| <b>Cash flows from investing activities:</b>                                      |                              |                  |
| Capital expenditures                                                              | (34,644)                     | (22,083)         |
| Change in accounts payable related to capital expenditures                        | (5,546)                      | (4,308)          |
| Proceeds from insurance recoveries                                                | —                            | 12,395           |
| Proceeds from sale or disposition of assets                                       | 42                           | 102,670          |
| <b>Net cash (used in) provided by investing activities</b>                        | <b>(40,148)</b>              | <b>88,674</b>    |
| <b>Cash flows from financing activities:</b>                                      |                              |                  |
| Proceeds from long-term debt borrowings                                           | 142,500                      | 120,300          |
| Long-term debt repayments                                                         | (159,600)                    | (301,600)        |
| Distributions to preferred unitholders                                            | (23,283)                     | (32,661)         |
| Distributions to common unitholders                                               | (50,613)                     | (44,362)         |
| Other, net                                                                        | (5,913)                      | (4,365)          |
| <b>Net cash used in financing activities</b>                                      | <b>(96,909)</b>              | <b>(262,688)</b> |
| Effect of foreign exchange rate changes on cash                                   | 32                           | 170              |
| Net increase (decrease) in cash, cash equivalents and restricted cash             | 2,709                        | (9,260)          |
| Cash, cash equivalents and restricted cash as of the beginning of the period      | 12,016                       | 23,377           |
| Cash, cash equivalents and restricted cash as of the end of the period            | \$ 14,725                    | \$ 14,117        |

See Condensed Notes to Consolidated Financial Statements.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY  
AND MEZZANINE EQUITY Three Months Ended March 31, 2024 and 2023 (Unaudited, Thousands of Dollars,  
Except Per Unit Data)**

|                                      | Limited Partners  |                   | Accumulated<br>Other<br>Comprehensive<br>Loss | Total Partners'<br>Equity<br>(Note 6) | Mezzanine Equity                       |                     |
|--------------------------------------|-------------------|-------------------|-----------------------------------------------|---------------------------------------|----------------------------------------|---------------------|
|                                      | Preferred         | Common            |                                               |                                       | Series D Preferred<br>Limited Partners | Total               |
| <b>Balance as of January 1, 2024</b> | \$ 756,301        | \$ 312,905        | \$ (22,925)                                   | \$ 1,046,281                          | \$ —                                   | \$ 1,046,281        |
| Net income                           | 23,266            | 19,476            | —                                             | 42,742                                | —                                      | 42,742              |
| Other comprehensive income           | —                 | —                 | 184                                           | 184                                   | —                                      | 184                 |
| Distributions to partners:           |                   |                   |                                               |                                       |                                        |                     |
| Series A, B and C preferred          | (23,266)          | —                 | —                                             | (23,266)                              | —                                      | (23,266)            |
| Common (\$0.40 per unit)             | —                 | (50,613)          | —                                             | (50,613)                              | —                                      | (50,613)            |
| Unit-based compensation              | —                 | 3,546             | —                                             | 3,546                                 | —                                      | 3,546               |
| Other                                | —                 | (11)              | —                                             | (11)                                  | —                                      | (11)                |
| <b>Balance as of March 31, 2024</b>  | <u>\$ 756,301</u> | <u>\$ 285,303</u> | <u>\$ (22,741)</u>                            | <u>\$ 1,018,863</u>                   | <u>\$ —</u>                            | <u>\$ 1,018,863</u> |
| <b>Balance as of January 1, 2023</b> | \$ 756,301        | \$ 177,620        | \$ (31,605)                                   | \$ 902,316                            | \$ 446,970                             | \$ 1,349,286        |
| Net income                           | 21,584            | 73,203            | —                                             | 94,787                                | 11,149                                 | 105,936             |
| Other comprehensive income           | —                 | —                 | 204                                           | 204                                   | —                                      | 204                 |
| Distributions to partners:           |                   |                   |                                               |                                       |                                        |                     |
| Series A, B and C preferred          | (21,584)          | —                 | —                                             | (21,584)                              | —                                      | (21,584)            |
| Common (\$0.40 per unit)             | —                 | (44,362)          | —                                             | (44,362)                              | —                                      | (44,362)            |
| Series D preferred                   | —                 | —                 | —                                             | —                                     | (11,149)                               | (11,149)            |
| Unit-based compensation              | —                 | 4,384             | —                                             | 4,384                                 | —                                      | 4,384               |
| Series D Preferred Unit accretion    | —                 | (3,671)           | —                                             | (3,671)                               | 3,671                                  | —                   |
| Other                                | —                 | (10)              | —                                             | (10)                                  | —                                      | (10)                |
| <b>Balance as of March 31, 2023</b>  | <u>\$ 756,301</u> | <u>\$ 207,164</u> | <u>\$ (31,401)</u>                            | <u>\$ 932,064</u>                     | <u>\$ 450,641</u>                      | <u>\$ 1,382,705</u> |

