

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2022**

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 **001-38142**

DELEK US HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

35-2581557

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



7102 Commerce Way

(Address of principal executive offices)

Brentwood Tennessee

37027

(Zip Code)

(615) 771-6701

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01	DK	New York Stock Exchange

At October 28, 2022, there were 69,692,316 shares of common stock, \$0.01 par value, outstanding (excluding securities held by, or for the account of, the Company or its subsidiaries).

Delek US Holdings, Inc.
Quarterly Report on Form 10-Q
For the Quarterly Period Ended September 30, 2022

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements (unaudited)**

Condensed Consolidated Balance Sheets

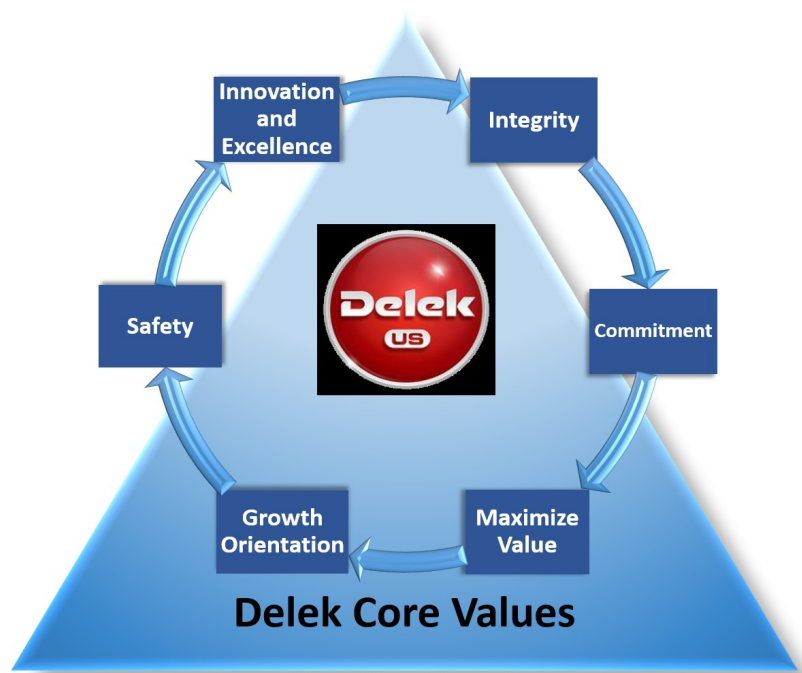
Condensed Consolidated Statements of Income

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Part I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Delek US Holdings, Inc.

Condensed Consolidated Balance Sheets (Unaudited)
(In millions, except share and per share data)

	September 30, 2022	December 31, 2021 As Adjusted ⁽¹⁾
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,153.8	\$ 856.5
Accounts receivable, net	1,035.5	776.6
Inventories, net of inventory valuation reserves	1,634.2	1,260.7
Other current assets	206.0	126.0
Total current assets	4,029.5	3,019.8
Property, plant and equipment:		
Property, plant and equipment	4,192.4	3,645.4
Less: accumulated depreciation	(1,514.3)	(1,338.1)
Property, plant and equipment, net	2,678.1	2,307.3
Operating lease right-of-use assets	183.2	208.5
Goodwill	743.8	729.7
Other intangibles, net	320.6	102.7
Equity method investments	360.6	344.1
Other non-current assets	81.0	100.5
Total assets	\$ 8,396.8	\$ 6,812.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,150.2	\$ 1,695.3
Current portion of long-term debt	63.0	92.2
Obligation under Supply and Offtake Agreements	596.2	487.5
Current portion of operating lease liabilities	50.1	53.9
Accrued expenses and other current liabilities	969.8	797.8
Total current liabilities	3,829.3	3,126.7
Non-current liabilities:		
Long-term debt, net of current portion	2,670.6	2,125.8
Environmental liabilities, net of current portion	112.0	109.5
Asset retirement obligations	41.4	38.3
Deferred tax liabilities	309.6	214.5
Operating lease liabilities, net of current portion	125.9	152.0
Other non-current liabilities	25.0	31.8
Total non-current liabilities	3,284.5	2,671.9
Stockholders' equity:		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.01 par value, 110,000,000 shares authorized, 87,228,503 shares and 91,772,080 shares issued at September 30, 2022 and December 31, 2021, respectively	0.9	0.9
Additional paid-in capital	1,125.7	1,206.5
Accumulated other comprehensive loss	(4.0)	(3.8)
Treasury stock, 17,575,527 shares, at cost, as of September 30, 2022 and December 31, 2021	(694.1)	(694.1)
Retained earnings	731.8	384.7
Non-controlling interests in subsidiaries	122.7	119.8
Total stockholders' equity	1,283.0	1,014.0
Total liabilities and stockholders' equity	\$ 8,396.8	\$ 6,812.6

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

See accompanying notes to condensed consolidated financial statements

Delek US Holdings, Inc.

Condensed Consolidated Statements of Income (Unaudited)
(In millions, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 As Adjusted ⁽¹⁾	2022	2021 As Adjusted ⁽¹⁾
Net revenues	\$ 5,324.9	\$ 2,956.5	\$ 15,766.6	\$ 7,540.2
Cost of sales:				
Cost of materials and other	4,916.0	2,678.0	14,151.1	6,811.4
Operating expenses (excluding depreciation and amortization presented below)	198.2	102.4	526.2	363.1
Depreciation and amortization	66.5	55.6	192.0	178.4
Total cost of sales	5,180.7	2,836.0	14,869.3	7,352.9
Operating expenses related to retail and wholesale business (excluding depreciation and amortization presented below)	28.2	26.1	89.6	86.9
General and administrative expenses	62.4	53.0	242.0	147.6
Depreciation and amortization	6.4	5.2	17.2	17.2
Other operating income, net	(5.8)	(1.7)	(44.5)	(4.7)
Total operating costs and expenses	5,271.9	2,918.6	15,173.6	7,599.9
Operating income (loss)	53.0	37.9	593.0	(59.7)
Interest expense, net	50.7	37.5	132.7	100.0
Income from equity method investments	(17.8)	(2.9)	(44.4)	(14.5)
Other income, net	(0.7)	(21.8)	(3.0)	(16.0)
Total non-operating expense, net	32.2	12.8	85.3	69.5
Income (loss) before income tax expense (benefit)	20.8	25.1	507.7	(129.2)
Income tax expense (benefit)	4.0	4.5	107.5	(39.0)
Net income (loss)	16.8	20.6	400.2	(90.2)
Net income attributed to non-controlling interests	9.4	8.8	24.4	24.7
Net income (loss) attributable to Delek	\$ 7.4	\$ 11.8	\$ 375.8	\$ (114.9)
Basic income (loss) per share	\$ 0.11	\$ 0.16	\$ 5.26	\$ (1.55)
Diluted income (loss) per share	\$ 0.10	\$ 0.16	\$ 5.21	\$ (1.55)

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

See accompanying notes to condensed consolidated financial statements

Delek US Holdings, Inc.

Condensed Consolidated Statements of Comprehensive Income (Unaudited)
(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 As Adjusted ⁽¹⁾	2022	2021 As Adjusted ⁽¹⁾
Net income (loss)	\$ 16.8	\$ 20.6	\$ 400.2	\$ (90.2)
Other comprehensive income (loss):				
Commodity contracts designated as cash flow hedges:				
Comprehensive loss on commodity contracts designated as cash flow hedges, net of taxes	—	—	—	(0.2)
Other loss, net of taxes	(0.1)	—	(0.2)	—
Total other comprehensive loss	(0.1)	—	(0.2)	(0.2)
Comprehensive income (loss)	16.7	20.6	400.0	(90.4)
Comprehensive income attributable to non-controlling interest	9.4	8.8	24.4	24.7
Comprehensive income (loss) attributable to Delek	<u>\$ 7.3</u>	<u>\$ 11.8</u>	<u>\$ 375.6</u>	<u>\$ (115.1)</u>

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

See accompanying notes to condensed consolidated financial statements

Delek US Holdings, Inc.

Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)
(In millions, except share data)

Three Months Ended September 30, 2022									
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Treasury Stock		Non- Controlling Interest in Subsidiaries	Total Stockholders Equity
	Shares	Amount				Shares	Amount		
Balance at June 30, 2022	88,610,583	\$ 0.9	\$ 1,159.1	\$ (3.9)	\$ 753.0	(17,575,527)	\$ (694.1)	\$ 122.4	\$ 1,337.4
Net income	—	—	—	—	7.4	—	—	9.4	16.8
Common stock dividends (\$0.40 per share)	—	—	—	—	(28.3)	—	—	—	(28.3)
Distributions to non- controlling interests	—	—	—	—	—	—	—	(9.2)	(9.2)
Equity-based compensation expense	—	—	7.7	—	—	—	—	0.1	7.8
Repurchase of common stock	(1,435,602)	—	(40.0)	—	—	—	—	—	(40.0)
Taxes paid due to the net settlement of equity-based compensation	—	—	(1.1)	—	—	—	—	—	(1.1)
Exercise of equity-based awards	53,522	—	—	—	—	—	—	—	—
Other	—	—	—	(0.1)	(0.3)	—	—	—	(0.4)
Balance at September 30, 2022	87,228,503	\$ 0.9	\$ 1,125.7	\$ (4.0)	\$ 731.8	(17,575,527)	\$ (694.1)	\$ 122.7	\$ 1,283.0

Three Months Ended September 30, 2021									
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings As Adjusted (1)	Treasury Stock		Non- Controlling Interest in Subsidiaries	Total Stockholders' Equity As Adjusted (1)
	Shares	Amount				Shares	Amount		
Balance at June 30, 2021	91,637,661	\$ 0.9	\$ 1,192.6	\$ (7.4)	\$ 386.3	(17,575,527)	\$ (694.1)	\$ 118.4	\$ 996.7
Net income	—	—	—	—	11.8	—	—	8.8	20.6
Distribution to non-controlling interest	—	—	—	—	—	—	—	(8.2)	(8.2)
Equity-based compensation expense	—	—	6.8	—	—	—	—	0.1	6.9
Taxes paid due to the net settlement of equity-based compensation	—	—	(0.4)	—	—	—	—	—	(0.4)
Exercise of equity-based awards	62,803	—	—	—	—	—	—	—	—
Other	—	—	0.2	—	—	—	—	(0.2)	—
Balance at September 30, 2021	91,700,464	\$ 0.9	\$ 1,199.2	\$ (7.4)	\$ 398.1	(17,575,527)	\$ (694.1)	\$ 118.9	\$ 1,015.6

Delek US Holdings, Inc.

Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)
(In millions, except share data)

	Nine Months Ended September 30, 2022								
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Treasury Stock		Non- Controlling Interest in Subsidiaries	Total Stockholders' Equity
	Shares	Amount				Shares	Amount		
Balance at December 31, 2021, As Adjusted ⁽¹⁾	91,772,080	\$ 0.9	\$ 1,206.5	\$ (3.8)	\$ 384.7	(17,575,527)	\$ (694.1)	\$ 119.8	\$ 1,014.0
Net income	—	—	—	—	375.8	—	—	24.4	400.2
Common stock dividends (\$0.40 per share)	—	—	—	—	(28.3)	—	—	—	(28.3)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(26.9)	(26.9)
Equity-based compensation expense	—	—	20.1	—	—	—	—	0.3	20.4
Repurchase of common stock	(1,435,602)	—	(40.0)	—	—	—	—	—	(40.0)
Sale of Delek Logistics common limited partner units, net	—	—	8.5	—	—	—	—	5.1	13.6
Purchase of Delek common stock from IEP Energy Holding LLC	(3,497,268)	—	(64.0)	—	—	—	—	—	(64.0)
Taxes paid due to the net settlement of equity-based compensation	—	—	(5.4)	—	—	—	—	—	(5.4)
Exercise of equity-based awards	389,293	—	—	—	—	—	—	—	—
Other	—	—	—	(0.2)	(0.4)	—	—	—	(0.6)
Balance at September 30, 2022	87,228,503	\$ 0.9	\$ 1,125.7	\$ (4.0)	\$ 731.8	(17,575,527)	\$ (694.1)	\$ 122.7	\$ 1,283.0

	Nine Months Ended September 30, 2021								
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings As Adjusted (1)	Treasury Stock		Non- Controlling Interest in Subsidiaries	Total Stockholders' Equity As Adjusted (1)
	Shares	Amount				Shares	Amount		
Balance at December 31, 2020	91,356,868	\$ 0.9	\$ 1,185.1	\$ (7.2)	\$ 522.0	(17,575,527)	\$ (694.1)	\$ 118.4	\$ 1,125.1
Cumulative effect of change in accounting method for certain inventory from LIFO to FIFO, net	—	—	—	—	(8.7)	—	—	—	(8.7)
Net (loss) income	—	—	—	—	(114.9)	—	—	24.7	(90.2)
Other comprehensive loss related to commodity contracts, net	—	—	—	(0.2)	—	—	—	—	(0.2)
Distribution to non-controlling interest	—	—	—	—	—	—	—	(24.1)	(24.1)
Equity-based compensation expense	—	—	17.3	—	—	—	—	0.1	17.4
Taxes paid due to the net settlement of equity-based compensation	—	—	(3.4)	—	—	—	—	—	(3.4)
Exercise of equity-based awards	343,596	—	—	—	—	—	—	—	—
Other	—	—	0.2	—	(0.3)	—	—	(0.2)	(0.3)
Balance at September 30, 2021	91,700,464	\$ 0.9	\$ 1,199.2	\$ (7.4)	\$ 398.1	(17,575,527)	\$ (694.1)	\$ 118.9	\$ 1,015.6

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

See accompanying notes to condensed consolidated financial statements

Delek US Holdings, Inc.**Condensed Consolidated Statements of Cash Flows (Unaudited)**
(In millions)

	Nine Months Ended September 30,	
	2022	2021
		As Adjusted ⁽¹⁾
Cash flows from operating activities:		
Net income (loss)	\$ 400.2	\$ (90.2)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	209.2	195.6
Non-cash lease expense	48.5	40.8
Deferred income taxes	95.6	(44.6)
Income from equity method investments	(44.4)	(14.5)
Dividends from equity method investments	26.3	19.0
Non-cash lower of cost or market/net realizable value adjustment	19.1	0.3
Equity-based compensation expense	20.4	17.4
Other	10.4	4.8
Changes in assets and liabilities:		
Accounts receivable	(230.0)	(473.6)
Inventories and other current assets	(419.8)	(239.1)
Fair value of derivatives	(56.2)	22.4
Accounts payable and other current liabilities	524.8	632.7
Obligation under Supply and Offtake Agreements	108.7	130.8
Non-current assets and liabilities, net	3.3	8.4
Net cash provided by operating activities	716.1	210.2
Cash flows from investing activities:		
Acquisition of 3 Bear	(625.4)	—
Equity method investment contributions	(0.1)	(1.6)
Distributions from equity method investments	1.7	6.3
Purchases of property, plant and equipment	(192.8)	(163.1)
Purchase of intangible assets	(4.5)	(0.8)
Proceeds from sale of property, plant and equipment	1.2	11.6
Insurance proceeds	—	4.4
Net cash used in investing activities	(819.9)	(143.2)
Cash flows from financing activities:		
Proceeds from long-term revolvers	1,571.4	1,232.8
Payments on long-term revolvers	(1,022.5)	(1,718.5)
Proceeds from term debt	—	400.0
Payments on term debt	(38.9)	(40.1)
Proceeds from product financing agreements	744.6	667.8
Repayments of product financing agreements	(704.6)	(532.2)
Taxes paid due to the net settlement of equity-based compensation	(5.4)	(3.4)
Repurchase of common stock	(40.0)	—
Distribution to non-controlling interest	(26.9)	(24.1)
Proceeds from sale of Delek Logistics LP common limited partner units	16.4	—
Dividends paid	(28.3)	—
Purchase of Delek common stock from IEP Energy Holding LLC	(64.0)	—
Deferred financing costs paid	(0.7)	(6.2)
Net cash provided by financing activities	401.1	(23.9)
Net increase in cash and cash equivalents	297.3	43.1
Cash and cash equivalents at the beginning of the period	856.5	787.5
Cash and cash equivalents at the end of the period	\$ 1,153.8	\$ 830.6

Delek US Holdings, Inc.**Condensed Consolidated Statements of Cash Flows (Unaudited) (continued)**
(In millions)

	Nine Months Ended September 30,	
	2022	2021
		As Adjusted ⁽¹⁾
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of capitalized interest of \$1.5 million and \$0.4 million in the 2022 and 2021 periods, respectively	\$ 113.5	\$ 79.1
Income taxes	\$ 26.5	\$ 4.1
Non-cash investing activities:		
Decrease in accrued capital expenditures	\$ (10.5)	\$ (1.5)
Non-cash financing activities:		
Non-cash lease liability arising from obtaining right-of-use assets during the period	\$ 17.5	\$ 44.0

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

See accompanying notes to condensed consolidated financial statements

Note 1 - Organization and Basis of Presentation

Delek US Holdings, Inc. operates through its consolidated subsidiaries, which include Delek US Energy, Inc. ("Delek Energy") (and its subsidiaries) and Alon USA Energy, Inc. ("Alon") (and its subsidiaries). The terms "we," "our," "us," "Delek" and the "Company" are used in this report to refer to Delek and its consolidated subsidiaries. Delek's common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "DK."

Our condensed consolidated financial statements include the accounts of Delek and its subsidiaries. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with United States ("U.S.") Generally Accepted Accounting Principles ("GAAP") have been condensed or omitted, although management believes that the disclosures herein are adequate to make the financial information presented not misleading. Our unaudited condensed consolidated financial statements have been prepared in conformity with GAAP applied on a consistent basis with those of the annual audited consolidated financial statements included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 25, 2022 (the "Annual Report on Form 10-K") and in accordance with the rules and regulations of the SEC. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto for the year ended December 31, 2021 included in our Annual Report on Form 10-K.

Our condensed consolidated financial statements include Delek Logistics Partners, LP ("Delek Logistics", NYSE:DKL), which is a variable interest entity ("VIE"). On June 1, 2022, DKL Delaware Gathering, LLC, a subsidiary of the Delek Logistics, acquired 100% of the limited liability company interests in 3 Bear Delaware Holding – NM, LLC ("3 Bear") from 3 Bear Energy – New Mexico LLC, related to their crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, located in the Delaware Basin of New Mexico (the "3 Bear Acquisition"). See Note 2 - Acquisitions for additional information. As the indirect owner of the general partner of Delek Logistics, we have the ability to direct the activities of this entity that most significantly impact its economic performance. We are also considered to be the primary beneficiary for accounting purposes for this entity and are Delek Logistics' primary customer. In the event that Delek Logistics incurs a loss, our operating results will reflect such loss, net of intercompany eliminations, to the extent of our ownership interest in this entity.

In the opinion of management, all adjustments necessary for a fair presentation of the financial condition and the results of operations for the interim periods have been included. All significant intercompany transactions and account balances have been eliminated in consolidation. All adjustments are of a normal, recurring nature. Operating results for the interim period should not be viewed as representative of results that may be expected for any future interim period or for the full year.

Accounting Policies

With the exception of the policy updates below, there have been no new or material changes to the significant accounting policies discussed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Change in Accounting Principle

As of January 1, 2022, we changed our method for accounting for inventory held at the Tyler Refinery to the first-in, first-out ("FIFO") costing method from the last-in, first-out ("LIFO") costing method, which will conform the Company's refining inventory to a single method of accounting. Total inventories accounted for using LIFO, prior to the accounting method change, comprised 28.0% of the Company's total inventories as of December 31, 2021. This change in accounting method is preferable because it provides better consistency across our refineries and improves transparency, and results in recognition that better reflects the physical flow of inventory and more accurately reflects the current value of inventory. The effects of this change have been retrospectively applied to all periods presented with a cumulative effect adjustment reflected in the January 1, 2021 beginning retained earnings. See Note 7 - Inventory for additional information.