See Condensed Notes to Consolidated Financial Statements.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

## **1. ORGANIZATION AND BASIS OF PRESENTATION**

### ***Organization and Operations***

NuStar Energy L.P. (NuStar Energy) is a publicly traded Delaware limited partnership. Unless otherwise indicated, the terms “NuStar Energy,” “NS,” “the Partnership,” “we,” “our” and “us” are used in this report to refer to NuStar Energy L.P., to one or more of our consolidated subsidiaries or to all of them taken as a whole. Our business is managed under the direction of the board of directors of NuStar GP, LLC (the Board of Directors), the general partner of our general partner, Riverwalk Logistics, L.P., both of which are indirectly wholly owned subsidiaries of ours. As of March 31, 2024, our limited partner interests consisted of the following:

- common units (NYSE: NS); and
- 8.50% Series A (NYSE: NSprA), 7.625% Series B (NYSE: NSprB) and 9.00% Series C (NYSE: NSprC) Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units.

We are primarily engaged in the transportation, terminalling and storage of petroleum products and renewable fuels and the transportation of anhydrous ammonia. We also market petroleum products. We conduct our operations through our subsidiaries, primarily NuStar Logistics, L.P. (NuStar Logistics) and NuStar Pipeline Operating Partnership L.P. (NuPOP). We have three business segments: pipeline, storage and fuels marketing.

### ***Merger Agreement***

On January 22, 2024, NuStar Energy entered into an Agreement and Plan of Merger (the Merger Agreement) with Sunoco LP, a Delaware limited partnership (Sunoco), Saturn Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of Sunoco (Merger Sub), Riverwalk Logistics, L.P., NuStar GP, LLC, and Sunoco GP LLC, a Delaware limited liability company and sole general partner of Sunoco (the Sunoco GP). The Merger Agreement provides that, among other things and on the terms and subject to the conditions set forth therein, Sunoco will acquire NuStar Energy in an all-equity transaction by means of a merger of Merger Sub with and into NuStar Energy (the Merger) with NuStar Energy surviving the Merger as a subsidiary of Sunoco.

On the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the Effective Time), each NuStar Energy common unit issued and outstanding immediately prior to the Effective Time will be converted into and shall thereafter represent the right to receive 0.400 of a common unit of Sunoco and, if applicable, cash in lieu of fractional units. See Note 6 for information on the conditional special distribution to our common unitholders.

Each series of NuStar Energy preferred units issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding from and after the Effective Time as limited partnership interests of the surviving entity in the Merger having the same terms as are applicable to the applicable series of preferred units immediately prior to the Effective Time.

The completion of the Merger is subject to the fulfillment or waiver of certain conditions, including, among others, approval and adoption by NuStar Energy’s common unitholders of the Merger Agreement and the transactions contemplated thereby, including the Merger. For more information regarding the Merger and Merger Agreement, see our current report on Form 8-K filed with the SEC on January 22, 2024 and our definitive merger proxy statement on Schedule 14A filed with the SEC on April 3, 2024.

### ***Other Events***

**Sale-Leaseback Transaction.** On March 21, 2023, we sold our corporate headquarters facility and approximately 24 acres of underlying land located in San Antonio, Texas (the Corporate Headquarters) for an aggregate cash sales price of \$103.0 million and immediately entered into an operating lease agreement (the HQ Lease Agreement) to lease back the Corporate Headquarters for an initial term of 20 years, with two renewal options of ten years each (the Sale-Leaseback Transaction). Upon closing of the sale in the first quarter of 2023, the Sale-Leaseback Transaction qualified as a completed sale, and we recognized a gain of \$41.1 million, which is presented in “Gain on sale of assets” on the condensed consolidated statements of comprehensive income.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

*Series D Preferred Units.* In the second and third quarters of 2023, we redeemed all of our outstanding Series D Cumulative Convertible Preferred Units (the Series D Preferred Units) at the then applicable redemption price plus accrued and unpaid distributions. Prior to their redemption, the Series D Preferred Units were presented as mezzanine equity, and we allocated net income to the Series D Preferred Units equal to the amount of distributions earned during the period. Distributions on the Series D Preferred Units were payable on the 15th day (or next business day) of each of March, June, September and December, to holders of record on the first business day of each payment month.

***Basis of Presentation***

These unaudited condensed consolidated financial statements include the accounts of the Partnership and subsidiaries in which the Partnership has a controlling interest. Inter-partnership balances and transactions have been eliminated in consolidation.

These unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and with the instructions to the Quarterly Report on Form 10-Q and Article 10 of Regulation S-X of the Securities Exchange Act of 1934. Accordingly, they do not include all of the information and notes required by GAAP for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included, and all disclosures are adequate. All such adjustments are of a normal recurring nature unless disclosed otherwise. Operating results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

**2. NEW ACCOUNTING PRONOUNCEMENTS**

***The Enhancement and Standardization of Climate-Related Disclosures for Investors***

In March 2024, the Securities and Exchange Commission (SEC) issued final rules that require disclosure of certain climate-related information in registration statements and annual reports. The rules require presentation of certain climate-related financial metrics in our audited financial statements and disclosure of climate-related risks that are reasonably likely to have a material impact on our business, results of operations, or financial condition. The final rules follow a compliance phase-in timeline, and we will be required to apply the first requirements in our Annual Report on Form 10-K for fiscal year ending December 31, 2025. Disclosures will be required prospectively, with information for prior periods required only to the extent it was previously disclosed in an SEC filing. We are currently evaluating the impact of these final rules on our consolidated financial statements and disclosures. In April 2024, the SEC issued an order staying the final rules.

***Improvements to Income Tax Disclosures***

In December 2023, the Financial Accounting Standards Board (FASB) issued guidance intended to enhance the transparency and decision usefulness of income tax disclosures, primarily through changes to the rate reconciliation and income taxes paid information. The amendments are effective for annual periods beginning after December 15, 2024, and early adoption is permitted. The amendments should be applied prospectively; however, retrospective application is permitted. We plan to adopt the amended guidance on January 1, 2025, and are currently evaluating our method of adoption and the impact of this amended guidance on our disclosures.

***Improvements to Reportable Segment Disclosures***

In November 2023, the FASB issued guidance intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. Among other changes, the amendments will require disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and should be applied on a retrospective basis. Early adoption is permitted. We adopted the annual disclosure requirements on January 1, 2024 and plan to adopt the interim disclosure requirements on January 1, 2025, and are currently evaluating the impact of this amended guidance on our disclosures.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**3. REVENUE FROM CONTRACTS WITH CUSTOMERS**

***Contract Assets and Contract Liabilities***

The following table provides information about contract assets and contract liabilities from contracts with customers:

|                                  | 2024            |                      | 2023            |                      |
|----------------------------------|-----------------|----------------------|-----------------|----------------------|
|                                  | Contract Assets | Contract Liabilities | Contract Assets | Contract Liabilities |
| (Thousands of Dollars)           |                 |                      |                 |                      |
| <b>Balances as of January 1:</b> |                 |                      |                 |                      |
| Current portion                  | \$ 3,109        | \$ (27,131)          | \$ 2,612        | \$ (17,647)          |
| Noncurrent portion               | 729             | (41,278)             | 304             | (41,405)             |
| Total                            | 3,838           | (68,409)             | 2,916           | (59,052)             |
| <b>Activity:</b>                 |                 |                      |                 |                      |
| Additions                        | 237             | (23,203)             | 125             | (16,829)             |
| Transfer to accounts receivable  | (2,834)         | —                    | (2,388)         | —                    |
| Transfer to revenues             | —               | 12,618               | —               | 14,008               |
| Total                            | (2,597)         | (10,585)             | (2,263)         | (2,821)              |
| <b>Balances as of March 31:</b>  |                 |                      |                 |                      |
| Current portion                  | 701             | (33,603)             | 406             | (21,065)             |
| Noncurrent portion               | 540             | (45,391)             | 247             | (40,808)             |
| Total                            | \$ 1,241        | \$ (78,994)          | \$ 653          | \$ (61,873)          |