Reclassifications

Certain prior period amounts have been reclassified in order to conform to the current period presentation.

New Accounting Pronouncements Adopted During 2022

ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, which is intended to simplify the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. The pronouncement is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2021. We adopted this guidance on January 1, 2022 and the adoption did not have a material impact on our business, financial condition or results of operations.

Accounting Pronouncements Not Yet Adopted

ASU 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848)

In March 2020, the FASB issued an amendment which is intended to provide temporary optional expedients and exceptions to GAAP guidance on contracts, hedge accounting and other transactions affected by the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank rates. This guidance is effective for all entities at any time beginning on March 12, 2020 through December 31, 2022 and may be applied from the beginning of an interim period that includes the issuance date of the ASU. We expect to adopt this guidance on or before the effective date and do not expect the adoption to have a material impact on our condensed consolidated financial statements and related disclosures.

Note 2 - Acquisitions

3 Bear Delaware Holding - NM, LLC Acquisition

Delek Logistics completed the 3 Bear Acquisition on June 1, 2022 (the "Acquisition Date"), in which it acquired crude oil and natural gas gathering, processing and transportation and storage operations, as well as water disposal and recycling operations, located in the Delaware Basin of New Mexico.

The purchase price for 3 Bear was \$628.1 million. The 3 Bear Acquisition was financed through a combination of cash on hand and borrowings under the Delek Logistics' Credit Facility (as defined in Note 9 of these condensed consolidated financial statements).

For the three and nine months ended September 30, 2022, we incurred \$4.2 million and \$10.6 million, respectively, in incremental direct acquisition and integration costs that principally consist of legal, advisory and other professional fees. Such costs are included in general and administrative expenses in the accompanying condensed consolidated statements of income for these periods.

Our consolidated financial and operating results reflect the 3 Bear Acquisition operations beginning June 1, 2022. Our results of operations included revenue and net income of \$60.9 million and \$8.3 million, respectively, for the three months ended September 30, 2022 and \$81.5 million and \$9.8 million, respectively, for the nine months ended September 30, 2022.

The 3 Bear Acquisition was accounted for using the acquisition method of accounting, whereby the purchase price was allocated to the tangible and intangible assets acquired and the liabilities assumed based on their fair values. The excess of the consideration paid over the fair value of the net assets acquired was recorded as goodwill.

Determination of Purchase Price

The table below represents the purchase price (in millions):

Base purchase price:	\$	624.7
Add: closing net working capital (as defined in the 3 Bear Purchase Agreement)		3.4
Less: closing indebtedness (as defined in the 3 Bear Purchase Agreement)		(80.6)
Cash paid for the adjusted purchase price		547.5
Cash paid to payoff 3 Bear credit agreement (as defined in the 3 Bear Purchase Agreement)		80.6
Purchase price	\$	628.1

Purchase Price Allocation

The following table summarizes the preliminary fair values of assets acquired and liabilities assumed in the 3 Bear Acquisition as of June 1, 2022 (in millions):

Assets acquired:		
Cash and cash equivalents	\$	2.7
Accounts receivables, net		28.9
Inventories		1.8
Other current assets		1.0
Property, plant and equipment		382.8
Operating lease right-of-use assets		7.4
Goodwill		14.4
Other intangibles, net ⁽¹⁾		223.5
Other non-current assets		0.5
Total assets acquired		663.0
Liabilities assumed:		
Accounts payable		8.0
Accrued expenses and other current liabilities		22.1
Current portion of operating lease liabilities		1.1
Asset retirement obligations		2.3
Operating lease liabilities, net of current portion		1.4
Total liabilities assumed		34.9
Fair value of net assets acquired	\$	628.1

⁽¹⁾ The acquired intangible assets amount includes the following identified intangibles:

- Customer relationship intangible that is subject to amortization with a preliminary fair value of \$210.0 million, which will be amortized over an 11.6-year useful life. We recognized amortization expense for the three and nine months ended September 30, 2022 of \$4.5 million and \$6.0 million, respectively. The estimated amortization is \$18.0 million for each of the five succeeding fiscal years.
- Rights-of-way intangible that is subject to amortization with a preliminary fair value of \$13.5 million, which will be amortized over the weighted-average useful life of 25.4 years. We recognized amortization expense for the three and nine months ended September 30, 2022 of \$0.2 million and \$0.2 million, respectively. The estimated amortization is \$0.6 million for each of the five succeeding fiscal years.

These fair value estimates are preliminary and therefore, the final fair value of assets acquired and liabilities assumed and the resulting effect on our financial position may change once all necessary information has become available, the final working capital adjustment is complete, and we finalize our valuations. To the extent possible, estimates have been considered and recorded, as appropriate, for the items above based on the information available as of September 30, 2022. We will continue to evaluate these items until they are satisfactorily resolved and adjust our purchase price allocation accordingly, within the allowable measurement period (not to exceed one year from the date of acquisition), as defined by Accounting Standards Codification ("ASC") 805, *Business Combinations* ("ASC 805").

The fair value of property, plant and equipment was based on the combination of the cost and market approaches. Key assumptions in the cost approach include determining the replacement cost by evaluating recently published data and adjusting replacement cost for physical deterioration, functional and economic obsolescence. We used the market approach to measure the value of certain assets through an analysis of recent sales or offerings of comparable properties.

The fair value of customer relationships was based on the income approach. Key assumptions in the income approach include projected revenue attributable to customer relationships, attrition rate, operating margins and discount rates.

The fair values discussed above were based on significant inputs that are not observable in the market and, therefore, represent Level 3 measurements.

The fair values of all other current assets and payables were equivalent to their carrying values due to their short-term nature.

The goodwill recognized in the 3 Bear Acquisition is primarily attributable to enhancing our third party revenues, further diversification of our customer and product mix, expanding our footprint into the Delaware basin and bolstering our Environmental, Social and Governance ("ESG") optionality through furthering carbon capture opportunities and greenhouse gas reduction projects currently underway. This goodwill is deductible for income tax purposes. Goodwill related to the 3 Bear Acquisition is included in the logistics segment.

Unaudited Pro Forma Financial Information

The following table summarizes the unaudited pro forma financial information of the Company assuming the 3 Bear Acquisition had occurred on January 1, 2021. The unaudited pro forma financial information has been adjusted to give effect to certain pro forma adjustments that are directly related to the 3 Bear Acquisition based on available information and certain assumptions that management believes are factually supportable. The most significant pro forma adjustments relate to (i) incremental interest expense and amortization of deferred financing costs associated with revolving credit facility borrowings incurred in connection with the 3 Bear Acquisition, (ii) incremental depreciation resulting from the estimated fair values of acquired property, plant and equipment, (iii) incremental amortization resulting from the estimated fair values of acquired customer relationship intangibles (iv) accounting policy alignment, and (v) transaction costs. The unaudited pro forma financial information excludes any expected cost savings or other synergies as a result of the 3 Bear Acquisition. The unaudited pro forma financial information is not necessarily indicative of the results of operations that would have been achieved had the 3 Bear Acquisition been effective as of the dates presented, nor is it indicative of future operating results of the combined company. Actual results may differ significantly from the unaudited pro forma financial information.

(in millions, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net sales	\$ 5,324.9	\$ 3,002.4	\$ 15,865.2	\$ 7,647.7
Net income (loss) attributable to Delek	\$ 10.1	\$ 15.7	\$ 376.3	\$ (184.2)
Net income (loss) per share:				
Basic income (loss) per share	\$ 0.14	\$ 0.21	\$ 5.26	\$ (2.49)
Diluted income (loss) per share	\$ 0.14	\$ 0.21	\$ 5.22	\$ (2.49)

Note 3 - Segment Data

We aggregate our operating units into three reportable segments: Refining, Logistics, and Retail. Operations that are not specifically included in the reportable segments are included in Corporate, Other and Eliminations, which consist of the following:

- our corporate activities;
- results of certain immaterial operating segments, including our Canadian crude trading operations (as discussed in Note 10);
- wholesale crude operations;
- Alon's asphalt terminal operations; and
- intercompany eliminations.

Decisions concerning the allocation of resources and assessment of operating performance are made based on this segmentation. Management measures the operating performance of each of the reportable segments based on the segment contribution margin. Segment contribution margin is defined as net revenues less cost of materials and other and operating expenses, excluding depreciation and amortization.

Refining Segment

The refining segment processes crude oil and other feedstocks for the manufacture of transportation motor fuels, including various grades of gasoline, diesel fuel and aviation fuel, asphalt and other petroleum-based products that are distributed through owned and third-party product terminals. The refining segment has a combined nameplate capacity of 302,000 barrels per day ("bpd") as of September 30, 2022, including the following:

- 75,000 bpd Tyler, Texas refinery (the "Tyler refinery");
- 80,000 bpd El Dorado, Arkansas refinery (the "El Dorado refinery");
- 73,000 bpd Big Spring, Texas refinery (the "Big Spring refinery"); and
- 74,000 bpd Krotz Springs, Louisiana refinery (the "Krotz Springs refinery").

The refining segment also owns and operates three biodiesel facilities involved in the production of biodiesel fuels and related activities, located in Crossett, Arkansas, Cleburne, Texas and New Albany, Mississippi. The biodiesel industry has historically been substantially aided by federal and state tax incentives. One tax incentive program that has been significant to our renewable fuels facilities is the federal blender's tax credit (also known as the biodiesel tax credit or "BTC"). The BTC provides a \$1.00 refundable tax credit per gallon of pure biodiesel to the first blender of biodiesel with petroleum-based diesel fuel. The blender's tax credit was re-enacted in December 2019 for the years 2020 through 2022.

The refining segment's petroleum-based products are marketed primarily in the south central, southwestern and western regions of the United States. This segment also ships and sells gasoline into wholesale markets in the southern and eastern United States. Motor fuels are sold under the Alon or Delek brand through various terminals to supply Alon or Delek branded retail sites. In addition, Alon sells motor fuels through its wholesale distribution network on an unbranded basis.

Logistics Segment

Our logistics segment owns and operates crude oil, refined products and natural gas logistics and marketing assets as well as water disposal and recycling assets. The logistics segment generates revenue by charging fees for gathering, transporting and storing crude oil and natural gas, marketing, distributing, transporting and storing intermediate and refined products and disposing and recycling water in select regions of the southeastern United States, the Delaware Basin in New Mexico and West Texas for our refining segment and third parties, and sales of wholesale products in the West Texas market. The operating results and assets acquired in the 3 Bear Acquisition have been included in the logistics segment beginning on June 1, 2022.

Retail Segment

Our retail segment consists of 248 owned and leased convenience store sites as of September 30, 2022, located primarily in West Texas and New Mexico. These convenience stores typically offer various grades of gasoline and diesel primarily under the Alon or Delek brand name and food products, food service, tobacco products, non-alcoholic and alcoholic beverages, general merchandise as well as money grams to the public, primarily under the 7-Eleven and DK or Alon brand names. Substantially all of the motor fuel sold through our retail segment is supplied by our Big Spring refinery, which is transferred to the retail segment at prices substantially determined by reference to published commodity pricing information. In November 2018, we terminated the license agreement with 7-Eleven, Inc. The terms of such agreement and subsequent amendments require the removal of all 7-Eleven branding on a store-by-store basis by December 31, 2023.

Significant Inter-segment Transactions

All inter-segment transactions have been eliminated in consolidation and consist primarily of the following:

- refining segment refined product sales to the retail segment to be sold through the store locations;
- refining segment sales of asphalt and refined product to entities included in corporate, other and eliminations;
- logistics segment service fee revenue under service agreements with the refining segment based on the number of gallons sold and to share a portion of the margin achieved in return for providing marketing, sales and customer services;
- logistics segment sales of wholesale finished product to our refining segment; and
- logistics segment crude transportation, terminalling and storage fee revenue from our refining segment for the utilization of pipeline, terminal and storage assets.

Business Segment Operating Performance

The following is a summary of business segment operating performance as measured by contribution margin for the period indicated (in millions):

Three Months Ended September 30, 2022					
	Refining	Logistics	Retail	Corporate, Other and Eliminations	Consolidated
Net revenues (excluding inter-segment fees and revenues)	\$ 3,989.3	\$ 166.9	\$ 253.1	\$ 915.6	\$ 5,324.9
Inter-segment fees and revenues	256.8	127.2	—	(384.0)	—
Operating costs and expenses:					
Cost of materials and other	3,968.1	177.7	210.3	559.9	4,916.0
Operating expenses (excluding depreciation and amortization presented below)	172.0	25.9	25.4	3.1	226.4
Segment contribution margin	\$ 106.0	\$ 90.5	\$ 17.4	\$ (31.4)	182.5
Income from equity method investments	0.1	8.6	—	9.1	
Segment contribution margin and income (loss) from equity method investments	\$ 106.1	\$ 99.1	\$ 17.4	\$ (22.3)	
Depreciation and amortization	\$ 48.9	\$ 19.6	\$ 2.6	\$ 1.8	72.9
General and administrative expenses					62.4
Other operating income, net					(5.8)
Operating income					\$ 53.0
Capital spending (excluding business combinations)	\$ 22.7	\$ 32.2	\$ 13.6	\$ 12.3	\$ 80.8

Three Months Ended September 30, 2021					
	Refining ⁽¹⁾	Logistics	Retail	Corporate, Other and Eliminations ⁽¹⁾	Consolidated ⁽¹⁾
Net revenues (excluding inter-segment fees and revenues)	\$ 2,603.8	\$ 79.8	\$ 206.5	\$ 66.4	\$ 2,956.5
Inter-segment fees and revenues	210.8	109.8	—	(320.6)	—
Operating costs and expenses:					
Cost of materials and other	2,648.3	105.1	165.2	(240.6)	2,678.0
Operating expenses (excluding depreciation and amortization presented below)	84.2	17.6	23.4	3.3	128.5
Segment contribution margin	\$ 82.1	\$ 66.9	\$ 17.9	\$ (16.9)	150.0
Income (loss) from equity method investments	0.2	7.3	—	(4.6)	
Segment contribution margin and income (loss) from equity method investments	\$ 82.3	\$ 74.2	\$ 17.9	\$ (21.5)	
Depreciation and amortization	\$ 45.9	\$ 10.2	\$ 3.0	\$ 1.7	60.8
General and administrative expenses					53.0
Other operating income, net					(1.7)
Operating income					\$ 37.9
Capital spending (excluding business combinations)	\$ 14.5	\$ 4.2	\$ 1.9	\$ 8.3	\$ 28.9

Nine Months Ended September 30, 2022					
	Refining	Logistics	Retail	Corporate, Other and Eliminations	Consolidated
Net revenues (excluding inter-segment fees and revenues)	\$ 11,755.3	\$ 390.3	\$ 739.7	\$ 2,881.3	\$ 15,766.6
Inter-segment fees and revenues	795.0	377.1	—	(1,172.1)	—
Operating costs and expenses:					
Cost of materials and other	11,272.2	480.3	617.1	1,781.5	14,151.1
Operating expenses (excluding depreciation and amortization presented below)	456.9	65.0	73.2	20.7	615.8
Segment contribution margin	\$ 821.2	\$ 222.1	\$ 49.4	\$ (93.0)	999.7
Income from equity method investments	0.5	22.7	—	21.2	
Segment contribution margin and income (loss) from equity method investments	\$ 821.7	\$ 244.8	\$ 49.4	\$ (71.8)	
Depreciation and amortization	\$ 151.6	\$ 43.3	\$ 9.3	\$ 5.0	209.2
General and administrative expenses					242.0
Other operating income, net					(44.5)
Operating income					\$ 593.0
Capital spending (excluding business combinations)	\$ 56.0	\$ 68.0	\$ 22.6	\$ 27.5	\$ 174.1
Nine Months Ended September 30, 2021					
	Refining ⁽¹⁾	Logistics	Retail	Corporate, Other and Eliminations	Consolidated ⁽¹⁾
Net revenues (excluding inter-segment fees and revenues)	\$ 6,415.1	\$ 202.6	\$ 590.3	\$ 332.2	\$ 7,540.2
Inter-segment fees and revenues	555.3	308.4	—	(863.7)	—
Operating costs and expenses:					
Cost of materials and other	6,549.9	275.0	466.4	(479.9)	6,811.4
Operating expenses (excluding depreciation and amortization presented below)	313.9	48.0	67.4	20.7	450.0
Segment contribution margin	\$ 106.6	\$ 188.0	\$ 56.5	\$ (72.3)	278.8
Income (loss) from equity method investments	0.5	18.0	—	(4.0)	
Segment contribution margin and income (loss) from equity method investments	\$ 107.1	\$ 206.0	\$ 56.5	\$ (76.3)	
Depreciation and amortization	\$ 149.0	\$ 30.9	\$ 9.6	\$ 6.1	195.6
General and administrative expenses					147.6
Other operating income, net					(4.7)
Operating loss					\$ (59.7)
Capital spending (excluding business combinations)	\$ 133.0	\$ 14.6	\$ 3.2	\$ 10.8	\$ 161.6

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

Other Segment Information

Assets by segment are not a measure used to assess the performance of the company by the chief operating decision maker and thus are not disclosed.

Note 4 - Earnings (Loss) Per Share

Basic earnings per share (or "EPS") is computed by dividing net income (loss) by the weighted average common shares outstanding. Diluted earnings per share is computed by dividing net income (loss) attributable to Delek, as adjusted for changes to income that would result from the assumed settlement of the dilutive equity instruments included in diluted weighted average common shares outstanding, by the diluted weighted average common shares outstanding. For all periods presented, we have outstanding various equity-based compensation awards that are considered in our diluted EPS calculation (when to do so would be dilutive), and is inclusive of awards disclosed in Note 16 to these condensed consolidated financial statements. For those instruments that are indexed to our common stock, they are generally dilutive when the market price of the underlying indexed share of common stock is in excess of the exercise price.

The following table sets forth the computation of basic and diluted earnings per share.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 ⁽¹⁾	2022	2021 ⁽¹⁾
Numerator:				
Numerator for EPS				
Net income (loss)	\$ 16.8	\$ 20.6	\$ 400.2	\$ (90.2)
Less: Income attributed to non-controlling interest	9.4	8.8	24.4	24.7
Numerator for basic and diluted EPS attributable to Delek	<u>\$ 7.4</u>	<u>\$ 11.8</u>	<u>\$ 375.8</u>	<u>\$ (114.9)</u>
Denominator:				
Weighted average common shares outstanding (denominator for basic EPS)	70,471,645	74,074,446	71,494,332	73,930,925
Dilutive effect of stock-based awards	637,719	417,730	654,306	—
Weighted average common shares outstanding, assuming dilution (denominator for diluted EPS)	<u>71,109,364</u>	<u>74,492,176</u>	<u>72,148,638</u>	<u>73,930,925</u>
EPS:				
Basic income (loss) per share	\$ 0.11	\$ 0.16	\$ 5.26	\$ (1.55)
Diluted income (loss) per share	<u>\$ 0.10</u>	<u>\$ 0.16</u>	<u>\$ 5.21</u>	<u>\$ (1.55)</u>
The following equity instruments were excluded from the diluted weighted average common shares outstanding because their effect would be antidilutive:				
Antidilutive stock-based compensation (because average share price is less than exercise price)	2,138,130	3,711,184	2,380,376	2,967,725
Antidilutive due to loss	—	—	—	605,270
Total antidilutive stock-based compensation	<u>2,138,130</u>	<u>3,711,184</u>	<u>2,380,376</u>	<u>3,572,995</u>

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. See Note 7 for further discussion.