Current contract assets are included in “Prepaid and other current assets” and noncurrent contract assets are included in “Other long-term assets, net” on the consolidated balance sheets. The current portion of contract liabilities is included in “Accrued liabilities” and the noncurrent portion of contract liabilities is included in “Other long-term liabilities” on the consolidated balance sheets.

***Remaining Performance Obligations***

The following table presents our estimated revenue from contracts with customers for remaining performance obligations that has not yet been recognized, representing our contractually committed revenue as of March 31, 2024:

|                  | Remaining Performance Obligations |
|------------------|-----------------------------------|
|                  | (Thousands of Dollars)            |
| 2024 (remaining) | \$ 299,163                        |
| 2025             | 274,158                           |
| 2026             | 201,486                           |
| 2027             | 111,266                           |
| 2028             | 74,587                            |
| Thereafter       | 94,828                            |
| Total            | \$ 1,055,488                      |

Our contractually committed revenue, for purposes of the tabular presentation above, is generally limited to customer contracts that have fixed pricing and fixed volume terms and conditions, including contracts with payment obligations for minimum volume commitments.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**Disaggregation of Revenues**

The following table disaggregates our revenues:

|                                                               | Three Months Ended March 31, |            |
|---------------------------------------------------------------|------------------------------|------------|
|                                                               | 2024                         | 2023       |
|                                                               | (Thousands of Dollars)       |            |
| <b>Pipeline segment:</b>                                      |                              |            |
| Crude oil pipelines                                           | \$ 94,992                    | \$ 96,603  |
| Refined products and ammonia pipelines                        | 121,783                      | 116,580    |
| Total pipeline segment revenues from contracts with customers | 216,775                      | 213,183    |
| <b>Storage segment:</b>                                       |                              |            |
| Throughput terminals (a)                                      | 12,587                       | 27,315     |
| Storage terminals (excluding lessor revenues) (a)             | 51,720                       | 42,016     |
| Total storage segment revenues from contracts with customers  | 64,307                       | 69,331     |
| Lessor revenues                                               | 11,571                       | 11,326     |
| Total storage segment revenues                                | 75,878                       | 80,657     |
| <b>Fuels marketing segment:</b>                               |                              |            |
| Revenues from contracts with customers                        | 98,175                       | 100,027    |
| Consolidation and intersegment eliminations                   | (1)                          | —          |
| Total revenues                                                | \$ 390,827                   | \$ 393,867 |

(a) Effective January 1, 2024, revenue for certain terminals changed from throughput-based to storage-based, due to changes in customer contracts.

**4. DEBT**
**Revolving Credit Agreement**

As of March 31, 2024, NuStar Logistics' \$1.0 billion unsecured revolving credit agreement (as amended, the Revolving Credit Agreement), due January 27, 2027, had \$670.4 million available for borrowing and \$325.0 million of borrowings outstanding. Letters of credit issued under the Revolving Credit Agreement totaled \$4.6 million as of March 31, 2024, and limit the amount we can borrow under the Revolving Credit Agreement. Obligations under our Revolving Credit Agreement are guaranteed by NuStar Energy and NuPOP. The Revolving Credit Agreement provides for U.S. dollar borrowings, which bear interest, at our option, based on an alternative base rate or a secured overnight financing rate (SOFR) based rate. As of March 31, 2024, our weighted-average interest rate related to borrowings under the Revolving Credit Agreement was 7.9%.