Note 5 - Delek Logistics

Delek Logistics is a publicly traded limited partnership formed by Delek in 2012 that owns and operates crude oil, refined products, and natural gas logistics and marketing assets as well as water disposal and recycling assets. A substantial majority of Delek Logistics' assets are integral to Delek's refining and marketing operations. As of September 30, 2022, we owned a 78.9% interest in Delek Logistics, consisting of 34,311,278 common limited partner units and the non-economic general partner interest. The limited partner interests in Delek Logistics not owned by us are reflected in net income attributable to non-controlling interest in the accompanying condensed consolidated statements of income and in non-controlling interest in subsidiaries in the accompanying condensed consolidated balance sheets.

On June 1, 2022, DKL Delaware Gathering, LLC, a subsidiary of Delek Logistics, completed the 3 Bear Acquisition related to crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, in the Delaware Basin in New Mexico. The purchase price was \$628.1 million. See Note 2 - Acquisitions for additional information.

On April 14, 2022, Delek Logistics filed a shelf registration statement with the SEC registering, which was declared effective on April 29th, for the potential sale, from time to time by Delek Logistics, of up to \$200.0 million of common limited partner units of Delek Logistics.

On December 20, 2021, Delek commenced a program to sell up to 434,590 common limited partner units representing limited partner interests in Delek Logistics over the next three months in open market transactions conducted pursuant to Rule 144 under the Securities Act of 1933, as amended, and a Rule 10b5-1 trading plan. For the nine months ended September 30, 2022, we sold 385,522 units for gross proceeds of \$16.4 million or \$13.6 million net of taxes, all of which was completed in the first quarter.

In August 2020, Delek Logistics filed a shelf registration statement, which subsequently became effective, with the SEC for the proposed re-sale or other disposition from time to time by Delek of up to 14.0 million common limited partner units representing our limited partner interests in Delek Logistics. No units were sold under this registration in 2022..

We have agreements with Delek Logistics that, among other things, establish fees for certain administrative and operational services provided by us and our subsidiaries to Delek Logistics, provide certain indemnification obligations and establish terms for fee-based commercial logistics and marketing services provided by Delek Logistics and its subsidiaries to us. The revenues and expenses associated with these agreements are eliminated in consolidation.

Delek Logistics is a VIE, as defined under GAAP, and is consolidated into our condensed consolidated financial statements, representing our logistics segment. The assets of Delek Logistics can only be used to settle its own obligations and its creditors have no recourse to our assets. Exclusive of intercompany balances and the marketing agreement intangible asset between Delek Logistics and Delek which are eliminated in consolidation, the Delek Logistics condensed consolidated balance sheets as presented below are included in the condensed consolidated balance sheets of Delek (unaudited, in millions).

	September 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	\$ 14.9	\$ 4.3
Accounts receivable	53.4	15.4
Inventory	2.5	2.4
Other current assets	2.4	1.0
Property, plant and equipment, net	875.6	449.4
Equity method investments	248.0	250.0
Operating lease right-of-use assets	24.3	20.9
Goodwill	26.6	12.2
Intangible assets, net	370.4	153.9
Other non-current assets	20.1	25.6
Total assets	\$ 1,638.2	\$ 935.1
LIABILITIES AND DEFICIT		
Accounts payable	\$ 53.0	\$ 8.2
Accounts payable to related parties	173.2	64.4
Current portion of operating lease liabilities	7.8	6.8
Accrued expenses and other current liabilities	31.9	17.4
Long-term debt	1,448.8	899.0
Asset retirement obligations	9.2	6.5
Operating lease liabilities, net of current portion	11.8	14.1
Other non-current liabilities	16.8	22.7
Deficit	(114.3)	(104.0)
Total liabilities and deficit	\$ 1,638.2	\$ 935.1

Note 6 - Equity Method Investments

Wink to Webster Pipeline

On February 21, 2020, we, through our wholly-owned direct subsidiary Delek Energy, entered into the W2W Holdings LLC Agreement with MPLX Operations LLC ("MPLX") (collectively, with its wholly-owned subsidiaries, the "WWP Project Financing Joint Venture" or the "WWP Project Financing JV"). The WWP Project Financing JV was created for the specific purpose of obtaining financing to fund our combined capital calls resulting from and occurring during the construction period of the pipeline system under the Wink to Webster Pipeline LLC ("WWP") Joint Venture, and to service that debt. In connection with the arrangement, both Delek Energy and MPLX contributed their respective 15% ownership interests in WWP to the WWP Project Financing JV as collateral for and in service of the related project financing. On June 2, 2022, the WWP Project Financing JV refinanced its project finance debt using the proceeds from a \$535.0 million senior secured notes issuance due January 31, 2032. In connection with this notes issuance, on June 2, 2022 the WWP Project Financing JV also entered into a senior secured credit agreement that provides for revolving loan commitments in an amount of up to \$75.0 million and the issuance of letters of credit in an amount of up to \$44.0 million. The maturity date of the revolver and letter credit commitments is June 2, 2027. Distributions received from WWP through the WWP Project Financing JV will first be applied in service of its debt, with excess distributions being made to the members of the WWP Project Financing JV as provided for in the W2W Holdings LLC Agreement and as allowed for under its debt agreements. The obligations of the members under the W2W Holdings LLC Agreement are guaranteed by the parents of the members of the WWP Project Financing JV. On October 13, 2022, we received a \$7.9 million excess distribution in accordance with financing arrangements and the W2W Holdings LLC Agreement.

The Company evaluated Delek Energy's investment in W2W Holdings LLC ("HoldCo") and determined that HoldCo is a VIE. The Company determined it is not the primary beneficiary since it does not have the power to direct activities that most significantly impact HoldCo. The Company does not hold a controlling financial interest in HoldCo because no single party has the power to direct the activities that most significantly impact HoldCo's economic performance since power to make the decisions about the significant activities is shared equally with MPLX and all significant decisions require unanimous consent of the board of directors of HoldCo. The Company accounts for its investment in HoldCo using the equity method of accounting due to its significant influence with its 50% membership interest.

The Company's maximum exposure to any losses incurred by HoldCo is limited to its investment. As of September 30, 2022, except for the guarantee of member obligations under the W2W Holdings LLC Agreement, the Company does not have other existing guarantees with or to HoldCo, or any third-party for work contracted with it.

On September 30, 2021, WWP made the decision to buy Delek out of the Midland Connector Financing Commitment Agreement which provided an interest-free commitment to fund us up to \$65.0 million upon completion of a connector to connect the WWP long-haul pipeline to our Big Spring Gathering System, with repayment over 14 years. The buy-out totaled \$27.5 million and represented the estimated incremental cost of capital to fund the \$65.0 million in expenditures over a 14-year term, and enabled us to recover approximately \$18.0 million of capital expenditures that we may not have incurred had it not been for the financing commitment, including approximately \$6.6 million that was written off during the third quarter. As a result of the transaction, we recognized \$20.9 million of other non-operating income in the third quarter, representing the excess over our current period recognized write-offs.

As of September 30, 2022 and December 31, 2021, Delek's investment balance in WWP Project Financing Joint Venture totaled \$54.7 million and \$49.3 million, respectively, and is included as part of total assets in corporate, other and eliminations in our segment disclosure. In addition on the investment, we recognized income of \$1.2 million and \$5.4 million for the three and nine months ended September 30, 2022, respectively, and a loss of \$8.8 million and \$12.9 million for the three and nine months ended September 30, 2021, respectively.

Delek Logistics Investments

Delek Logistics has a 33% membership interest in Red River Pipeline Company LLC ("Red River"), which owns a 16-inch crude oil pipeline running from Cushing, Oklahoma to Longview, Texas. As of September 30, 2022 and December 31, 2021, Delek's investment balance in Red River totaled \$143.7 million and \$144.0 million, respectively. We made no capital contributions during the nine months ended September 30, 2022 and made \$1.4 million in capital contributions during the nine months ended September 30, 2021 based on capital calls. We recognized income on the investment totaling \$4.7 million and \$14.6 million for the three and nine months ended September 30, 2022, respectively, and \$3.9 million and \$9.9 million for the three and nine months ended September 30, 2021, respectively. This investment is accounted for using the equity method and is included as part of total assets in our logistics segment.

In addition to Red River, Delek Logistics has two joint ventures that own and operate logistics assets, and which serve third parties and subsidiaries of Delek. We own a 50% membership interest in the entity formed with an affiliate of Plains All American Pipeline, L.P. to operate one of these pipeline systems (the "Caddo Pipeline") and a 33% membership interest in Andeavor Logistics Rio Pipeline LLC which operates the other pipeline system (the "Rio Pipeline"). As of September 30, 2022 and December 31, 2021, Delek Logistics' investment balances in these joint ventures totaled \$104.3 million and \$106.0 million, respectively, and were accounted for using the equity method. We recognized income on these investments totaling \$3.9 million and \$8.1 million for the three and nine months ended September 30, 2022, respectively, and \$3.4 million and \$8.0 million for the three and nine months ended September 30, 2021, respectively.

Other Investments

In addition to our pipeline joint ventures, we also have a 50% interest in a joint venture that owns asphalt terminals located in the southwestern region of the U.S., as well as a 50% interest in a joint venture that owns, operates and maintains a terminal consisting of an ethanol unit train facility with an ethanol tank in Arkansas. As of September 30, 2022 and December 31, 2021, Delek's investment balance in these joint ventures was \$57.9 million and \$44.8 million, respectively. We recognized income on these investments totaling \$8.0 million and \$16.3 million for the three and nine months ended September 30, 2022, respectively, and \$4.4 million and \$9.5 million for the three and nine months ended September 30, 2021, respectively. These investments are accounted for using the equity method and is included as part of total assets in corporate, other and eliminations in our segment disclosure.

Note 7 - Inventory

Crude oil, work in process, refined products, blendstocks and asphalt inventory for all of our operations, excluding merchandise inventory in our retail segment, are stated at the lower of cost determined using FIFO basis or net realizable value. Retail merchandise inventory consists of cigarettes, beer, convenience merchandise and food service merchandise and is stated at estimated cost as determined by the retail inventory method.

Effective January 1, 2022, we changed our method for valuing the inventory held at the Tyler Refinery to the FIFO inventory valuation method from the LIFO inventory valuation method. Total inventories accounted for using LIFO, prior to the accounting method change, comprised 28.0% of the Company's total inventories as of December 31, 2021. This change in accounting method is preferable because it provides better consistency across our refineries and improved transparency, and results in recognition that better reflects the physical flow of inventory and more accurately reflects the current value of inventory. After this change, we no longer utilize the LIFO valuation method and the majority of our inventories are now valued using the FIFO cost method, with the remainder valued using the Retail method for the retail segment inventory. The effects of this change have been retrospectively applied to all periods presented. This change resulted in a

decrease to retained earnings of \$8.7 million as of January 1, 2021 in accordance with ASC 250, *Accounting Changes and Error Corrections*. The following table presents the components of inventory for each period presented reflecting the accounting method change discussed above:

<i>(in millions)</i>	September 30, 2022	December 31, 2021 As Adjusted ⁽¹⁾
Refinery raw materials and supplies	\$ 756.9	\$ 516.0
Refinery work in process	223.4	156.2
Refinery finished goods	611.2	550.6
Retail fuel	10.4	9.3
Retail merchandise	29.8	26.2
Logistics refined products	2.5	2.4
Total inventories	\$ 1,634.2	\$ 1,260.7

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories, as described above.

In addition, certain financial statement line items in our Condensed Consolidated Statement of Income for the three and nine months ended September 30, 2021, our Condensed Consolidated Statement of Cash Flows for the nine months ended September 30, 2021 and our Consolidated Condensed Balance Sheet as of December 31, 2021, were retrospectively adjusted as follows:

<i>(In millions)</i>	Three Months Ended September 30, 2021		
	As Reported (using LIFO)	Adjustment	As Adjusted (using FIFO)
Condensed Consolidated Statements of Income			
Cost of materials and other	\$ 2,670.1	\$ 7.9	\$ 2,678.0
Total cost of sales	\$ 2,828.1	\$ 7.9	\$ 2,836.0
Income before income tax expense	\$ 33.0	\$ (7.9)	\$ 25.1
Income tax expense	\$ 6.1	\$ (1.6)	\$ 4.5
Net income	\$ 26.9	\$ (6.3)	\$ 20.6
Net income attributable to Delek	\$ 18.1	\$ (6.3)	\$ 11.8
Net income per share attributable to Delek			
Basic	\$ 0.24	\$ (0.08)	\$ 0.16
Diluted	\$ 0.24	\$ (0.08)	\$ 0.16
<i>(In millions)</i>	Nine Months Ended September 30, 2021		
	As Reported (using LIFO)	Adjustment	As Adjusted (using FIFO)
Condensed Consolidated Statements of Income			
Cost of materials and other	\$ 6,871.4	\$ (60.0)	\$ 6,811.4
Total cost of sales	\$ 7,412.9	\$ (60.0)	\$ 7,352.9
Loss before income tax benefit	\$ (189.2)	\$ 60.0	\$ (129.2)
Income tax benefit	\$ (52.3)	\$ 13.3	\$ (39.0)
Net loss	\$ (136.9)	\$ 46.7	\$ (90.2)
Net loss attributable to Delek	\$ (161.6)	\$ 46.7	\$ (114.9)
Net loss per share attributable to Delek			
Basic	\$ (2.19)	\$ 0.64	\$ (1.55)
Diluted	\$ (2.19)	\$ 0.64	\$ (1.55)

(In millions)	December 31, 2021		
	As Reported (using LIFO)	Adjustment	As Adjusted (using FIFO)
Condensed Consolidated Balance Sheet			
Inventories, net of inventory valuation reserves	\$ 1,176.1	\$ 84.6	\$ 1,260.7
Total Assets	\$ 6,728.0	\$ 84.6	\$ 6,812.6
Deferred tax liabilities	\$ 196.4	\$ 18.1	\$ 214.5
Retained Earnings	\$ 318.2	\$ 66.5	\$ 384.7
Total liabilities and stockholders' equity	\$ 6,728.0	\$ 84.6	\$ 6,812.6

(In millions)	Nine Months Ended September 30, 2021		
	As Reported (using LIFO)	Adjustment	As Adjusted (using FIFO)
Condensed Consolidated Statements of Cash Flows			
Net loss	\$ (136.9)	\$ 46.7	\$ (90.2)
Non-cash lower of cost or market/net realizable value adjustment	\$ (29.9)	\$ 30.2	\$ 0.3
Deferred income taxes	\$ (50.3)	\$ 5.7	\$ (44.6)
Inventories and other current assets	\$ (186.0)	\$ (53.1)	\$ (239.1)
Accounts payable and other current liabilities	\$ 662.2	\$ (29.5)	\$ 632.7

The following tables reflect the effect of the change in the accounting principle on the current period Condensed Consolidated Financial Statements:

(In millions)	Three Months Ended September 30, 2022		
	As Computed (using LIFO)	As Reported (using FIFO)	Effect of Change
Condensed Consolidated Statements of Income			
Cost of materials and other	\$ 4,797.2	\$ 4,916.0	\$ (118.8)
Total cost of sales	\$ 5,061.9	\$ 5,180.7	\$ (118.8)
(Loss) income before income tax (benefit) expense	\$ 139.6	\$ 20.8	\$ 118.8
Income tax (benefit) expense	\$ 29.3	\$ 4.0	\$ 25.3
Net (loss) income attributable to Delek	\$ 100.9	\$ 7.4	\$ 93.5
Net (loss) income per share attributable to Delek			
Basic	\$ 1.43	\$ 0.11	\$ 1.32
Diluted	\$ 1.42	\$ 0.10	\$ 1.32

(In millions)	Nine Months Ended September 30, 2022		
	As Computed (using LIFO)	As Reported (using FIFO)	Effect of Change
Condensed Consolidated Statements of Income			
Cost of materials and other	\$ 14,198.8	\$ 14,151.1	\$ 47.7
Total cost of sales	\$ 14,917.0	\$ 14,869.3	\$ 47.7
Income before income tax expense	\$ 460.0	\$ 507.7	\$ (47.7)
Income tax expense	\$ 97.4	\$ 107.5	\$ (10.1)
Net income attributable to Delek	\$ 338.2	\$ 375.8	\$ (37.6)
Net income per share attributable to Delek			
Basic	\$ 4.73	\$ 5.26	\$ (0.53)
Diluted	\$ 4.69	\$ 5.21	\$ (0.52)

(In millions)	September 30, 2022		
	As Computed (using LIFO)	As Reported (using FIFO)	Effect of Change
Condensed Consolidated Balance Sheet			
Inventories, net inventory valuation reserves	\$ 1,527.9	\$ 1,634.2	\$ (106.3)
Total Assets	\$ 8,290.5	\$ 8,396.8	\$ (106.3)
Accrued expenses and other current	\$ 990.5	\$ 969.8	\$ 20.7
Deferred tax liabilities	\$ 286.7	\$ 309.6	\$ (22.9)
Retained Earnings	\$ 627.7	\$ 731.8	\$ (104.1)
Total liabilities and stockholders' equity	\$ 8,290.5	\$ 8,396.8	\$ (106.3)

(In millions)	Nine Months Ended September 30, 2022		
	As Computed (using LIFO)	As Reported (using FIFO)	Effect of Change
Condensed Consolidated Statements of Cash Flows			
Net income	\$ 362.6	\$ 400.2	\$ (37.6)
Non-cash lower of cost or market/net realizable value adjustment	\$ 19.5	\$ 19.1	\$ 0.4
Deferred income taxes	\$ 90.8	\$ 95.6	\$ (4.8)
Inventories and other current assets	\$ (398.5)	\$ (419.8)	\$ 21.3
Accounts payable and other current liabilities	\$ 545.5	\$ 524.8	\$ 20.7

At September 30, 2022, we recorded a pre-tax inventory valuation reserve of \$28.4 million due to a market price decline below our cost of certain inventory products. At December 31, 2021, we recorded a pre-tax inventory valuation reserve of \$9.3 million. We recognized a net reduction (increase) in cost of materials and other in the accompanying condensed consolidated statements of income related to the change in pre-tax inventory valuation of \$(20.3) million and \$(19.1) million for the three and nine months ended September 30, 2022, respectively, and \$(0.2) million and \$(0.3) million for the three and nine months ended September 30, 2021, respectively.

As of September 30, 2021, we recorded an immaterial cumulative error correction relating to prior periods to capitalize manufacturing overhead costs that should have been included in refining finished goods totaling \$21.5 million. The impact of the balance sheet error correction would not have been material to the prior period financial statements and is not material to total inventory. Of that amount, \$14.0 million was recognized as a reduction of operating expenses and \$7.5 million was recognized as a reduction of depreciation in the refining segment during the three and nine months ended September 30, 2021.

Note 8 - Crude Oil Supply and Inventory Purchase Agreement

Delek has Supply and Offtake Agreements with J. Aron & Company ("J. Aron") in connection with its El Dorado, Big Spring and Krotz Springs refineries (collectively, the "Supply and Offtake Agreements"). Pursuant to the Supply and Offtake Agreements, (i) J. Aron agrees to sell to us, and we agree to buy from J. Aron, at market prices, crude oil for processing at these refineries and (ii) we agree to sell, and J. Aron agrees to buy, at market prices, certain refined products produced at these refineries. The Supply and Offtake Agreements also provide for the lease to J. Aron of crude oil and refined product storage facilities, and the identification of prospective purchasers of refined products on J. Aron's behalf. At the inception of the Supply and Offtake Agreements, we transferred title to a certain number of barrels of crude and other inventories to J. Aron (the "Step-In"), and the Supply and Offtake Agreements require the repurchase of remaining inventory (including certain "Baseline Volumes") at the termination of those Agreements (the "Step-Out"). The Supply and Offtake Agreements are accounted for as inventory financing arrangements under the fair value election provided by ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 825, *Financial Instruments* ("ASC 825").

Barrels subject to the Supply and Offtake Agreements are as follows (in millions):

	El Dorado	Big Spring	Krotz Springs
Baseline Volumes pursuant to the respective Supply and Offtake Agreements	2.0	0.8	1.3
Barrels of inventory consigned under the respective Supply and Offtake Agreements as of September 30, 2022 ⁽¹⁾	3.2	1.5	1.1
Barrels of inventory consigned under the respective Supply and Offtake Agreements as of December 31, 2021 ⁽¹⁾	3.5	1.3	1.2

⁽¹⁾ Includes Baseline Volumes plus/minus over/short quantities.

The Supply and Offtake Agreements have certain termination provisions, which may include requirements to negotiate with third parties for the assignment to us of certain contracts, commitments and arrangements, including procurement contracts, commitments for the sale of product, and pipeline, terminalling, storage and shipping arrangements.

In April 2020, we amended and restated our three Supply and Offtake Agreements to renew and extend the terms to December 30, 2022. J. Aron has the sole discretion to further extend the three Supply and Offtake Agreements to May 30, 2025 by giving notice at least 6 months prior to the current maturity date; J. Aron did not provide notice to further extend to May 30, 2025. As part of the April 2020 amendment, there were changes to the underlying market index, annual fee, the crude purchase fee, crude roll fees and timing of cash settlements related to periodic price adjustments (the "Periodic Price Adjustments"). The repurchase of Baseline Volumes at the end of the Supply and Offtake Agreement term (representing the "Baseline Step-Out Liability" or, collectively, the "Baseline Step-Out Liabilities") continue to be recorded at fair value under the fair value election included under ASC 815 and ASC 825. The Baseline Step-Out Liabilities have a floating component whose fair value reflects changes to commodity price risk with changes in fair value recorded in cost of materials and other and a fixed component whose fair value reflects changes to interest rate risk with changes in fair value recorded in interest expense. There was no amendment date change in fair value resulting from the modification. The Baseline Step-Out Liabilities are reflected as non-current liabilities on our condensed consolidated balance sheet to the extent that they are not contractually due within twelve months. Monthly activity resulting in over and short volumes are valued using market-indexed pricing, and are included in current liabilities (or receivables) on our condensed consolidated balance sheet.

Pursuant to the Periodic Price Adjustments provision in the Supply and Offtake Agreements, the Company may be required to pay down all or a portion of the fixed component of the Baseline Step-Out Liabilities or may receive additional proceeds depending on the change in fair value of the inventory collateral subject to a threshold at certain specified periodic pricing dates (the "Periodic Pricing Dates"), which occur on October 1st and May 1st, annually, not to extend beyond expiration of the Supply and Offtake Agreements. Additionally, at the Periodic Pricing Dates, if a Periodic Price Adjustment is triggered, the prospective pricing underlying the fixed component of the Baseline Step-Out Liabilities will be adjusted to reflect either the pay-down or the incremental proceeds, accordingly. As of September 30, 2022, the fixed component of the Baseline Step-Out Liabilities subject to the Periodic Price Adjustments amounted to approximately \$72.8 million. Some portion of that amount may become due or payable if Periodic Price Adjustments are triggered on the Periodic Pricing Dates.

Gains (losses) related to changes in fair value due to commodity-index price are recorded as a component of cost of materials and other in the consolidated statements of income. With respect to the Baseline Step-Out liabilities, we recognized gains (losses) in cost of materials and other attributable to changes in fair value due to commodity-index price totaling \$124.2 million and \$(82.6) million during the three and nine months ended September 30, 2022, respectively, and \$(0.8) million and \$(104.9) million during the three and nine months ended September 30, 2021, respectively.

Net balances payable (receivable) under the Supply and Offtake Agreements were as follows as of the balance sheet dates (in millions):

Balances as of September 30, 2022:

Baseline Step-Out Liability	
Revolving over/short inventory financing liability (receivable)	
Total Obligations Under Supply and Offtake Agreements - Current portion	
Other (receivable) payable for monthly activity true-up	

El Dorado	Big Spring	Krotz Springs	Total
\$ 200.1	\$ 86.1	\$ 126.8	\$ 413.0
120.8	77.4	(15.0)	183.2
\$ 320.9	\$ 163.5	\$ 111.8	\$ 596.2
\$ 23.7	\$ 23.5	\$ 24.0	\$ 71.2

Balances as of December 31, 2021:

Baseline Step-Out Liability	
Revolving over/short inventory financing liability (receivable)	
Total Obligations Under Supply and Offtake Agreements - Current portion	
Other (receivable) payable for monthly activity true-up	

El Dorado	Big Spring	Krotz Springs	Total
\$ 159.6	\$ 68.4	\$ 102.4	\$ 330.4
120.9	41.1	(4.9)	157.1
\$ 280.5	\$ 109.5	\$ 97.5	\$ 487.5
\$ (2.7)	\$ 1.0	\$ 7.0	\$ 5.3

The Supply and Offtake Agreements require payments of fixed annual fees which are factored into the interest rate yield under the fair value accounting model and recorded in interest expense. Recurring cash fees paid during the periods presented were as follows (in millions):

Recurring cash fees paid during the three months ended September 30, 2022	
Recurring cash fees paid during the three months ended September 30, 2021	
Recurring cash fees paid during the nine months ended September 30, 2022	
Recurring cash fees paid during the nine months ended September 30, 2021	

El Dorado	Big Spring	Krotz Springs	Total
\$ 3.6	\$ 1.3	\$ 1.0	\$ 5.9
\$ 2.5	\$ 0.9	\$ 1.0	\$ 4.4
\$ 9.5	\$ 3.3	\$ 3.3	\$ 16.1
\$ 7.7	\$ 2.4	\$ 3.2	\$ 13.3

We maintained letters of credit under the Supply and Offtake Agreements as follows (in millions):

	El Dorado
Letters of credit outstanding as of September 30, 2022	\$ 145.0
Letters of credit outstanding as of December 31, 2021	\$ 195.0

Note 9 - Long-Term Obligations and Notes Payable

Outstanding borrowings, net of unamortized debt discounts and certain deferred financing costs, under Delek's existing debt instruments are as follows (in millions):

	September 30, 2022	December 31, 2021
Revolving Credit Facility	\$ —	\$ —
Term Loan Credit Facility ⁽¹⁾	1,234.8	1,240.0
Hapoalim Term Loan ⁽²⁾	—	29.0
Delek Logistics Credit Facility ⁽³⁾	806.4	258.0
Delek Logistics 2025 Notes ⁽⁴⁾	247.4	246.7
Delek Logistics 2028 Notes ⁽⁵⁾	395.0	394.3
United Community Bank Revolver	50.0	50.0
	2,733.6	2,218.0
Less: Current portion of long-term debt and notes payable	63.0	92.2
	\$ 2,670.6	\$ 2,125.8

⁽¹⁾ Net of deferred financing costs of \$1.7 million and \$2.2 million at September 30, 2022 and December 31, 2021, respectively and debt discount of \$13.7 million and \$17.8 million at September 30, 2022 and December 31, 2021, respectively.

⁽²⁾ Net of deferred financing costs of \$0.1 million and a debt discount of \$0.1 million at December 31, 2021.

⁽³⁾ Net of deferred financing costs of \$0.5 million at September 30, 2022.

⁽⁴⁾ Net of deferred financing costs of \$2.0 million and \$2.5 million at September 30, 2022 and December 31, 2021, respectively and debt discount of \$0.6 million and \$0.8 million at September 30, 2022 and December 31, 2021, respectively.

⁽⁵⁾ Net of deferred financing costs of \$5.0 million and \$5.7 million at September 30, 2022 and December 31, 2021, respectively.

Delek Revolver and Term Loan

On March 30, 2018 (the "Closing Date"), Delek entered into (i) a new term loan credit agreement with Wells Fargo Bank, National Association, as administrative agent (the "Term Administrative Agent"), Delek, as borrower, certain subsidiaries of Delek, as guarantors, and the lenders from time to time party thereto, providing for a senior secured term loan facility in an amount of \$700.0 million (the "Term Loan Credit Facility") and (ii) a second amended and restated credit agreement with Wells Fargo Bank, National Association, as administrative agent (the "Revolver Administrative Agent"), Delek, as borrower, certain subsidiaries of Delek, as guarantors, and the other lenders party thereto, providing for a senior secured asset-based revolving credit facility with commitments of \$1.0 billion (the "Revolving Credit Facility" and, together with the Term Loan Credit Facility, the "New Credit Facilities").

The Revolving Credit Facility permits borrowings in Canadian dollars of up to \$50.0 million. Effective March 21, 2022, the limits for the issuance of letters of credit for the Revolving Credit Facility increased from of up to \$400.0 million to up to \$500.0 million, including letters of credit denominated in Canadian dollars of up to \$10.0 million. Delek may designate restricted subsidiaries as additional borrowers under the Revolving Credit Facility.

The Term Loan Credit Facility was drawn in full for \$700.0 million on the Closing Date at an original issue discount of 0.50%. Proceeds under the Term Loan Credit Facility, as well as proceeds of approximately \$300.0 million in borrowings under the Revolving Credit Facility on the Closing Date, were used to repay certain indebtedness of Delek and its subsidiaries (the "Refinancing"), as well as certain fees, costs and expenses in connection with the closing of the New Credit Facilities, with any remaining proceeds held in cash. Proceeds of future borrowings under the Revolving Credit Facility may be used for working capital and general corporate purposes of Delek and its subsidiaries.

On May 22, 2019 (the "First Incremental Effective Date"), we amended the Term Loan Credit Facility agreement pursuant to the terms of the First Incremental Amendment to Term Loan Credit Agreement (the "Incremental Amendment"). Pursuant to the Incremental Amendment, the Company borrowed \$250.0 million in aggregate principal amount of incremental term loans (the "Incremental Term Loans") at an original issue discount of 0.75%. On November 12, 2019 (the "Second Incremental Effective Date"), we amended the Term Loan Credit facility agreement pursuant to the terms of the Second Incremental Amendment to the Term Loan Credit Agreement (the "Second Incremental Amendment") and borrowed \$150.0 million in aggregate principal amount of incremental term loans (the "Incremental

Loans") at an original issue discount of 1.21%. The terms of the Incremental Term Loans and Incremental Loans are substantially identical to the terms applicable to the initial term loans under the Term Loan Credit Facility borrowed in March 2018. There are no restrictions on the Company's use of the proceeds of the Incremental Term Loans and Incremental Loans. The proceeds may be used for (i) reducing utilizations under the Revolving Credit Facility, (ii) general corporate purposes and (iii) paying transaction fees and expenses associated with the incremental amendments.

On May 19, 2020, we amended the Term Loan Credit Facility agreement and borrowed \$200.0 million in aggregate principal amount of incremental term loans (the "Third Incremental Term Loan") at an original issue discount of 7.00%. The Third Incremental Term Loan constitutes a separate class of term loans (the "Class B Loans") under the Term Loan Credit Facility from those initially borrowed in March 2018 and the incremental term loans borrowed in May 2019 and November 2019 (collectively, the "Class A Loans"). Delek may voluntarily prepay the outstanding Third Incremental Term Loan at any time subject to customary breakage costs with respect to LIBOR loans and subject to a prepayment premium of 1.00% in connection with certain customary repricing events that may occur during the period from the day after the first anniversary of the Third Incremental Term Loan through the second anniversary of the Third Incremental Term Loan. The other terms of the Third Incremental Term Loan are substantially identical to the terms applicable to the Class A Loans. The proceeds of the Third Incremental Term Loan may be used (i) for general corporate purposes and (ii) to pay transaction fees and expenses associated with the Third Incremental Term Loan.

Interest and Unused Line Fees

The interest rates applicable to borrowings under the Term Loan Credit Facility and the Revolving Credit Facility are based on a fluctuating rate of interest measured by reference to either, at Delek's option, (i) a base rate, plus an applicable margin, or (ii) a reserve-adjusted LIBOR, plus an applicable margin (or, in the case of Revolving Credit Facility borrowings denominated in Canadian dollars, the Canadian dollar bankers' acceptances rate ("CDOR"). On October 26, 2018, Delek entered into an amendment to the Term Loan Credit Facility (the "First Amendment") to reduce the margin on certain borrowings under the Term Loan Credit Facility and incorporate certain other changes. The First Amendment decreased the applicable margins for Class A Loans under (i) Base Rate Loans by 0.25% to 1.25% and (ii) LIBOR Rate Loans by 0.25% to 2.25%, as such terms are defined in the Term Loan Credit Facility. Class B Loans incurred under the Third Incremental Term Loan bear interest at a rate that is determined, at the Company's election, at LIBOR or at base rate, in each case, plus an applicable margin of 5.50% with respect to LIBOR borrowings and 4.50% with respect to base rate borrowings. Additionally, Class B loans that are LIBOR borrowings are subject to a minimum LIBOR rate floor of 1.00%.

The applicable margin for Revolving Credit Facility borrowings is based on Delek's excess availability as determined by reference to a borrowing base, ranging from 0.25% to 0.75% per annum with respect to base rate borrowings and from 1.25% to 1.75% per annum with respect to LIBOR and CDOR borrowings.

In addition, the Revolving Credit Facility requires Delek to pay an unused line fee on the average amount of unused commitments thereunder in each quarter, which fee is at a rate of 0.25% or 0.375% per annum, depending on average commitment usage for such quarter. As of September 30, 2022, the unused line fee was 0.375% per annum.

Maturity and Repayments

The Revolving Credit Facility will mature and the commitments thereunder will terminate on March 30, 2023. The Term Loan Credit Facility matures on March 30, 2025 and requires scheduled quarterly principal payments on the last business day of the applicable quarter. Pursuant to the Second Incremental Amendment, the quarterly payments increased to \$2.75 million commencing with December 31, 2019 on the Class A Loans. Additionally, the Term Loan Credit Facility requires prepayments by Delek with the net cash proceeds from certain debt incurrences, asset dispositions and insurance or condemnation events with respect to Delek's assets, subject to certain exceptions, thresholds and reinvestment rights. The Term Loan Credit Facility also requires annual prepayments with a variable percentage of Delek's excess cash flow, ranging from 50.0% to 0% depending on Delek's consolidated fiscal year end secured net leverage ratio. The Third Incremental Term Loan requires quarterly payments on the Class B Loans of \$0.5 million commencing June 30, 2020.

Guarantee and Security

The obligations of the borrowers under the New Credit Facilities are guaranteed by Delek and each of its direct and indirect, existing and future, wholly-owned domestic subsidiaries, subject to customary exceptions and limitations, and excluding Delek Logistics Partners, LP, Delek Logistics GP, LLC, and each subsidiary of the foregoing (collectively, the "MLP Subsidiaries"). Borrowings under the New Credit Facilities are also guaranteed by DK Canada Energy ULC, a British Columbia unlimited liability company and a wholly-owned restricted subsidiary of Delek.

The Revolving Credit Facility is secured by a first priority lien over substantially all of Delek's and each guarantor's receivables, inventory, renewable identification numbers ("RINs"), instruments, intercompany loan receivables, deposit and securities accounts and related books and records and certain other personal property, subject to certain customary exceptions (the "Revolving Priority Collateral"), and a second priority lien over substantially all of Delek's and each guarantor's other assets, including all of the equity interests of any subsidiary held by Delek or any guarantor (other than equity interests in certain MLP Subsidiaries) subject to certain customary exceptions, but excluding real property (such real property and equity interests, the "Term Priority Collateral").

The Term Loan Credit Facility is secured by a first priority lien on the Term Priority Collateral and a second priority lien on the Revolving Priority Collateral, all in accordance with an intercreditor agreement between the Term Administrative Agent and the Revolver Administrative Agent and acknowledged by Delek and the subsidiary guarantors. Certain excluded assets are not included in the Term Priority Collateral and the Revolving Priority Collateral.

Additional Information

At September 30, 2022, the borrowing rate for base rate loans under the Revolving Credit Facility was 6.50% and there was no principal amount outstanding thereunder. Additionally, there were letters of credit issued of approximately \$212.6 million as of September 30, 2022 under the Revolving Credit Facility. Unused credit commitments under the Revolving Credit Facility, as of September 30, 2022, were approximately \$787.4 million.

At September 30, 2022, the weighted average borrowing rate under the Term Loan Credit Facility was approximately 5.87% comprised entirely of LIBOR borrowings, and the principal amount outstanding thereunder was \$1,250.2 million. As of September 30, 2022, the effective interest rate related to the Term Loan Credit Facility was 6.41%.

Delek Hapoalim Term Loan

On December 31, 2019, Delek entered into an unsecured term loan credit and guaranty agreement (the "BHI Agreement") with Bank Hapoalim B.M. ("BHI") as the administrative agent. Pursuant to the BHI Agreement, on December 31, 2019, Delek borrowed \$40.0 million (the "BHI Term Loan"). The interest rate under the BHI Agreement is equal to LIBOR plus a margin of 3.00%. The BHI Agreement has a current maturity of December 31, 2022 and requires quarterly loan amortization payments of \$0.1 million, commencing March 31, 2020. Proceeds may be used for general corporate purposes. On December 30, 2020 and June 28, 2021, we amended the BHI Agreement to modify one of the required quarterly financial covenant metrics; there were no other changes as a result of these amendments.

On July 30, 2021, January 31, 2022, and June 30, 2022, we elected to voluntarily prepay \$10.0 million in principal of the term loan. A final voluntary principal prepayment of \$9.0 million was made on September 30, 2022, thereby repaying the BHI Term Loan in full.

Delek Logistics Credit Facility

On September 28, 2018, Delek Logistics and all of its subsidiaries entered into a third amended and restated senior secured revolving credit agreement with Fifth Third Bank ("Fifth Third") as administrative agent and a syndicate of lenders (hereafter, the "Delek Logistics Credit Facility") with lender commitments of \$850.0 million. The Delek Logistics Credit Facility also contains an accordion feature whereby Delek Logistics can increase the size of the credit facility to an aggregate of \$1.0 billion, subject to receiving increased or new commitments from lenders and the satisfaction of certain other conditions precedent.

The obligations under the Delek Logistics Credit Facility are secured by first priority liens on substantially all of Delek Logistics' tangible and intangible assets.

The Delek Logistics Credit Facility has a maturity date of September 28, 2023. Borrowings under the Delek Logistics Credit Facility bear interest at either a U.S. dollar prime rate, Canadian dollar prime rate, or recently amended term Secured Overnight Financing Rate ("Term SOFR"), or a CDOR rate, in each case plus applicable margins, at the election of the borrowers and as a function of draw down currency. The applicable margin in each case and the fee payable for the unused revolving commitments vary based upon Delek Logistics' most recent total leverage ratio calculation delivered to the lenders, as called for and defined under the terms of the Delek Logistics Credit Facility. At September 30, 2022, the weighted average borrowing rate was approximately 5.64%. Additionally, the Delek Logistics Credit Facility requires Delek Logistics to pay a leverage ratio dependent quarterly fee on the average unused revolving commitment. As of September 30, 2022, this fee was 0.50% on an annualized basis.

In August 2020, Delek Logistics entered into a First Amendment to the Delek Logistics Credit Facility which, among other things, permitted the transfer of cash and equity consideration for the elimination of incentive distribution rights held by Delek Logistics GP, LLC, the general partner. It also modified the total leverage ratio and the senior leverage ratio (each as defined in the Delek Logistics Credit Facility) calculations to reduce the total funded debt (as defined in the Delek Logistics Credit Facility) component thereof by the total amount of unrestricted consolidated cash and cash equivalents on the balance sheet of the Delek Logistics and its subsidiaries up to \$20.0 million.

On May 13, 2022, Delek Logistics entered into a Second Amendment to the Delek Logistics Credit Facility which, among other things, provided for the transition from a LIBOR benchmark to Term SOFR with credit spread adjustments for 1-month and 3-month Term SOFR loans and provided consent and flexibility related to the previously announced 3 Bear Acquisition with respect to certain covenants in the Delek Logistics Credit Facility.