Our Revolving Credit Agreement is subject to maximum consolidated debt coverage ratio and minimum consolidated interest coverage ratio requirements, which may limit the amount we can borrow to an amount that is less than the total amount available for borrowing. For the rolling period of four quarters ending March 31, 2024, the Consolidated Debt Coverage Ratio (as defined in the Revolving Credit Agreement) may not exceed 5.00-to-1.00, and the Consolidated Interest Coverage Ratio (as defined in the Revolving Credit Agreement) must not be less than 1.75-to-1.00. As of March 31, 2024, we believe that we are in compliance with these financial covenants.

**Fair Value of Long-Term Debt**

The estimated fair values and carrying amounts of long-term debt, excluding finance leases, were as follows:

|                 | March 31, 2024         | December 31, 2023 |
|-----------------|------------------------|-------------------|
|                 | (Thousands of Dollars) |                   |
| Fair value      | \$ 3,396,455           | \$ 3,426,307      |
| Carrying amount | \$ 3,343,976           | \$ 3,359,631      |

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

We have estimated the fair value of our publicly traded notes based upon quoted prices in active markets; therefore, we determined that the fair value of our publicly traded notes falls in Level 1 of the fair value hierarchy. With regard to our other debt, for which a quoted market price is not available, we have estimated the fair value using a discounted cash flow analysis using current incremental borrowing rates for similar types of borrowing arrangements and determined that the fair value falls in Level 2 of the fair value hierarchy. The carrying amount includes unamortized debt issuance costs.

## 5. COMMITMENTS AND CONTINGENCIES

We have contingent liabilities resulting from various litigation, claims and commitments. We record accruals for loss contingencies when losses are considered probable and can be reasonably estimated. Legal fees associated with defending the Partnership in legal matters are expensed as incurred. We accrued \$1.8 million and \$1.3 million for contingent losses as of March 31, 2024 and December 31, 2023, respectively. The amount that will ultimately be paid related to such matters may differ from the recorded accruals, and the timing of such payments is uncertain. We evaluate each contingent loss at least quarterly, and more frequently as each matter progresses and develops over time, and we do not believe that the resolution of any particular claim or proceeding, or all matters in the aggregate, would have a material adverse effect on our results of operations, financial position or liquidity.

## 6. PARTNERS' EQUITY

### *Series A, B and C Preferred Units*

We allocate net income to our 8.50% Series A, 7.625% Series B and 9.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (collectively, the Series A, B and C Preferred Units) equal to the amount of distributions earned during the period. Distributions on our Series A, B and C Preferred Units are payable out of any legally available funds, accrue and are cumulative from the original issuance dates, and are payable on the 15th day (or next business day) of each of March, June, September and December of each year to holders of record on the first business day of each payment month.

Information on our Series A, B and C Preferred Units is shown below:

| Units                    | Units Issued and Outstanding as of<br>March 31, 2024 | Optional Redemption Date/Date When<br>Distribution Rate Became Floating | Floating Annual Rate (as a Percentage of the \$25.00<br>Liquidation Preference per Unit) |
|--------------------------|------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Series A Preferred Units | 9,060,000                                            | December 15, 2021                                                       | Three-month LIBOR <sup>(a)</sup> plus 6.766%                                             |
| Series B Preferred Units | 15,400,000                                           | June 15, 2022                                                           | Three-month LIBOR <sup>(a)</sup> plus 5.643%                                             |
| Series C Preferred Units | 6,900,000                                            | December 15, 2022                                                       | Three-month LIBOR <sup>(a)</sup> plus 6.88%                                              |

(a) Beginning with the distribution period starting on September 15, 2023, LIBOR was replaced with the corresponding CME Term SOFR plus the applicable tenor spread adjustment of 0.26161%.