On May 26, 2022, Delek Logistics entered into a Third Amendment to the Delek Logistics Credit Facility which, among other things, provides for certain changes to the Delek Logistics Credit Facility in connection with the previously announced acquisition of 3 Bear in respect of pro forma calculations and certain other requirements under the Delek Logistics Credit Facility.

Further, on May 26, 2022, Delek Logistics entered into a Fourth Amendment (the "Fourth Amendment") to the Delek Logistics Credit Facility. Among other things, the Fourth Amendment: (i) increased the U.S. Revolving Credit Commitments (as defined in the Delek Logistics Credit Facility) by an amount equal to \$150.0 million, resulting in aggregate lender commitments under the Delek Logistics Credit

Facility in an amount of \$1.0 billion, (ii) increased the U.S. L/C Sublimit (as defined in the Delek Logistics Credit Facility) to an aggregate amount equal to \$90.0 million and (iii) increased the U.S. Swing Line Sublimit (as defined in the Delek Logistics Credit) to an aggregate amount equal to \$18.0 million.

As of September 30, 2022, Delek Logistics had \$806.9 million of outstanding borrowings under the Delek Logistics Credit Facility, with no letters of credit in place. Unused credit commitments under the Delek Logistics Credit Facility, as of September 30, 2022, were \$193.1 million.

Delek Logistics 2025 Notes

On May 23, 2017, Delek Logistics and its wholly owned subsidiary Delek Logistics Finance Corp. ("Finance Corp." and together with Delek Logistics, the "Issuers") issued \$250.0 million in aggregate principal amount of 6.75% senior notes due 2025 (the "Delek Logistics 2025 Notes") at a discount. The Delek Logistics 2025 Notes are general unsecured senior obligations of the Issuers. The Delek Logistics 2025 Notes are unconditionally guaranteed jointly and severally on a senior unsecured basis by Delek Logistics' existing subsidiaries (other than Finance Corp.) and will be unconditionally guaranteed on the same basis by certain of Delek Logistics' future subsidiaries. The Delek Logistics 2025 Notes rank equal in right of payment with all existing and future senior indebtedness of the Issuers, and senior in right of payment to any future subordinated indebtedness of the Issuers. The Delek Logistics 2025 Notes will mature on May 15, 2025 and interest on the Delek Logistics 2025 Notes is payable semi-annually in arrears on each May 15 and November 15.

In May 2018, the Delek Logistics 2025 Notes were exchanged for new notes with terms substantially identical in all material respects with the Delek Logistic 2025 Notes except the new notes do not contain terms with respect to transfer restrictions.

All or part of the Delek Logistics 2025 Notes are currently redeemable, subject to certain conditions and limitations, at a redemption price of 101.688% of the redeemed principal for the twelve-month period beginning on May 15, 2022, and 100.00% beginning on May 15, 2023 and thereafter, plus accrued and unpaid interest, if any.

In the event of a change of control, accompanied or followed by a ratings downgrade within a certain period of time, subject to certain conditions and limitations, the Issuers will be obligated to make an offer for the purchase of the Delek Logistics 2025 Notes from holders at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest.

As of September 30, 2022, we had \$250.0 million in outstanding principal amount under the Delek Logistics 2025 Notes, and the effective interest rate was 7.19%.

Delek Logistics 2028 Notes

On May 24, 2021, Delek Logistics and Finance Corp. (collectively, the "Co-issuers"), issued \$400.0 million in aggregate principal amount of the Co-issuers 7.125% Senior Notes due 2028 (the "Delek Logistics 2028 Notes"), at par, pursuant to an indenture with U.S. Bank, National Association as trustee. The Delek Logistics 2028 Notes are general unsecured senior obligations of the Co-issuers and are unconditionally guaranteed jointly and severally on a senior unsecured basis by Delek Logistics' subsidiaries other than Finance Corp. and will be unconditionally guaranteed on the same basis by certain of Delek Logistics' future subsidiaries. The Delek Logistics 2028 Notes rank equal in right of payment with all existing and future senior indebtedness of the Co-issuers, and senior in right of payment to any future subordinated indebtedness of the Co-issuers. The Delek Logistics 2028 Notes will mature on June 1, 2028, and interest is payable semi-annually in arrears on each June 1 and December 1, commencing December 1, 2021.

At any time prior to June 1, 2024, the Co-issuers may redeem up to 35% of the aggregate principal amount of the Delek Logistics 2028 Notes with the net cash proceeds of one or more equity offerings by Delek Logistics at a redemption price of 107.125% of the redeemed principal amount, plus accrued and unpaid interest, if any, subject to certain conditions and limitations. Prior to June 1, 2024, the Co-issuers may also redeem all or part of the Delek Logistics 2028 Notes at a redemption price of the principal amount plus accrued and unpaid interest, if any, plus a "make whole" premium, subject to certain conditions and limitations. In addition, beginning on June 1, 2024, the Co-issuers may, subject to certain conditions and limitations, redeem all or part of the Delek Logistics 2028 Notes, at a redemption price of 103.563% of the redeemed principal for the twelve-month period beginning on June 1, 2024, 101.781% for the twelve-month period beginning on June 1, 2025, and 100.00% beginning on June 1, 2026 and thereafter, plus accrued and unpaid interest, if any.

In the event of a change of control, accompanied or followed by a ratings downgrade within a certain period of time, subject to certain conditions and limitations, the Co-issuers will be obligated to make an offer for the purchase of the Delek Logistics 2028 Notes from holders at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest.

As of September 30, 2022, we had \$400.0 million in outstanding principal amount under the Delek Logistics 2028 Notes, and the effective interest rate was 7.40%.

United Community Bank Revolver

Delek has an unsecured revolving credit agreement with United Community Bank (formally Reliant Bank) (the "United Community Bank Revolver") with a maximum borrowing commitment of \$50.0 million. On June 30, 2022, among other things, we amended the United Community Bank Revolver to extend the maturity date to June 30, 2023 and change the interest rate per annum to a variable rate equal to the Wall Street Journal Prime Rate plus 0.75% effective July 1, 2022. The revolving credit agreement requires us to pay a quarterly fee of 0.50% on an annualized basis on the average unused revolving commitment. As of September 30, 2022, the interest rate was 7.00% under the United Community Revolver and we had \$50.0 million outstanding, with no unused credit commitments available.

Restrictive Covenants

Under the terms of our Revolving Credit Facility, Term Loan Credit Facility, Delek Logistics Credit Facility, Delek Logistics 2025 Notes, Delek Logistics 2028 Notes, United Community Bank Revolver and BHI Agreement, we are required to comply with certain usual and customary financial and non-financial covenants. The terms and conditions of the Revolving Credit Facility include periodic compliance with a springing minimum fixed charge coverage ratio financial covenant if excess availability under the revolver borrowing base is below certain thresholds, as defined in the credit agreement. The Term Loan Credit Facility does not have any financial maintenance covenants. We believe we were in compliance with all covenant requirements under each of our credit facilities as of September 30, 2022.

Certain of our debt facilities contain limitations on the incurrence of additional indebtedness, making of investments, creation of liens, dispositions and acquisitions of assets, and making of restricted payments and transactions with affiliates. These covenants may also limit the payment, in the form of cash or other assets, of dividends or other distributions, or the repurchase of shares with respect to our equity. Additionally, some of our debt facilities limit our ability to make investments, including extensions of loans or advances to, or acquisitions of equity interests in, or guarantees of obligations of, certain other entities.

Note 10 - Derivative Instruments

We use the majority of our derivatives to reduce normal operating and market risks with the primary objective of reducing the impact of market price volatility on our results of operations. As such, our use of derivative contracts is aimed at:

- limiting our exposure to commodity price fluctuations on inventory above or below target levels (where appropriate) within each of our segments;
- managing our exposure to commodity price risk associated with the purchase or sale of crude oil, feedstocks/intermediates and finished grade fuel within each of our segments;
- managing our exposure to market crack spread fluctuations;
- managing the cost of our credits required by the U.S. Environmental Protection Agency ("EPA") to blend biofuels into fuel products ("RINs Obligation") using future commitments to purchase or sell RINs at fixed prices and quantities; and
- limiting the exposure to interest rate fluctuations on our floating rate borrowings.

We primarily utilize commodity swaps, futures, forward contracts and options contracts, generally with maturity dates of three years or less, and from time to time interest rate swaps or caps to achieve these objectives. Futures contracts are standardized agreements, traded on a futures exchange, to buy or sell a commodity at a predetermined price and location at a specified future date. Options provide the right, but not the obligation to buy or sell the commodity at a specified price in the future. Commodity swaps and futures contracts require cash settlement for the commodity based on the difference between a fixed or floating price and the market price on the settlement date, and options require payment/receipt of an upfront premium. Because these derivatives are entered into to achieve objectives specifically related to our inventory and production risks, such gains and losses (to the extent not designated as accounting hedges and recognized on an unrealized basis in other comprehensive income) are recognized in cost of materials and other.

Forward contracts are agreements to buy or sell a commodity at a predetermined price at a specified future date, and for our transactions, generally require physical delivery. Forward contracts where the underlying commodity will be used or sold in the normal course of business qualify as normal purchases and normal sales ("NPNS") pursuant to ASC 815. If we elect the NPNS exception, such forward contracts are not accounted for as derivative instruments but rather are accounted for under other applicable GAAP. Commodity forward contracts accounted for as derivative instruments are recorded at fair value with changes in fair value recognized in earnings in the period of change. Our Canadian crude trading operations are accounted for as derivative instruments, and the related unrealized and realized gains and losses are recognized in other operating income, net on the condensed consolidated statements of income. Additionally, as of and for the three and nine months ended September 30, 2022, other forward contracts accounted for as derivatives that are specific to managing crude costs rather than for trading purposes are recognized in cost of materials and other on the accompanying condensed consolidated statements of income in our refining segment, and are included in our disclosures of commodity derivatives in the tables below.

Futures, swaps or other commodity related derivative instruments that are utilized to specifically provide economic hedges on our Canadian forward contract or investment positions are recognized in other operating income, net because that is where the related

underlying transactions are reflected.

From time to time, we also enter into future commitments to purchase or sell RINs at fixed prices and quantities, which are used to manage the costs associated with our RINs Obligation. These future RINs commitment contracts meet the definition of derivative instruments under ASC 815, and are recorded at estimated fair value in accordance with the provisions of ASC 815. Changes in the fair value of these future RINs commitment contracts are recorded in cost of materials and other on the condensed consolidated statements of income.

As of September 30, 2022, we do not believe there is any material credit risk with respect to the counterparties to any of our derivative contracts.

In accordance with ASC 815, certain of our commodity swap contracts have been designated as cash flow hedges and the change in fair value between the execution date and the end of period has been recorded in other comprehensive income. The fair value of these contracts is recognized in income in the same financial statement line item as hedged transaction at the time the positions are closed and the hedged transactions are recognized in income.

The following table presents the fair value of our derivative instruments as of September 30, 2022 and December 31, 2021. The fair value amounts below are presented on a gross basis and do not reflect the netting of asset and liability positions permitted under our master netting arrangements, including cash collateral on deposit with our counterparties. We have elected to offset the recognized fair value amounts for multiple derivative instruments executed with the same counterparty in our financial statements. As a result, the asset and liability amounts below differ from the amounts presented in our condensed consolidated balance sheets. See Note 11 for further information regarding the fair value of derivative instruments (in millions).

Derivative Type	Balance Sheet Location	September 30, 2022		December 31, 2021	
		Assets	Liabilities	Assets	Liabilities
Derivatives not designated as hedging instruments:					
Commodity derivatives ⁽¹⁾	Other current assets	\$ 148.9	\$ (109.5)	\$ 21.5	\$ —
Commodity derivatives ⁽¹⁾	Other current liabilities	60.0	(73.4)	101.5	(102.3)
Commodity derivatives ⁽¹⁾	Other long-term assets	35.3	(34.2)	—	—
Commodity derivatives ⁽¹⁾	Other long-term liabilities	—	—	6.1	(6.1)
RIN commitment contracts ⁽²⁾	Other current assets	9.7	—	1.6	—
RIN commitment contracts ⁽²⁾	Other current liabilities	—	(7.8)	—	(0.7)
Total gross fair value of derivatives		\$ 253.9	\$ (224.9)	\$ 130.7	\$ (109.1)
Less: Counterparty netting and cash collateral ⁽³⁾		179.5	(203.7)	107.1	(82.4)
Total net fair value of derivatives		\$ 74.4	\$ (21.2)	\$ 23.6	\$ (26.7)

⁽¹⁾ As of September 30, 2022 and December 31, 2021, we had open derivative positions representing 115,800,264 and 182,525,893 barrels, respectively, of crude oil and refined petroleum products. There were no open positions designated as cash flow hedging instruments as of September 30, 2022 and December 31, 2021. Additionally, as of September 30, 2022 and December 31, 2021, we had open derivative positions representing 7,785,000 and 1,320,000 MMBTU of natural gas products.

⁽²⁾ As of September 30, 2022 and December 31, 2021, we had open RINs commitment contracts representing 150,800,000 and 16,325,000 RINs, respectively.

⁽³⁾ As of September 30, 2022 and December 31, 2021, \$24.2 million and \$(24.7) million, respectively, of cash collateral (obligation) held by counterparties has been netted with the derivatives with each counterparty.

Total gains (losses) on our non-trading commodity derivatives and RINs commitment contracts recorded in the condensed consolidated statements of income are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Gains (losses) on hedging derivatives not designated as hedging instruments recognized in cost of materials and other ⁽¹⁾	\$ 78.0	\$ (23.2)	\$ (27.7)	\$ 56.4
Gains (losses) on non-trading physical forward contract commodity derivatives in cost of materials and other	0.3	7.5	5.1	7.5
(Losses) gains on hedging derivatives not designated as hedging instruments recognized in operating expenses	—	—	(1.7)	—
Realized gains reclassified out of accumulated other comprehensive income and into cost of materials and other on commodity derivatives designated as cash flow hedging instruments	—	—	—	0.2
Total gains (losses)	\$ 78.3	\$ (15.7)	\$ (24.3)	\$ 64.1

⁽¹⁾ Gains (losses) on commodity derivatives that are economic hedges but not designated as hedging instruments include unrealized gains (losses) of \$24.8 million and \$20.2 million for the three and nine months ended September 30, 2022, respectively, and \$(6.8) million and \$(16.2) million for the three and nine months ended September 30, 2021, respectively.

The effect of cash flow hedge accounting on the condensed consolidated statements of income is as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Gain (loss) on cash flow hedging relationships recognized in cost of materials and other:				
Commodity contracts:				
Hedged items	\$ —	\$ —	\$ —	\$ (0.2)
Derivative designated as hedging instruments	—	—	—	0.2
Total	\$ —	\$ —	\$ —	\$ —

For cash flow hedges, no component of the derivative instruments' gains or losses was excluded from the assessment of hedge effectiveness for the three and nine months ended September 30, 2022 or 2021. There were no gains (losses), net of tax, on settled commodity contracts during the three and nine months ended September 30, 2022 and \$0.2 million during the nine months ended September 30, 2021, respectively, which were reclassified into cost of materials and other in the condensed consolidated statements of income. As of September 30, 2022, we estimate that no amount of deferred gains related to commodity cash flow hedges will be reclassified into cost of materials and other over the next 12 months as a result of hedged transactions that are forecasted to occur.

Total (losses) gains on our trading derivatives (none of which were designated as hedging instruments) recorded in other operating income, net on the condensed consolidated statements of income are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Trading Physical Forward Contract Commodity Derivatives				
Realized gains (losses)	\$ 1.2	\$ 2.8	\$ 19.7	\$ 4.9
Unrealized losses	—	(0.8)	(0.3)	(0.4)
Total	\$ 1.2	\$ 2.0	\$ 19.4	\$ 4.5
Trading Hedging Commodity Derivatives				
Realized gains (losses)	\$ (0.3)	\$ (0.9)	\$ 11.6	\$ (5.9)
Unrealized gains (losses)	0.7	0.7	(15.8)	0.2
Total	\$ 0.4	\$ (0.2)	\$ (4.2)	\$ (5.7)

Note 11 - Fair Value Measurements

Our assets and liabilities that are measured at fair value include commodity derivatives, investment commodities, environmental credits obligations and Supply and Offtake Agreements. Delek applies the provisions of ASC 820, *Fair Value Measurements* ("ASC 820"), which defines fair value, establishes a framework for its measurement and expands disclosures about fair value measurements. ASC 820 requires disclosures that categorize assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly through market-corroborated inputs. Level 3 inputs are unobservable inputs for the asset or liability reflecting our assumptions about pricing by market participants.

Our commodity derivative contracts, which consist of commodity swaps, exchange-traded futures, options and physical commodity forward purchase and sale contracts (that do not qualify for the NPNS exception under ASC 815), are valued based on exchange pricing and/or price index developers such as Platts or Argus and are, therefore, classified as Level 2.

Our RINs commitment contracts are future commitments to purchase or sell RINs at fixed prices and quantities, which are used to manage the costs associated with our Consolidated Net RINs Obligation (as defined in our accounting policies in Note 2 to the audited consolidated financial statements included in Item. 8 Financial Statements and Supplementary Data, of our December 31, 2021 Annual Report on Form 10-K). These RINs commitment contracts (which are forward contracts accounted for as derivatives – see Note 10) are categorized as Level 2, and are measured at fair value based on quoted prices from an independent pricing service.

Our environmental credits obligation surplus or deficit includes the Consolidated Net RINs Obligation surplus or deficit, as well as other environmental credit obligation surplus or deficit positions subject to fair value accounting pursuant to our accounting policy). The environmental credits obligation surplus or deficit is categorized as Level 2, if measured at fair value either directly through observable

inputs or indirectly through market-corroborated inputs, and gains (losses) related to changes in fair value are recorded as a component of cost of materials and other in the consolidated statements of income. With respect to our Consolidated Net RINs Obligation surplus or deficit, we recognized gains (losses) on changes in fair value totaling \$(12.6) million and \$(53.6) million for three and nine months ended September 30, 2022, respectively, and \$46.6 million and \$(58.3) million for three and nine months ended September 30, 2021, respectively, primarily attributable to changes in the market prices of the underlying credits that occurred at the end of each quarter including changes in volume requirements related to the 2020, 2021 and 2022 RINs Obligation to reflect the June 2022 EPA finalized volume requirements.

As of and for the nine months ended September 30, 2022 and 2021, we elected to account for our J. Aron step-out liability at fair value in accordance with ASC 825, as it pertains to the fair value option. This standard permits the election to carry financial instruments and certain other items similar to financial instruments at fair value on the balance sheet, with all changes in fair value reported in earnings. With respect to the amended and restated Supply and Offtake Agreements, such amendments being effective April 2020 for all the agreements, we apply fair value measurement as follows: (1) we determine fair value for our amended variable step-out liability based on changes in fair value related to market volatility based on a floating commodity-index price, and for our amended fixed step-out liability based on changes to interest rates and the timing and amount of expected future cash settlements where such obligation is categorized as Level 2 Gains (losses) related to changes in fair value due to commodity-index price are recorded as a component of cost of materials and other, and changes in fair value due to interest rate risk are recorded as a component of interest expense in the condensed consolidated statements of income; and (2) we determine fair value of the commodity-indexed revolving over/short inventory financing liability based on the market prices for the consigned crude oil and refined products collateralizing the financing/funding where such obligation is categorized as Level 2 and is presented in the current portion of the Obligation under Supply and Offtake Agreements on our condensed consolidated balance sheets. Gains (losses) related to the change in fair value are recorded as a component of cost of materials and other in the condensed consolidated statements of income.

For all other financial instruments, the fair value approximates the historical or amortized cost basis comprising our carrying value and therefore are not included in the table below. The fair value hierarchy for our financial assets and liabilities accounted for at fair value on a recurring basis was as follows (in millions):

September 30, 2022				
	Level 1	Level 2	Level 3	Total
Assets				
Commodity derivatives	\$ —	\$ 244.2	\$ —	\$ 244.2
Commodity investments	9.8	—	—	9.8
RINs commitment contracts	—	9.7	—	9.7
Total assets	9.8	253.9	—	263.7
Liabilities				
Commodity derivatives	—	(217.1)	—	(217.1)
RINs commitment contracts	—	(7.8)	—	(7.8)
Environmental credits obligation deficit	—	(168.7)	—	(168.7)
J. Aron supply and offtake obligations	—	(596.2)	—	(596.2)
Total liabilities	—	(989.8)	—	(989.8)
Net liabilities	\$ 9.8	\$ (735.9)	\$ —	\$ (726.1)

December 31, 2021				
	Level 1	Level 2	Level 3	Total
Assets				
Commodity derivatives	\$ —	\$ 129.1	\$ —	\$ 129.1
RINs commitment contracts	—	1.6	—	1.6
Total assets	—	130.7	—	130.7
Liabilities				
Commodity derivatives	—	(108.4)	—	(108.4)
RINs commitment contracts	—	(0.7)	—	(0.7)
Environmental credits obligation deficit	—	(172.2)	—	(172.2)
J. Aron supply and offtake obligations	—	(487.5)	—	(487.5)
Total liabilities	—	(768.8)	—	(768.8)
Net liabilities	\$ —	\$ (638.1)	\$ —	\$ (638.1)

The derivative values above are based on analysis of each contract as the fundamental unit of account as required by ASC 820. In the table above, derivative assets and liabilities with the same counterparty are not netted where the legal right of offset exists. This differs

from the presentation in the financial statements which reflects our policy, wherein we have elected to offset the fair value amounts recognized for multiple derivative instruments executed with the same counterparty and where the legal right of offset exists. As of September 30, 2022 and December 31, 2021, \$24.2 million and \$(24.7) million, respectively, of cash collateral (obligation) was held by counterparty brokerage firms and has been netted with the net derivative positions with each counterparty. See Note 10 for further information regarding derivative instruments.

Non-Recurring Fair Value Measurements

The 3 Bear Acquisition was accounted for as a business combination using the acquisition method of accounting, with the assets acquired and liabilities assumed at their respective acquisition date fair values at the closing date. The fair value measurements were based on a combination of valuation methods including discounted cash flows, the market approach and obsolescence adjusted replacement costs, all of which are Level 3 inputs.

Note 12 - Commitments and Contingencies

Litigation

In the ordinary conduct of our business, we are from time to time subject to lawsuits, investigations and claims, including environmental claims and employee-related matters. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations and claims asserted against us, including civil penalties or other enforcement actions, we do not believe that any currently pending legal proceeding or proceedings to which we are a party will have a material adverse effect on our financial statements. Certain environmental matters that have or may result in penalties or assessments are discussed below in the "Environmental, Health and Safety" section of this note.

On June 19, 2017, the Arkansas Teacher Retirement System filed a lawsuit in the Delaware Court of Chancery (Arkansas Teacher Retirement System v. Alon USA Energy, Inc., et al., Case No. 2017-0453), asserting claims for breach of fiduciary duty in connection with the business combination of Delek US Holdings, Inc. and Alon USA Energy, Inc. Following a mediation, the parties to the litigation agreed to a settlement and release of all claims of the plaintiff class in exchange for the defendants' agreement to pay \$44.8 million into a settlement fund, of which our insurance carriers agreed to fund approximately \$42.5 million under the applicable insurance policies and pursuant to varying limits and limitations. The settlement, in which the Company and other defendants expressly deny all assertions of wrongdoing or fault, was approved by the Court on October 29, 2021. In addition to the \$2.3 million of the settlement that was not covered by insurance, we accrued \$4.2 million of estimated unpaid and remaining legal fees. As of September 30, 2022 the remaining unpaid balance is \$0.2 million, and is included in accrued expenses and other current liabilities on the accompanying condensed consolidated balance sheet.

Self-insurance

With respect to workers' compensation claims, we are subject to claims losses up to a \$4.0 million deductible on a per accident basis, general liability claims up to \$4.0 million on a per occurrence basis and medical claims for eligible full-time employees up to \$0.3 million per covered individual per calendar year. We are also subject to auto liability claims losses up to a \$4.0 million deductible on a per accident basis.

We have umbrella liability insurance available to each of our segments in an amount determined reasonable by management.

Environmental, Health and Safety

We are subject to extensive federal, state and local environmental and safety laws and regulations enforced by various agencies, including the EPA, the United States Department of Transportation, the Occupational Safety and Health Administration, as well as numerous state, regional and local environmental, safety and pipeline agencies. These laws and regulations govern the discharge of materials into the environment, waste management practices, pollution prevention measures and the composition of the fuels we produce, as well as the safe operation of our plants and pipelines and the safety of our workers and the public. Numerous permits or other authorizations are required under these laws and regulations for the operation of our refineries, renewable fuels facilities, terminals, pipelines, underground storage tanks, trucks, rail cars and related operations, and may be subject to revocation, modification and renewal.

These laws and permits raise potential exposure to future claims and lawsuits involving environmental and safety matters which could include soil and water contamination, air pollution, personal injury and property damage allegedly caused by substances which we manufactured, handled, used, released or disposed of, transported, or that relate to pre-existing conditions for which we have assumed responsibility. We believe that our current operations are in substantial compliance with existing environmental and safety requirements. However, there have been and will continue to be ongoing discussions about environmental and safety matters between us and federal and state authorities, including notices of violations, citations and other enforcement actions, some of which have resulted or may result in changes to operating procedures and in capital expenditures. While it is often difficult to quantify future environmental or safety related expenditures, we anticipate that continuing capital investments and changes in operating procedures will be required for the foreseeable

future to comply with existing and new requirements, as well as evolving interpretations and more strict enforcement of existing laws and regulations.

As of September 30, 2022, we have recorded an environmental liability of approximately \$115.1 million, primarily related to the estimated probable costs of remediating or otherwise addressing certain environmental issues of a non-capital nature at our refineries, as well as terminals, some of which we no longer own. This liability includes estimated costs for ongoing investigation and remediation efforts for known contamination of soil and groundwater. Approximately \$3.1 million of the total liability is expected to be expended over the next 12 months, with most of the balance expended by 2032, although some costs may extend up to 30 years. In the future, we could be required to extend the expected remediation period or undertake additional investigations of our refineries, pipelines and terminal facilities, which could result in the recognition of additional remediation liabilities.

Included in our environmental liabilities as of both September 30, 2022 and December 31, 2021 is a liability totaling \$78.5 million related to a property that we historically operated as an asphalt and marine fuel terminal both as an owner and, subsequently, as a lessee under an in-substance lease agreement (the "License Agreement"). The License Agreement, which provided us the license to continue operating our asphalt and marine fuel terminal operations on the property for a term of ten years and expired in June 2020, also ascribed a contractual noncontingent indemnification guarantee to certain of our wholly-owned subsidiaries related to certain incremental environmental remediation activities, predicated on the completion of certain property development activities ascribed to the lessor. Our combined liability, comprised of our environmental liability plus the estimated fair value of the noncontingent guarantee liability, was recorded when Delek acquired the outstanding common stock of Alon, effective July 1, 2017 ("Delek/Alon Merger"). While the License Agreement expired in June 2020, it is currently being disputed in litigation where we have determined that no loss accrual is necessary and that the amount of incremental loss that is reasonably possible is immaterial as of September 30, 2022. Such ongoing dispute causes sufficient uncertainty around the release of risk and the appropriate joint and several liability allocations thereunder that we cannot currently determine a more reasonable estimate of the potential total contingent liability that is probable, nor do we have sufficient information to better estimate the fair value of any remaining noncontingent guarantee liability. As such, as of September 30, 2022 and December 31, 2021, except for accretion and expenditures, our combined environmental liability related to the terminal and property remained unchanged.

We are also subject to various regulatory requirements related to carbon emissions and the compliance requirements to remit environmental credit obligations due to the EPA or other regulatory agencies, the most significant of which relates to the RINs Obligation subject to the EPA's RFS-2 regulations (as defined in our accounting policies in Note 2 to the audited consolidated financial statements included in Item. 8 Financial Statements and Supplementary Data, of our December 31, 2021 Annual Report on Form 10-K). The RFS-2 regulations are highly complex and evolving, requiring us to periodically update our compliance systems. As part of our on-going monitoring and compliance efforts, on an annual basis we engage a third party to perform procedures to review our RINs inventory, processes and compliance. The results of such procedures may include procedural findings but may also include findings regarding the usage of RINs to meet past obligations, the treatment of exported RINs, and the propriety of RINs on-hand and related adjustments to our RINs inventory, which (to the extent they are valued) offset our RINs Obligation. Such adjustments may also require communication with the EPA if they involve reportable non-compliance which could lead to the assessment of penalties. Based on management's review which was completed during the second quarter 2021, we recorded a RINs inventory true-up adjustment totaling \$(12.3) million which increased our recorded RINs Obligation. We have also self-reported our related instances of non-compliance to the EPA, and while we cannot yet estimate the extent of penalties that may be assessed, it is not expected to be material in relation to our total RINs Obligation.

In June 2022, the EPA finalized volumes for compliance years 2020, 2021 and 2022 under the RFS program (as defined in our accounting policies in Note 2 to the audited consolidated financial statements included in Item. 8 Financial Statements and Supplementary Data, of our December 31, 2021 Annual Report on Form 10-K), announced supplemental volume obligations for compliance years 2022 and 2023 and established new provisions of the RFS which addressed bio-intermediates. Additionally, the EPA denied the petitions for small refinery exemptions for prior period compliance years.

Other Losses and Contingencies

Delek maintains property damage insurance policies which have varying deductibles. Delek also maintains business interruption insurance policies, with varying coverage limits and waiting periods. Covered losses in excess of the deductible and outside of the waiting period will be recoverable under the property and business interruption insurance policies.

El Dorado Refinery Fire

On February 27, 2021, our El Dorado refinery experienced a fire in its Penex unit. Contrary to initial assessments, and despite occurring during the early stages of turnaround activity, the facility did suffer operational disruptions as a result of the fire. During the nine months ended September 30, 2021, we incurred workers' compensation losses of \$3.8 million associated with the fire, which is included in operating expenses in the accompanying condensed consolidated statements of income. Additionally, we recognized accelerated depreciation of \$1.0 million in the nine months ended September 30, 2021 due to property damaged in the fire, which was recovered during 2021. An additional \$3.4 million was recognized as a gain, in excess of these losses, during the three months ended September 30, 2021. No expense was recorded related to the El Dorado refinery fire during the three and nine months ended September 30, 2022. We continue to incur repair costs that may be recoverable under property and casualty insurance policies. In addition, during the three and

nine months ended September 30, 2022, we recognized a gain of \$0.5 million and \$8.1 million, respectively, related to business interruption claims. Such gain is included in other operating income in the condensed consolidated statements of income. If applicable, we accrue receivables for probable insurance or other third-party recoveries. Work to determine the full extent of covered business interruption and property and casualty losses and potential insurance claims is ongoing and may result in the future recognition of insurance recoveries.

Winter Storm Uri

During February 2021, the Company experienced a severe weather event ("Winter Storm Uri") which temporarily impacted operations at all of our refineries. Due to the extreme freezing conditions, we experienced reduced throughputs at our refineries as there was a disruption in the crude supply, as well as damages to various units at our refineries requiring additional operating and capital expenditures. We recognized additional operating expenses in the amount of \$0.9 million and \$16.8 million in the three and nine months ended September 30, 2021 due to property damaged in the freeze, which was recovered during 2021. No expense was recorded related to the Winter Storm Uri during the three and nine months ended September 30, 2022. An additional \$0.1 million was recognized as a gain in excess of losses during the nine months ended September 30, 2022. We continue to incur repair costs that may be recoverable under property and casualty insurance policies. In addition, during the three and nine months ended September 30, 2022, we recognized a gain of \$6.9 million and \$17.9 million, respectively, related to business interruption claims. If applicable, we accrue receivables for probable insurance or other third-party recoveries. Work to determine the full extent of covered business interruption and property and casualty losses and potential insurance claims is ongoing and is expected to result in additional future recognition of insurance recoveries.

Crude Oil and Other Releases

We have experienced several crude oil and other releases involving our assets. There were no material releases that occurred during the nine months ended September 30, 2022. For other releases that occurred in prior years, we have received regulatory closure or a majority of the cleanup and remediation efforts are substantially complete. We expect regulatory closure in 2022 for the release sites that have not yet received it and do not anticipate material costs associated with any fines or penalties or to complete activities that may be needed to achieve regulatory closure. Expenses incurred for the remediation of these crude oil and other releases are included in operating expenses in our condensed consolidated statements of income.

Letters of Credit

As of September 30, 2022, we had in place letters of credit totaling approximately \$212.6 million with various financial institutions securing obligations primarily with respect to our commodity transactions for the refining segment and certain of our insurance programs. There were no amounts drawn by beneficiaries of these letters of credit at September 30, 2022.

Note 13 - Income Taxes

Under ASC 740, *Income Taxes* ("ASC 740") we used an estimated annual tax rate to record income taxes for the three and nine months ended September 30, 2022 and September 30, 2021. Our effective tax rate was 19.2% and 21.2% for the three and nine months ended September 30, 2022, respectively, and 17.9% and 30.2% for the three and nine months ended September 30, 2021, respectively. The difference between the effective tax rate and the statutory rate is generally attributable to permanent differences and discrete items. The change in our effective tax rate for the three and nine months ended September 30, 2022 as compared to the three and nine months ended September 30, 2021 was primarily due to the impact of credits and permanent differences on the tax rate due to changes in pre-tax income and changes in the third quarter estimated annual effective tax rate applied to year-to-date loss for the nine months ended September 30, 2021.

Note 14 - Related Party Transactions

Our related party transactions consist primarily of transactions with our equity method investees (See Note 6). Transactions with our related parties were as follows for the periods presented (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues ⁽¹⁾	\$ 37.8	\$ 25.7	\$ 81.7	\$ 55.3
Cost of materials and other ⁽²⁾	\$ 34.7	\$ 12.4	\$ 81.8	\$ 37.4

⁽¹⁾ Consists primarily of asphalt sales which are recorded in corporate, other and eliminations segment.

⁽²⁾ Consists primarily of pipeline throughput fees paid by the refining segment and asphalt purchases.

Note 15 - Other Current Assets and Liabilities

The detail of other current assets is as follows (in millions):

Other Current Assets	September 30, 2022	December 31, 2021
Prepaid expenses	\$ 97.9	\$ 44.9
Short-term derivative assets (see Note 10)	73.2	23.6
Investment commodities	9.8	45.0
Income and other tax receivables	19.2	3.6
Other	5.9	8.9
Total	\$ 206.0	\$ 126.0

The detail of accrued expenses and other current liabilities is as follows (in millions):

Accrued Expenses and Other Current Liabilities	September 30, 2022	December 31, 2021
Product financing agreements	\$ 305.7	\$ 249.6
Crude purchase liabilities	204.0	107.4
Consolidated Net RINs Obligation deficit (see Note 11)	168.7	172.2
Income and other taxes payable	90.5	124.8
Employee costs	76.3	44.4
Deferred revenue	37.1	44.6
Short-term derivative liabilities (see Note 10)	21.3	26.8
Other	66.2	28.0
Total	\$ 969.8	\$ 797.8

Note 16 - Equity-Based Compensation**Delek US Holdings, Inc. 2006 and 2016 and Alon USA Energy, Inc. 2005 Long-Term Incentive Plans (collectively, the "Incentive Plans")**

On May 3, 2022, the Company's stockholders approved an amendment to the Delek US Holdings, Inc. 2016 Long-Term Incentive Plan that increased the number of shares of common stock available for issuance under this plan by 760,000 shares to 14,995,000 shares; no awards will be made under this plan after May 5, 2026. Compensation expense related to equity-based awards granted under the Incentive Plans amounted to \$7.3 million and \$19.1 million for the three and nine months ended September 30, 2022, respectively, and \$6.5 million and \$16.7 million for the three and nine months ended September 30, 2021, respectively. These amounts are included in general and administrative expenses and operating expenses in the accompanying condensed consolidated statements of income. As of September 30, 2022, there was \$49.6 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements, which is expected to be recognized over a weighted-average period of 1.4 years.

We issued net shares of common stock of 53,522 and 389,293 as a result of exercised or vested equity-based awards during the three and nine months ended September 30, 2022, respectively, and 62,803 and 343,596 for the three and nine months ended September 30, 2021, respectively. These amounts are net of 50,521 and 318,684 shares withheld to satisfy employee tax obligations related to the exercises and vesting during the three and nine months ended September 30, 2022, respectively, and 11,781 and 159,110 shares during the three and nine months ended September 30, 2021, respectively.

Delek Logistics GP, LLC 2012 Long-Term Incentive Plan

The Delek Logistics GP, LLC 2012 Long-Term Incentive Plan (the "LTIP") was adopted by the Delek Logistics GP, LLC board of directors in connection with the completion of Delek Logistics' initial public offering in November 2012. The LTIP is administered by the Conflicts Committee of the board of directors of Delek Logistics' general partner. The LTIP has 912,207 common units representing limited partner interests in Delek Logistics authorized for issuance and expires June 9, 2031.

Note 17 - Shareholders' Equity**Dividends**

In 2022, our Board of Directors declared the following dividends:

Approval Date	Dividend Amount Per Share	Record Date	Payment Date
June 21, 2022	\$0.20	July 12, 2022	July 20, 2022
August 1, 2022	\$0.20	August 22, 2022	September 6, 2022
October 31, 2022	\$0.21	November 18, 2022	December 2, 2022

Stock Repurchase Program

On November 6, 2018, our Board of Directors authorized a share repurchase program for up to \$500.0 million of Delek common stock. Any share repurchases under the repurchase program may be implemented through open market transactions or in privately negotiated transactions, in accordance with applicable securities laws. The timing, price and size of repurchases are made at the discretion of management and will depend on prevailing market prices, general economic and market conditions and other considerations. In the second quarter of 2020, we elected to suspend the share repurchase program with a \$229.7 million remaining authorization balance. On August 1, 2022, the Board of Directors approved an approximately \$170.3 million increase in its share repurchase authorization, bringing the total amount available for repurchases under current authorizations to \$400.0 million. During both the three and nine months ended September 30, 2022, 1,435,602 shares of our common stock were repurchased and cancelled at the time of the transaction for a total of \$40.0 million. No repurchases of our common stock were made in the three and nine months ended September 30, 2021. As of September 30, 2022, there was \$360.0 million of authorization remaining under Delek's aggregate stock repurchase program.

Stock Purchase and Cooperation Agreement

On March 7, 2022, Delek entered into a stock purchase and cooperation agreement (the "Icahn Group Agreement") with IEP Energy Holding LLC, a Delaware limited liability company, American Entertainment Properties Corp., a Delaware corporation, Icahn Enterprises Holdings L.P., a Delaware limited partnership, Icahn Enterprises G.P. Inc., a Delaware corporation, Beckton Corp., a Delaware corporation, and Carl C. Icahn (collectively, the "Icahn Group"), pursuant to which the Company purchased an aggregate of 3,497,268 shares of common stock of the Company, at a price per share of \$18.30, the closing price of a share of Company common stock on the New York Stock Exchange on March 4, 2022, the last trading day prior to the execution of the Icahn Group Agreement, which equals an aggregate purchase price of \$64.0 million. The Company funded the transaction from cash on hand. The 3,497,268 shares were cancelled at the time of the transaction.

In addition to the foregoing, under the terms of the Icahn Group Agreement, the Icahn Group withdrew its nomination notice for the nomination of nominees for election to the Company's board of directors for the Company's 2022 annual meeting of stockholders. Under the terms of the Icahn Group Agreement, the Icahn Group agreed to standstill restrictions, which requires, among other things, that until the completion of the Company's 2023 annual meeting of stockholders, the Icahn Group will refrain from acquiring additional shares of the Company Common Stock.