Distribution information on our Series A, B and C Preferred Units is as follows (thousands of dollars, except per unit data):

| Distribution Period                | Series A Preferred Units      |                       | Series B Preferred Units      |                       | Series C Preferred Units      |                       |
|------------------------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|
|                                    | Distribution Rate<br>per Unit | Total<br>Distribution | Distribution Rate<br>per Unit | Total<br>Distribution | Distribution Rate<br>per Unit | Total<br>Distribution |
| March 15, 2024 - June 14, 2024     | \$ 0.77232                    | \$ 6,997              | \$ 0.70213                    | \$ 10,813             | \$ 0.77945                    | \$ 5,378              |
| December 15, 2023 - March 14, 2024 | \$ 0.77533                    | \$ 7,024              | \$ 0.70515                    | \$ 10,859             | \$ 0.78246                    | \$ 5,399              |
| March 15, 2023 - June 14, 2023     | \$ 0.73169                    | \$ 6,629              | \$ 0.66150                    | \$ 10,187             | \$ 0.73881                    | \$ 5,098              |
| December 15, 2022 - March 14, 2023 | \$ 0.71889                    | \$ 6,513              | \$ 0.64871                    | \$ 9,990              | \$ 0.72602                    | \$ 5,010              |

### *Common Limited Partners*

We are required by our partnership agreement to make quarterly distributions to common limited partners of 100% of our Available Cash (as defined in our partnership agreement), which is generally defined as all cash receipts less cash disbursements, including distributions to our preferred unit holders, and cash reserves established by our general partner, in its sole discretion. We are required under our partnership agreement to declare and pay these quarterly distributions within 45 days subsequent to each quarter-end. Upon closing of the pending Merger, our common units will be converted to Sunoco's common units as described in Note 1, and are expected to receive Sunoco's distributions related to the first quarter of 2024.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

On April 15, 2024, our Board of Directors declared a special distribution with respect to our common units of \$0.212 per common unit, in accordance with the terms of the Merger Agreement. The special distribution totaling \$26.8 million is to be paid on May 2, 2024 to holders of record as of April 26, 2024, subject to and conditioned upon our common unitholders approving the Merger at NuStar’s special meeting on May 1, 2024 and the Merger Agreement with respect to the proposed acquisition not having been terminated. If approval of the pending acquisition is not obtained at the special meeting (including due to the special meeting being postponed, adjourned or canceled) or the Merger Agreement with respect to the acquisition is terminated, the special distribution will not be paid until a date, and to holders of record, later determined by the Board of Directors, or it may not be paid at all.

***Accumulated Other Comprehensive Income (Loss) (AOCI)***

The balance of and changes in the components included in AOCI were as follows:

|                                                     | Three Months Ended March 31, |             |                                     |             |                     |             |                                     |             |
|-----------------------------------------------------|------------------------------|-------------|-------------------------------------|-------------|---------------------|-------------|-------------------------------------|-------------|
|                                                     | 2024                         |             |                                     |             | 2023                |             |                                     |             |
|                                                     | Foreign<br>Currency          | Cash Flow   | Pension and Other<br>Postretirement | Total       | Foreign<br>Currency | Cash Flow   | Pension and Other<br>Postretirement | Total       |
|                                                     | Translation                  | Hedges      | Benefits                            |             | Translation         | Hedges      | Benefits                            |             |
| (Thousands of Dollars)                              |                              |             |                                     |             |                     |             |                                     |             |
| Balance as of January 1                             | \$ 790                       | \$ (31,799) | \$ 8,084                            | \$ (22,925) | \$ 62               | \$ (34,380) | \$ 2,713                            | \$ (31,605) |
| Other comprehensive income before reclassifications | 48                           | —           | —                                   | 48          | 435                 | —           | —                                   | 435         |
| Net gain reclassified into other income, net        | —                            | —           | (729)                               | (729)       | —                   | —           | (737)                               | (737)       |
| Net loss reclassified into interest expense, net    | —                            | 862         | —                                   | 862         | —                   | 515         | —                                   | 515         |
| Other                                               | —                            | —           | 3                                   | 3           | —                   | —           | (9)                                 | (9)         |
| Other comprehensive income (loss)                   | 48                           | 862         | (726)                               | 184         | 435                 | 515         | (746)                               | 204         |
| Balance as of March 31                              | \$ 838                       | \$ (30,937) | \$ 7,358                            | \$ (22,741) | \$ 497              | \$ (33,865) | \$ 1,967                            | \$ (31,401) |

As of March 31, 2024, we expect to reclassify a loss of \$3.7 million to “Interest expense, net” within the next 12 months associated with unwound forward-starting interest rate swaps.