Note 18 - Leases

We lease certain retail stores, land, building and various equipment from others. Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 15 years or more. The exercise of existing lease renewal options is at our sole discretion. Certain leases also include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Some of our lease agreements include a rate based on equipment usage and others include a rate with fixed increases or inflationary indices based increase. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. We rent or sublease certain real estate and equipment to third parties. Our sublease portfolio consists primarily of operating leases within our retail stores and crude storage equipment.

As of September 30, 2022, \$23.2 million of our net property, plant, and equipment balance is subject to an operating lease. This agreement does not include options for the lessee to purchase our leasing equipment, nor does it include any material residual value guarantees or material restrictive covenants. The agreement includes a one-year renewal option and certain variable payment based on usage.

The following table presents additional information related to our operating leases in accordance ASC 842, Leases ("ASC 842"):

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Lease Cost				
Operating lease costs ⁽¹⁾	\$ 16.8	\$ 15.7	\$ 52.7	\$ 51.2
Short-term lease costs ⁽²⁾	9.2	7.0	26.5	27.5
Sublease income	(0.1)	(2.0)	(0.2)	(5.8)
Net lease costs	\$ 25.9	\$ 20.7	\$ 79.0	\$ 72.9
Other Information				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases ⁽¹⁾	\$ (16.8)	\$ (16.5)	\$ (52.7)	\$ (52.8)
Leased assets obtained in exchange for new operating lease liabilities	\$ 6.2	\$ 14.2	\$ 17.5	\$ 28.4
Leased assets obtained in exchange for new financing lease liabilities	\$ —	\$ 3.2	\$ —	\$ 15.6
			September 30, 2022	September 30, 2021
Weighted-average remaining lease term (years) operating leases			4.3	4.8
Weighted-average remaining lease term (years) financing leases			6.4	6.7
Weighted-average discount rate operating leases ⁽³⁾			6.0 %	6.4 %
Weighted-average discount rate financing leases ⁽³⁾			3.4 %	3.2 %

⁽¹⁾ Includes an immaterial amount of financing lease cost.

⁽²⁾ Includes an immaterial amount of variable lease cost.

⁽³⁾ Our discount rate is primarily based on our incremental borrowing rate in accordance with ASC 842.

Note 19 - Subsequent Events

Delek Logistics Credit Facility

On October 13, 2022, Delek Logistics entered into a fourth amended and restated senior secured revolving credit agreement with Fifth Third, as administrative agent and a syndicate of lenders (the "Amended and Restated Delek Logistics Credit Facility"). The Amended and Restated Delek Logistics Credit Facility, among other things, (i) increased total aggregate commitments to \$1.2 billion, comprised of (A) senior secured revolving commitments of \$900.0 million in aggregate (eliminating the Canadian dollar tranche), with sublimit of up to \$115.0 million for letters of credit and \$25.0 million for swing line loans (the "Delek Logistics Revolving Facility") with an extended maturity date of October 13, 2027, and (B) a new senior secured term loan facility for a term loan in the original principal amount of \$300.0 million (the "Delek Logistics Term Facility"), (ii) reset the accordion feature under the Delek Logistics Revolving Facility, such that aggregate revolving commitments can be increased to up to \$1.15 billion upon the agreement of Delek Logistics and one or more existing or new lenders and (ii) provided for the Delek Logistics Term Facility be drawn in full on October 13, 2022, with a maturity date of October 13, 2024 and with a prepayment requirement for the proceeds obtained from certain senior unsecured notes issuances. The Delek Logistics Term Facility requires four quarterly amortization payments of \$3.8 million in 2023 and three quarterly amortization payments of \$7.5 million in 2024.

Borrowings under the Delek Logistics Revolving Facility bear interest at the election of Delek Logistics at either a U.S. dollar prime rate, plus an applicable margin ranging from 1.00% to 2.00% depending on Delek Logistics's Total Leverage Ratio (as defined in the Delek Logistics Credit Agreement), or a SOFR rate plus a credit spread adjustment of 0.10% for one-month interest periods and 0.25% for three-month interest periods plus an applicable margin ranging from 2.00% to 3.00% depending on Delek Logistics's Total Leverage Ratio. Unused revolving commitments under the Delek Logistics Revolving Facility incur a commitment fee that ranges from 0.30% to 0.50% depending on Delek Logistics's Total Leverage Ratio. Borrowings under the Delek Logistics Term Facility bear interest at the election of Delek Logistics at either a U.S. dollar prime rate, plus an applicable margin of 2.50% for the first year of the Delek Logistics Term Facility and 3.00% for the second year of the Delek Logistics Term Facility, or a SOFR rate plus a credit spread adjustment of 0.10% for one-month interest periods and 0.25% for three-month interest periods plus an applicable margin of 3.50% for the first year of the Delek Logistics Term Facility and 4.00% for the second year of the Delek Logistics Term Facility.

The Amended and Restated Delek Logistics Credit Facility contains affirmative and negative covenants and events of default which, Delek Logistics considers customary and are similar to those in the Delek Logistics Credit Facility. Under the financial covenants in the Amended and Restated Delek Logistics Credit Facility, Delek Logistics cannot:

- permit, as of the last day of each fiscal quarter, the Total Leverage Ratio (as defined in the Amended and Restated Delek Logistics Credit Facility) to be greater than 5.25 to 1.00; provided, that during any Temporary Increase Period (as defined in the Amended and Restated Delek Logistics Credit Facility), Delek Logistics cannot permit the foregoing ratio to be greater than 5.50 to 1.00 (a Temporary Increase Period with respect to the 3 Bear Acquisition (as defined in the Amended and Restated Delek Logistics Credit Facility) is in effect through March 31, 2023);
- permit, as of the last day of each fiscal quarter, the Senior Leverage Ratio (as defined in the Amended and Restated Delek Logistics Credit Facility) to be greater than 3.75 to 1.00;
- permit, as of the last day of each fiscal quarter, the interest coverage ratio to be equal to or less than 2.00 to 1.00.

The obligations under the Amended and Restated Delek Logistics Credit Facility remain secured by a first priority lien on substantially all of Delek Logistics' and its subsidiaries' tangible and intangible assets.

Delek Revolver

On October 26, 2022, Delek entered into a third amended and restated credit agreement with Wells Fargo Bank, as administrative agent, Delek, as borrower, certain subsidiaries of Delek, as guarantors, and the other lenders party thereto, providing for a senior secured asset-based revolving credit facility with an initial commitment of \$1.1 billion with an extended maturity date of October 26, 2027 (the "Amended and Restated Revolving Credit Facility").

The Amended and Restated Revolving Credit Facility permits borrowings in Canadian dollars of up to \$50.0 million. The Amended and Restated Revolving Credit Facility also permits the issuance of letters of credit of up to \$500.0 million, including letters of credit denominated in Canadian dollars of up to \$10.0 million. Delek may designate restricted subsidiaries as additional borrowers under the Revolving Credit Facility.

The interest rates applicable to borrowings under the Amended and Restated Revolving Credit Facility are based on a fluctuating rate of interest measured by reference to either, at Delek's option, (i) a base rate, plus an applicable margin, or (ii) SOFR, plus an applicable margin (or, in the case of borrowings denominated in Canadian dollars, CDOR). The initial applicable margin for Amended and Restated Revolving Credit Facility borrowings is 0.25% per annum with respect to base rate borrowings and 1.25% per annum with respect to SOFR and CDOR borrowings, and the applicable margin for such borrowings after December 31, 2022 will be based on Delek's quarterly average excess availability as determined by reference to a borrowing base, ranging from 0.25% to 0.75% per annum with respect to base rate borrowings and from 1.25% to 1.75% per annum with respect to SOFR and CDOR borrowings.

In addition, the Amended and Restated Revolving Credit Facility will require Delek to pay an unused line fee on the average amount of unused commitments thereunder in each quarter, which fee will be at a rate of 0.25% or 0.30%, depending on average commitment usage for such quarter.

The Amended and Restated Revolving Credit Facility is secured by a first priority lien over substantially all of Delek's and each guarantor's Revolving Priority Collateral, and a second priority lien over substantially all of Delek's and each guarantor's other assets, including all of the equity interests of any subsidiary held by Delek or any guarantor (other than equity interests in certain unrestricted subsidiaries, excluded subsidiaries and MLP Subsidiaries) subject to certain customary exceptions, but excluding real property.

The Amended and Restated Revolving Credit Facility contains a springing financial covenant that requires the Delek after excess availability under the Amended and Restated Revolving Credit Facility falls below the greater of (x) \$90.0 million and (y) 0.10% of the loan limit, to comply with a minimum fixed charge coverage ratio of 1.00 to 1.00 until excess availability is greater than such threshold for a period of 30 consecutive days. In addition, the Amended and Restated Revolving Credit Facility is subject to negative covenants that, among other things and subject to certain exceptions, limit Delek's ability and the ability of its restricted subsidiaries to: (i) incur indebtedness or make guarantees of indebtedness; (ii) incur liens; (iii) make investments, loans and acquisitions; (iv) merge, liquidate or dissolve; (v) sell assets, including capital stock of subsidiaries; (vi) pay dividends on capital stock or redeem, repurchase or retire capital stock; (vii) alter Delek's business; (viii) engage in transactions with Delek's affiliates; (ix) enter into agreements limiting subsidiary dividends and distributions; and (x) enter into certain hedging transactions.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is management's analysis of our financial performance and of significant trends that may affect our future performance. The MD&A should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and in the Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 25, 2022 (the "Annual Report on Form 10-K"). Those statements in the MD&A that are not historical in nature should be deemed forward-looking statements that are inherently uncertain.

Delek US Holdings, Inc. is a registrant pursuant to the Securities Act of 1933, as amended ("Securities Act") and is listed on the New York Stock Exchange ("NYSE") under the ticker symbol "DK". Unless otherwise noted or the context requires otherwise, the terms "we," "our," "us," "Delek" and the "Company" are used in this report to refer to Delek US Holdings, Inc. and its consolidated subsidiaries for all periods presented. You should read the following discussion of our financial condition and results of operations in conjunction with our historical condensed consolidated financial statements and notes thereto.

The Company announces material information to the public about the Company, its products and services and other matters through a variety of means, including filings with the SEC, press releases, public conference calls, the Company's website (www.delekus.com), the investor relations section of its website (ir.delekus.com), the news section of its website (www.delekus.com/news), and/or social media, including its Twitter account ([@DelekUSHoldings](https://twitter.com/DelekUSHoldings)). The Company encourages investors and others to review the information it makes public in these locations, as such information could be deemed to be material information. Please note that this list may be updated from time to time.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 ("Exchange Act"). These forward-looking statements reflect our current estimates, expectations and projections about our future results, performance, prospects and opportunities. Forward-looking statements include, among other things, statements that refer to the acquisition of 3 Bear Delaware Holding – NM, LLC (the "3 Bear Acquisition"), including any statements regarding the expected benefits, synergies, growth opportunities, impact on liquidity and prospects, and other financial and operating benefits thereof, statements regarding the effect, impact, potential duration or other implications of, or expectations expressed with respect to, the outbreak of COVID-19 and its development into a pandemic in early 2020 (the "COVID-19 Pandemic" or the "Pandemic") and its impact on oil production and pricing, and statements regarding our efforts and plans in response to such events, the information concerning possible future results of operations, business and growth strategies, including as the same may be impacted by the attack on Ukraine by Russia in February 2022 (the "Russia-Ukraine War"), financing plans, expectations that regulatory developments or other matters will or will not have a material adverse effect on our business or financial condition, our competitive position and the effects of competition, the projected growth of the industry in which we operate, and the benefits and synergies to be obtained from our completed and any future acquisitions, statements of management's goals and objectives, and other similar expressions concerning matters that are not historical facts. Words such as "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "appears," "projects" and similar expressions, as well as statements in future tense, identify forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Important factors that, individually or in the aggregate, could cause such differences include, but are not limited to:

- volatility in our refining margins or fuel gross profit as a result of changes in the prices of crude oil, other feedstocks and refined petroleum products and the impact of the COVID-19 Pandemic on such demand;
- reliability of our operating assets;
- actions of our competitors and customers;
- changes in, or the failure to comply with, the extensive government regulations applicable to our industry segments, including current and future restrictions on commercial and economic activities in response to the COVID-19 Pandemic or future pandemics;
- our ability to execute our strategy of growth through acquisitions, such as the 3 Bear Acquisition, and capital projects and changes in the expected value of and benefits derived therefrom, including any ability to successfully integrate acquisitions, realize expected synergies or achieve operational efficiency and effectiveness;
- diminishment in value of long-lived assets may result in an impairment in the carrying value of the assets on our balance sheet and a resultant loss recognized in the statement of operations;
- the unprecedented market environment and economic effects of the COVID-19 Pandemic, including uncertainty regarding the timing, pace and extent of economic recovery in the United States ("U.S.") due to the COVID-19 Pandemic;
- general economic and business conditions affecting the southern, southwestern and western U.S., particularly levels of spending related to travel and tourism and the ongoing and future impacts of the COVID-19 Pandemic;
- volatility under our derivative instruments;
- deterioration of creditworthiness or overall financial condition of a material counterparty (or counterparties);

- unanticipated increases in cost or scope of, or significant delays in the completion of, our capital improvement and periodic turnaround projects;
- risks and uncertainties with respect to the quantities and costs of refined petroleum products supplied to our pipelines and/or held in our terminals;
- operating hazards, natural disasters, weather related disruptions, casualty losses and other matters beyond our control;
- increases in our debt levels or costs;
- possibility of accelerated repayment on a portion of the J. Aron supply and offtake liability if the purchase price adjustment feature triggers a change on the re-pricing dates;
- changes in our ability to continue to access the credit markets;
- compliance, or failure to comply, with restrictive and financial covenants in our various debt agreements;
- changes in our ability to pay dividends;
- seasonality;
- earthquakes, hurricanes, tornadoes, and other weather events, which can unforeseeably affect the price or availability of electricity, natural gas, crude oil, and other feedstocks, critical supplies, refined petroleum products and ethanol;
- increased costs of compliance with, or liability for violation of, existing or future laws, regulations and other requirements;
- legislative and regulatory measures to address climate change and greenhouse gases emissions;
- acts of terrorism (including cyber-terrorism) aimed at either our facilities or other facilities;
- impacts of global conflicts;
- future decisions by the Organization of Petroleum Exporting Countries ("OPEC") and the members of other leading oil producing countries (together with OPEC, "OPEC+") regarding production and pricing and disputes between OPEC+ members regarding the same;
- disruption, failure, or cybersecurity breaches affecting or targeting our IT systems and controls, our infrastructure, or the infrastructure of our cloud-based IT service providers;
- changes in the cost or availability of transportation for feedstocks and refined products; and
- other factors discussed under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" and in our other filings with the SEC.

In light of these risks, uncertainties and assumptions, our actual results of operations and execution of our business strategy could differ materially from those expressed in, or implied by, the forward-looking statements, and you should not place undue reliance upon them. In addition, past financial and/or operating performance is not necessarily a reliable indicator of future performance, and you should not use our historical performance to anticipate future results or period trends. We can give no assurances that any of the events anticipated by any forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition. All forward-looking statements included in this report are based on information available to us on the date of this report. We undertake no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.

Executive Summary

Business Overview

We are an integrated downstream energy business focused on petroleum refining, the transportation, storage and wholesale distribution of crude oil, intermediate and refined products and convenience store retailing. Our operating segments consist of refining, logistics, and retail, and are discussed in the sections that follow.

Business and Economic Environment Overview

Through the first nine months of 2022, the recovery of demand to pre-pandemic levels for petroleum-based transportation fuels and constrained supply of those products, resulted in an increase in feedstock costs as well as a widening of market crack spreads. Geopolitical events including the Russia-Ukraine War and new governmental policies have contributed to the ongoing volatility and unpredictability of global energy markets. We believe that safety, reliability and environmental responsibility are critical for our success. Through the first nine months of 2022, we have successfully taken advantage of the favorable economic environment by operating our refineries at record utilization rates. Our continued investment in Delek Logistics has resulted in realized synergies and increased flexibility through our entire supply chain. The integration of 3 Bear has expanded our existing crude oil gathering throughput capacity in the Permian while also extending our product offering to include natural gas gathering and processing as well as wastewater processing and disposal. The 3 Bear assets have complimented our existing Permian gathering assets which has seen a significant increase in throughput during 2022. Our retail operations have benefited from continued strong demand from U.S. drivers and present several high-growth opportunities for future investment which will complement our existing operations and build brand equity.

While refining margins have reached historical levels during the year, rising natural gas prices, supply constraints, and increased labor costs have been a headwind. A sharp increase in inflation and increases in interest rates intended to combat inflation have resulted in an expectation of a global economic downturn and an increasingly competitive capital market environment. In addition, a global reduction of investment in carbon intensive activities driven by climate change initiatives, has resulted in higher costs of capital for most companies in our industry. We are continuously evaluating forward markets and have actively engaged cost and risk mitigation strategies to proactively take advantage of opportunities through disciplined capital allocation. We are committed to lowering costs and improving the efficiency of our cost structure in all aspects of our business and are challenging ourselves to continue to focus on operational excellence. We are continuously looking to improve our operating and general and administrative cost structure and are exploring a zero-based budgeting process for 2023.

Our focus on reduction of greenhouse gas emissions is a key objective as we strive to be a leader in the transition to a carbon neutral future. Delek formed the New Energy Task Force in 2021, and the group has been studying and internally reporting our current emissions status, pinpointing potential means of achieving emissions reductions, providing updates on carbon capture opportunities and regulatory

issues facing the industry and Delek specifically, and identifying transformational opportunities consistent with the Intergovernmental Panel on Climate Change's 2° scenarios. Delek prioritizes stewardship of the environment, and we focus on how to positively impact our shareholders, employees, customers, and the communities where we operate.

We believe shareholder value is strengthened through, among other things, a stable dividend complemented by share repurchases. We also want to reward our shareholders with a competitive long-term capital allocation framework. In the second quarter 2022, we reinstated a regular cash dividend of \$0.20 per share which lays a foundation that we believe can be supported throughout the business cycle. Through September 30, 2022, we have paid a special dividend and reinstated the quarterly dividend for a total return of \$28.3 million. On October 31, 2022, we increased the quarterly cash dividend by \$0.1 per share to \$0.21. In August 2022, we announced an expansion of the share repurchase authorization to \$400 million, which reflects our desire to deliver increased cash returns during periods of strong free cash flow generation. During the three months ended September 30, 2022, we made repurchases of \$40.0 million. In addition, we are evaluating opportunities to reduce our long term debt which will reward our shareholders with a competitive long-term capital allocation framework and demonstrates our commitment to our balance sheet strength.

Our near-term focus is centered around unlocking the "sum of the parts" value of our existing business while identifying growth opportunities to enhance the Company's scale and diversify revenue streams, including in the alternative energy markets. As part of our plan, we have hired Mark Hobbs who is an experienced investment banker with over 28 years of energy experience to fill the role of EVP, Corporate Development and who will work closely with the rest of our management team to unlock the "sum of parts" value. In addition, we have also hired third party advisors to work alongside our management team to identify strategic options. We believe this process will maximize the value of our shareholders while optimizing our asset portfolio and balance sheet.

See further discussion on macroeconomic factors and market trends, including the impact on 2021 and the outlook for 2022, in the 'Market Trends' section below. See also the 'Results of Operations' section below for further discussion.