**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**7. NET INCOME PER COMMON UNIT**

Basic and diluted net income per common unit is determined pursuant to the two-class method. Under this method, all earnings are allocated to our limited partners and participating securities based on their respective rights to receive distributions earned during the period. Participating securities include restricted units awarded under our long-term incentive plans. We compute basic net income per common unit by dividing net income attributable to our common limited partners by the weighted-average number of common units outstanding during the period. We compute diluted net income per common unit by dividing net income attributable to our common limited partners by the sum of (i) the weighted average number of common units outstanding during the period and (ii) the effect of dilutive potential common units outstanding during the period.

The Series D Preferred Units contained certain unitholder conversion and redemption features, and we used the if-converted method to calculate the dilutive effect of the conversion or redemption feature that would have been most advantageous to the Series D preferred unitholders. The effect of the assumed conversion or redemption of the Series D Preferred Units outstanding, prior to their redemption, was antidilutive for the three months ended March 31, 2023; therefore, we did not include such conversion in the computation of diluted net income per common unit.

The following table details the calculation of basic and diluted net income per common unit:

|                                                                                        | <b>Three Months Ended March 31,</b>                   |             |
|----------------------------------------------------------------------------------------|-------------------------------------------------------|-------------|
|                                                                                        | <b>2024</b>                                           | <b>2023</b> |
|                                                                                        | (Thousands of Dollars, Except Unit and Per Unit Data) |             |
| Net income                                                                             | \$ 42,742                                             | \$ 105,936  |
| Distributions to preferred limited partners                                            | (23,266)                                              | (32,733)    |
| Distributions to common limited partners (a)                                           | (50,621)                                              | (44,396)    |
| Distribution equivalent rights to restricted units                                     | (684)                                                 | (672)       |
| Distributions (in excess of) less than income                                          | \$ (31,829)                                           | \$ 28,135   |
| Distributions to common limited partners                                               | \$ 50,621                                             | \$ 44,396   |
| Allocation of distributions (in excess of) less than income to common limited partners | (31,829)                                              | 27,396      |
| Series D Preferred Unit accretion                                                      | —                                                     | (3,671)     |
| Net income attributable to common units                                                | \$ 18,792                                             | \$ 68,121   |
| Basic and diluted weighted-average common units outstanding                            | 126,533,909                                           | 110,880,981 |
| Basic and diluted net income per common unit                                           | \$ 0.15                                               | \$ 0.61     |

(a) Distributions to common limited partners were estimated using \$0.40 per common unit for the quarter ended March 31, 2024.

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**8. SUPPLEMENTAL CASH FLOW INFORMATION**

Changes in current assets and current liabilities were as follows:

|                                                   | <b>Three Months Ended March 31,</b> |                  |
|---------------------------------------------------|-------------------------------------|------------------|
|                                                   | <b>2024</b>                         | <b>2023</b>      |
|                                                   | (Thousands of Dollars)              |                  |
| Decrease (increase) in current assets:            |                                     |                  |
| Accounts receivable                               | \$ (4,728)                          | \$ (131)         |
| Inventories                                       | 566                                 | (121)            |
| Prepaid and other current assets                  | 7,868                               | 8,326            |
| Increase (decrease) in current liabilities:       |                                     |                  |
| Accounts payable                                  | (4,961)                             | 7,413            |
| Accrued interest payable                          | 37,928                              | 38,505           |
| Accrued liabilities                               | (13,593)                            | (18,228)         |
| Taxes other than income tax                       | (2,366)                             | (3,150)          |
| Changes in current assets and current liabilities | <u>\$ 20,714</u>                    | <u>\$ 32,614</u> |

The above changes in current assets and current liabilities may differ from changes between amounts reflected in the applicable consolidated balance sheets due to:

- the change in the amount accrued for capital expenditures; and
- the effect of foreign currency translation.

Other supplemental cash flow information is as follows:

|                                                                          | <b>Three Months Ended March 31,</b> |             |
|--------------------------------------------------------------------------|-------------------------------------|-------------|
|                                                                          | <b>2024</b>                         | <b>2023</b> |
|                                                                          | (Thousands of Dollars)              |             |
| Cash paid for interest, net of amount capitalized                        | \$ 21,871                           | \$ 16,600   |
| Refunds received for income taxes, net                                   | \$ (88)                             | \$ (1,126)  |
| Right-of-use assets obtained in exchange for operating lease liabilities | \$ 67                               | \$ 82,364   |
| Right-of-use assets obtained in exchange for finance lease liabilities   | \$ 1,154                            | \$ 844      |

Restricted cash, representing legally restricted funds that are unavailable for general use, is included in “Other long-term assets, net” on the consolidated balance sheets. “Cash, cash equivalents and restricted cash” on the consolidated statements of cash flows was included in the consolidated balance sheets as follows:

|                                            | <b>March 31, 2024</b>  | <b>December 31, 2023</b> |
|--------------------------------------------|------------------------|--------------------------|
|                                            | (Thousands of Dollars) |                          |
| Cash and cash equivalents                  | \$ 5,374               | \$ 2,765                 |
| Other long-term assets, net                | 9,351                  | 9,251                    |
| Cash, cash equivalents and restricted cash | <u>\$ 14,725</u>       | <u>\$ 12,016</u>         |

**NUSTAR ENERGY L.P. AND SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

**9. SEGMENT INFORMATION**

Our reportable business segments consist of the pipeline, storage and fuels marketing segments. Our segments represent strategic business units that offer different services and products. We evaluate the performance of each segment based on its respective operating income, before general and administrative expenses and certain non-segmental depreciation and amortization expense. General and administrative expenses are not allocated to the operating segments since those expenses relate primarily to the overall management at the entity level.

Results of operations for the reportable segments were as follows:

|                                                                                        | Three Months Ended March 31, |                   |
|----------------------------------------------------------------------------------------|------------------------------|-------------------|
|                                                                                        | 2024                         | 2023              |
|                                                                                        | (Thousands of Dollars)       |                   |
| <b>Revenues:</b>                                                                       |                              |                   |
| Pipeline                                                                               | \$ 216,775                   | \$ 213,183        |
| Storage                                                                                | 75,878                       | 80,657            |
| Fuels marketing                                                                        | 98,175                       | 100,027           |
| Consolidation and intersegment eliminations                                            | (1)                          | —                 |
| Total revenues                                                                         | <u>\$ 390,827</u>            | <u>\$ 393,867</u> |
| <b>Depreciation and amortization expense:</b>                                          |                              |                   |
| Pipeline                                                                               | \$ 44,663                    | \$ 43,550         |
| Storage                                                                                | 18,940                       | 18,504            |
| Segment depreciation and amortization expense                                          | <u>\$ 63,603</u>             | <u>\$ 62,054</u>  |
| <b>Reconciliation of segment operating income to income before income tax expense:</b> |                              |                   |
| Pipeline                                                                               | \$ 119,431                   | \$ 119,858        |
| Storage                                                                                | 23,718                       | 22,766            |
| Fuels marketing                                                                        | 4,008                        | 6,566             |
| Segment operating income                                                               | <u>147,157</u>               | <u>149,190</u>    |
| Gain on sale of assets                                                                 | —                            | 41,075            |
| General and administrative expenses                                                    | 42,237                       | 28,725            |
| Other depreciation and amortization expense                                            | 1,053                        | 1,555             |
| Operating income                                                                       | <u>103,867</u>               | <u>159,985</u>    |
| Interest expense, net                                                                  | (62,480)                     | (57,371)          |
| Other income, net                                                                      | 2,599                        | 4,509             |
| Income before income tax expense                                                       | <u>\$ 43,986</u>             | <u>\$ 107,123</u> |

Total assets by reportable segment were as follows:

|                           | March 31, 2024         | December 31, 2023   |
|---------------------------|------------------------|---------------------|
|                           | (Thousands of Dollars) |                     |
| Pipeline                  | \$ 3,274,569           | \$ 3,292,546        |
| Storage                   | 1,387,634              | 1,398,929           |
| Fuels marketing           | 42,576                 | 46,151              |
| Total segment assets      | <u>4,704,779</u>       | <u>4,737,626</u>    |
| Other partnership assets  | 157,346                | 158,766             |
| Total consolidated assets | <u>\$ 4,862,125</u>    | <u>\$ 4,896,392</u> |