Refining Overview

The refining segment (or "Refining") processes crude oil and other feedstocks for the manufacture of transportation motor fuels, including various grades of gasoline, diesel fuel and aviation fuel, asphalt and other petroleum-based products that are distributed through owned and third-party product terminals. The refining segment has a combined nameplate capacity of 302,000 barrels per day as of September 30, 2022. A high-level summary of the refinery activities is presented below:

	Tyler, Texas refinery (the "Tyler refinery")	El Dorado, Arkansas refinery (the "El Dorado refinery")	Big Spring, Texas refinery (the "Big Spring refinery")	Krotz Springs, Louisiana refinery (the "Krotz Springs refinery")
Total Nameplate Capacity (barrels per day ("bpd"))	75,000	80,000 ⁽¹⁾	73,000	74,000
Primary Products	Gasoline, jet fuel, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, petroleum coke and sulfur	Gasoline, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, asphalt and sulfur	Gasoline, jet fuel, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, aromatics and sulfur	Gasoline, jet fuel, high-sulfur diesel, light cycle oil, liquefied petroleum gases, propylene and ammonium thiosulfate
Crack Spread Benchmark	Gulf Coast 5-3-2	Gulf Coast 5-3-2 ⁽²⁾	Gulf Coast 3-2-1 ⁽³⁾	Gulf Coast 2-1-1 ⁽⁴⁾
Marketing and Distribution	The refining segment's petroleum-based products are marketed primarily in the south central and southwestern regions of the United States, and the refining segment also ships and sells gasoline into wholesale markets in the southern and eastern United States. Motor fuels are sold under the Alon or Delek brand through various terminals to supply Alon or Delek branded retail sites. In addition, we sell motor fuels through our wholesale distribution network on an unbranded basis.			

⁽¹⁾ While the El Dorado refinery has a total nameplate capacity of 80,000 barrels per day ("bpd"), El Dorado refinery's output generally does not exceed 75,000, which is the maximum output for the small refinery exemption under the Environmental Protection Agency's ("EPA") Renewable Fuel Standards.

⁽²⁾ While there is variability in the crude slate and the product output at the El Dorado refinery, we compare our per barrel refining margin to the U.S. Gulf Coast ("Gulf Coast") 5-3-2 crack spread because we believe it to be the most closely aligned benchmark.

⁽³⁾ Our Big Spring refinery is capable of processing substantial volumes of sour crude oil and/or substantial volumes of sweet crude oil, and therefore the West Texas Intermediate ("WTI") Cushing/ West Texas Sour ("WTS") price differential, taking into account differences in production yield, is an important measure for helping us make strategic, market-respondent production decisions.

⁽⁴⁾ The Krotz Springs refinery has the capability to process substantial volumes of light sweet crude oil to produce a high percentage of refined light products.

Our refining segment also owns and operates three biodiesel facilities involved in the production of biodiesel fuels and related activities, located in Crossett, Arkansas, Cleburne, Texas, and New Albany, Mississippi.

Logistics Overview

Our logistics segment (or "Logistics") gathers, transports and stores crude oil and natural gas, markets, distributes, transports and stores refined products and disposes and recycles water in select regions of the southeastern United States, the Delaware Basin in New Mexico and West Texas for our refining segment and third parties. It is comprised of the consolidated balance sheet and results of operations of Delek Logistics Partners, LP ("Delek Logistics", NYSE:DKL), where we owned an 78.9% interest in Delek Logistics at September 30, 2022. Delek Logistics was formed by Delek in 2012 to own, operate, acquire and construct crude oil and refined products logistics and marketing assets. A substantial majority of Delek Logistics' assets are currently integral to our refining and marketing operations. The logistics segment's pipelines and transportation business owns or leases capacity on approximately 400 miles of crude oil transportation pipelines, approximately 450 miles of refined product pipelines, and an approximately 900-mile crude oil gathering system and associated crude oil storage tanks with an aggregate of approximately 10.2 million barrels of active shell capacity. It also owns and operates ten light product terminals and markets light products using third-party terminals. Logistics has strategic investments in pipeline joint ventures that provide access to pipeline capacity as well as the potential for earnings from joint venture operations. The logistics segment owns or leases approximately 264 tractors and 353 trailers used to haul primarily crude oil and other products for related and third parties.

In addition, effective with the 3 Bear Acquisition, June 1, 2022, Delek's logistics segment now includes 3 Bear's operations of crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, in the Delaware Basin in New Mexico. The asset base includes approximately 485 miles of pipelines, 88 million cubic feet ("MMcf") per day ("MMcf/d") of cryogenic natural gas processing capacity, 140 thousand barrels ("MBbl") per day ("MBbl/d") of crude gathering capacity, 120 MBbl of crude storage capacity and 200 MBbl/d of water disposal capacity. (See further discussion in Note 2 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

Retail Overview

Our retail segment (or "Retail") at September 30, 2022 includes the operations of 248 owned and leased convenience store sites located primarily in West Texas and New Mexico. Our convenience stores typically offer various grades of gasoline and diesel under the DK or Alon brand name and food products, food service, tobacco products, non-alcoholic and alcoholic beverages, general merchandise as well as money grams to the public, primarily under the 7-Eleven and DK or Alon brand names pursuant to a license agreement with 7-Eleven, Inc. In November 2018, we terminated the license agreement with 7-Eleven, Inc. and the terms of such termination and subsequent amendments require the removal of all 7-Eleven branding on a store-by-store basis by December 31, 2023. Merchandise sales at our convenience store sites will continue to be sold under the 7-Eleven brand name until 7-Eleven branding is removed pursuant to the termination. As of September 30, 2022, we have removed the 7-Eleven brand name at 55 of our store locations. Substantially all of the motor fuel sold through our retail segment is supplied by our Big Spring refinery, which is transferred to the retail segment at prices substantially determined by reference to published commodity pricing information.

The cost to acquire the refined fuel products we sell to our wholesale customers in our logistics segment and at our convenience stores in our retail segment depends on numerous factors beyond our control, including the supply of, and demand for, crude oil, gasoline and other refined petroleum products which, in turn, depend on, among other factors, changes in domestic and foreign economies, weather conditions, domestic and foreign political affairs, production levels, the availability of imports, the marketing of competitive fuels and government regulation. Our retail merchandise sales are driven by convenience, customer service, competitive pricing and branding. Motor fuel margin is sales less the delivered cost of fuel and motor fuel taxes, measured on a cents per gallon basis. Our motor fuel margins are impacted by local supply, demand, weather, competitor pricing and product brand.

Corporate and Other Overview

Our corporate activities, results of certain immaterial operating segments, our asphalt terminal operations, our wholesale crude operations, and intercompany eliminations are reported in corporate, other and eliminations in our segment disclosures. Additionally, our corporate activities include certain of our commodity and other hedging activities.

Strategic Update

Our Framework: Long-Term Sustainability

The emphasis on environmental responsibility and long-term economic and environmental sustainability is accelerating, with increased demand for transparency evolving out of the Environmental, Social and Governance ("ESG") movement. As we evaluate our current ESG positioning in the market, we also must integrate a broader sustainability view to all of our activities, both operational and strategic. For these reasons, we have developed a **Long-Term Sustainability Framework**, which will help us to formulate our strategic objectives and initiatives.

Long-Term Sustainability Framework: Overarching Objectives

Certain fundamental principles are foundational to our Long-Term Sustainability Framework, and direct us as we develop our guiding objectives. With that in mind, we have initially identified the following **overarching objectives**:

- I. **Redirect Corporate Culture towards Innovation, Excellence, and Operating Discipline.**
- II. **Focus on Operational Optimization and Improved Margin Capture.**
- III. **Implement Digital Transformation Strategy.**
- IV. **Identify ESG-Conscious Investments with Clear Value Propositions and Sustainable Returns.**
- V. **Evaluate Strategic Priorities and Redefine Long-term Sustainable Business Model.**

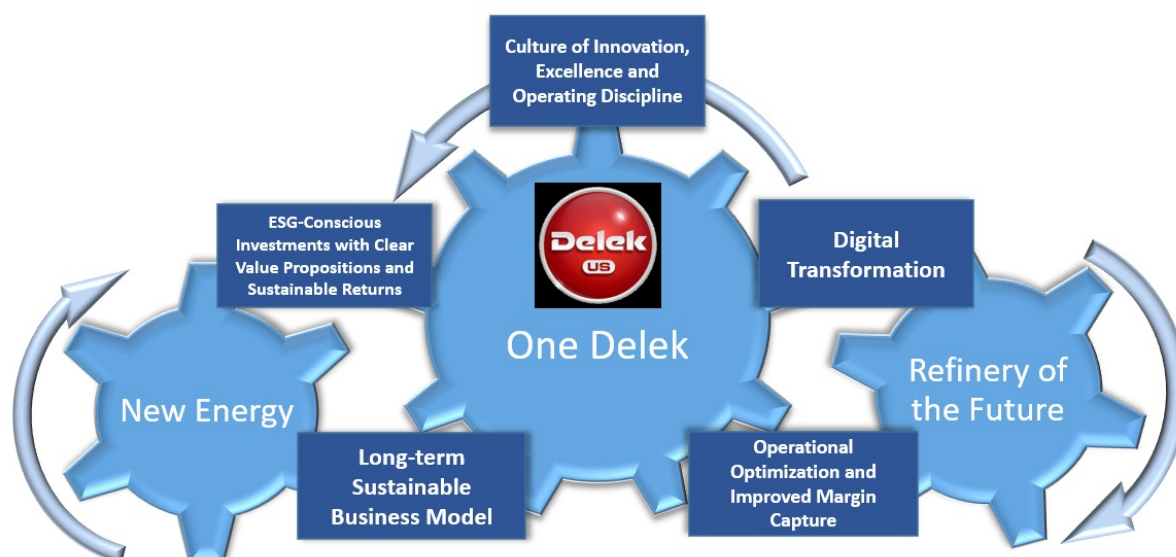
Long-Term Sustainability Framework: Key Initiatives

Additionally, integral to our Long-Term Sustainability Framework and the achievement of the initial overarching objectives are the following **key initiatives**:

- **Transform our corporate and operating culture into "One Delek"** through unification of purpose, vision and strategy with an emphasis on cultural sustainability.
- **Transform our refining operations into the "Refinery of the Future"** founded on digitization and automation, innovation and synergistic discipline.
- **Develop a "New Energy" mentality focused on understanding the future of energy** on a global scale and how Delek can be a leader and facilitator of positive, sustainable change in the energy industry.

Long-Term Sustainability Strategy: A Snapshot

The **Overarching Objectives** and **Key Initiatives** are integrated and interdependent, representative of the synergistic approach we are employing, and together comprise our Long-term Sustainability Strategy, as illustrated below (see further discussion in our 2021 Annual Report on Form 10-K):



2022 Strategic Developments

In our 2021 Annual Report on Form 10-K, we further defined our 2022 strategy by identifying certain key Focused Objectives and Priorities, as they relate to our Key Initiatives. The following table presents some of our most significant 2022 developments to date towards the achievement of our Focused Objectives:

Key Initiative: Implementing One Delek Culture Transformation	Key Initiative: Planning for Refinery of the Future Operational Transformation
Focused Objective: Improving Efficiency in Systems and Processes	
We are committed to becoming even more efficient by focusing on our systems and processes. We know there is always room for improvement, and those improvements can make every employee more effective and valued.	
Improving Efficiency and Processes to Drive Enhanced Analytics by implementing a New Enterprise Resource Planning System: In October 2022, we implemented a new enterprise resource planning system, designed to improve the efficiency of our internal operational and administrative activities. This system implementation is part of our ongoing business transformation initiatives and we expect these system infrastructure investments will result in more efficient and scalable operational processes and provide enhanced analytics to drive business performance.	
Improving Consistency and Transparency by Conforming Refining Inventory Accounting Methodology: As of January 1, 2022, we changed our method for accounting for inventory held at the Tyler Refinery to the first-in, first-out ("FIFO") cost method from the last-in, first-out ("LIFO") cost method. This change in accounting method will conform the Company's refining inventory to a single method of accounting, and will eliminate the inherent volatility in the LIFO valuation of inventory attributable to increments and decrements in historical LIFO layers, which can impact comparability between periods as well as to market conditions and crack spreads. For these reasons, we expect that the newly adopted accounting principle will improve financial reporting by providing better consistency, better transparency, and recognition that better reflects the physical flow of inventory and more accurately reflects the current value of inventory. The effects of this change have been retrospectively applied to all periods presented with a cumulative effect adjustment reflected in the January 1, 2021 beginning retained earnings. (See further discussion in Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).	
Focused Objective: Balancing Risk and Reward	
As we continue to grow, we want to cultivate a healthy appetite for risk. That means, when we make decisions, we plan to identify those risks that come with the greatest potential for success, and pursue them with care.	
Increasing Shareholder Value through Payment of Dividends: On October 31, 2022, our Board of Directors voted to declare a quarterly cash dividend of \$0.21 per share of our common stock, which is payable on December 2, 2022 to shareholders of record on November 18, 2022. In addition, a special cash dividend of \$0.20 per share of our common stock was paid on July 20, 2022 to shareholders of record on July 12, 2022 and a quarterly cash dividend of \$0.20 per share of our common stock was paid on September 6, 2022 to shareholders of record on August 22, 2022.	
Increasing Shareholder Value through Increase of Share Repurchase Program: On August 1, 2022, our Board of Directors approved an approximately \$170.3 million increase in its share repurchase authorization, bringing the total amount available for repurchases under current authorizations to \$400.0 million. During both the three and nine months ended September 30, 2022, Delek repurchased 1,435,602 shares for an aggregate purchase price of \$40.0 million. As of September 30, 2022, there was \$360.0 million of authorization remaining for repurchases.	
Increasing Flexibility through Debt Amendments: On May 26, 2022, Delek Logistics entered into a Third Amendment to the Delek Logistics Credit Facility which, among other things, provides for certain changes to the Delek Logistics Credit Facility in connection with the 3 Bear Acquisition in respect of pro forma calculations and certain other requirements. Further, on May 26, 2022, Delek Logistics entered into a Fourth Amendment (the "Fourth Amendment") to the Delek Logistics Credit Facility. Among other things, the Fourth Amendment: (i) increased the U.S. Revolving Credit Commitments (as defined in the Delek Logistics Credit Facility) by an amount equal to \$150.0 million, for an aggregate amount of \$1.0 billion, (ii) increased the U.S. L/C Sublimit (as defined in the Delek Logistics Credit Facility) to an aggregate amount equal to \$90.0 million and (iii) increased the U.S. Swing Line Sublimit (as defined in the Delek Logistics Credit) to an aggregate amount equal to \$18.0 million. The exercise of the accordion feature gave Delek Logistics the flexibility to utilize borrowings under the Delek Logistics Credit Facility to help fund the acquisition of 3 Bear while continuing to maintain sufficient availability to continue to effectively manage working capital needs and liquidity risk, and to evaluate longer term capitalization strategies.	
On October 13, 2022, Delek Logistics entered into a fourth amended and restated senior secured revolving credit agreement with Fifth Third, as administrative agent and a syndicate of lenders (the "Amended and Restated Delek Logistics Credit Facility"). The Amended and Restated Delek Logistics Credit Facility, among other things, (i) increased total aggregate commitments to \$1.2 billion, comprised of (A) senior secured revolving commitments of \$900.0 million in aggregate (eliminating the Canadian dollar tranche), with sublimit of up to \$115.0 million for letters of credit and \$25.0 million for swing line loans (the "Delek Logistics Revolving Facility") with an extend maturity date of October 13, 2027, and (B) a new senior secured term loan facility for a term loan in the original principal amount of \$300.0 million (the "Delek Logistics Term Facility"), (ii) reset the accordion feature under the Delek Logistics Revolving Facility, such that aggregate revolving commitments can be increased to up to \$1.15 billion upon the agreement of Delek Logistics and one or more existing or new lenders and (ii) provided for the Delek Logistics Term Facility be drawn in full on October 13, 2022, with a maturity date of October 13, 2024 and with a prepayment requirement for the proceeds obtained from certain senior unsecured notes issuances.	

On October 26, 2022, Delek entered into a third amended and restated credit agreement with Wells Fargo Bank, as administrative agent, Delek, as borrower, certain subsidiaries of Delek, as guarantors, and the other lenders party thereto, providing for a senior secured asset-based revolving credit facility with total credit commitment of \$1.1 billion with an extended maturity date of October 26, 2027 (the "Amended and Restated Revolving Credit Facility").

Increasing Shareholder Value and Reducing Outsider Risk through Stock Purchase and Cooperation Agreement:

On March 7, 2022, Delek entered into a stock purchase and cooperation agreement (the "Icahn Group Agreement") with IEP Energy Holding LLC, a Delaware limited liability company, American Entertainment Properties Corp., a Delaware corporation, Icahn Enterprises Holdings L.P., a Delaware limited partnership, Icahn Enterprises G.P. Inc., a Delaware corporation, Beckett Corp., a Delaware corporation, and Carl C. Icahn (collectively, the "Icahn Group"), pursuant to which the Company agreed to purchase an aggregate of 3,497,268 shares of common stock of the Company, at a price per share of \$18.30, the closing price of a share of Company common stock on the New York Stock Exchange on March 4, 2022, the last trading day prior to the execution of the Icahn Group Agreement, which equals an aggregate purchase price of \$64.0 million.

Focus on Leadership Succession Planning:

On June 9, 2022, Avigal Soreq was appointed the President and Chief Executive Officer ("CEO") and as a member of the Board of Directors (the "Board") under a previously announced CEO succession plan. Ezra Uzi Yemin, the Company's previous President and CEO, was appointed as the Executive Chairman of the Board. Mr. Soreq was previously the Chief Executive Officer of El Al Israel Airlines, the national airline of Israel, since January 2021. Prior to that, he served as a member of the Company's executive management team, including as the Chief Operating Officer from March 2020 until January 2021, its Chief Commercial Officer from November 2016 until March 2020, an Executive Vice President from August 2015 until January 2021, and a Vice President from 2012 until 2015. In addition, Mr. Soreq served as an Executive Vice President of Delek Logistics GP, LLC from 2015 until 2021, and as its Vice President from 2012 until 2015. Delek also announced on March 27, 2022, that Leonardo Moreno, a highly experienced executive in the global renewable energy and technology sector, has been appointed director to the Board. With these appointments of Messrs. Soreq and Moreno, the Board has been expanded to comprise nine directors, seven of whom are independent and three of whom are diverse, fulfilling the Company's objective of at least 30% of the Board comprising diverse members by 2022.

Key Initiative: Implementing One Delek Culture Transformation

Key Initiative: Planning for Refinery of the Future Operational Transformation

Focused Objective: Balancing Risk and Reward / Driving EBITDA Improvements

As we continue to grow, we want to cultivate a healthy appetite for risk. That means, when we make decisions, we plan to identify those risks that come with the greatest potential for success, and pursue them with care.

Completed Strategic Midstream Acquisition:

On June 1, 2022, DKL Delaware Gathering, LLC, a subsidiary of Delek Logistics, completed the acquisition of 100% of the limited liability company interests in 3 Bear Delaware Holding – NM, LLC ("3 Bear") from 3 Bear Energy – New Mexico LLC (the "Seller"), related to Seller's crude oil and gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, in the Delaware Basin in New Mexico. The purchase price for 3 Bear was \$628.1 million and was financed through a combination of cash on hand and borrowings under Delek Logistics' existing credit agreement. (See further discussion in Note 2 and Note 8 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q). This acquisition provides us the opportunity to significantly expand our third-party midstream contribution margin within our logistics segment.

Market Trends

Our results of operations are significantly affected by fluctuations in the prices of certain commodities, including, but not limited to, crude oil, gasoline, distillate fuel, biofuels, natural gas and electricity, among others. Historically, the impact of commodity price volatility on our refining margins (as defined under the heading "Non-GAAP Measures" in MD&A Item 2.), specifically as it relates to the price of crude oil as compared to the price of refined products and timing differences in the movements of those prices (subject to our inventory costing methodology), as well as location differentials, may be favorable or unfavorable compared to peers. Additionally, our refining margin profitability is impacted by regulatory factors, including the cost of renewable identification numbers ("RINs").

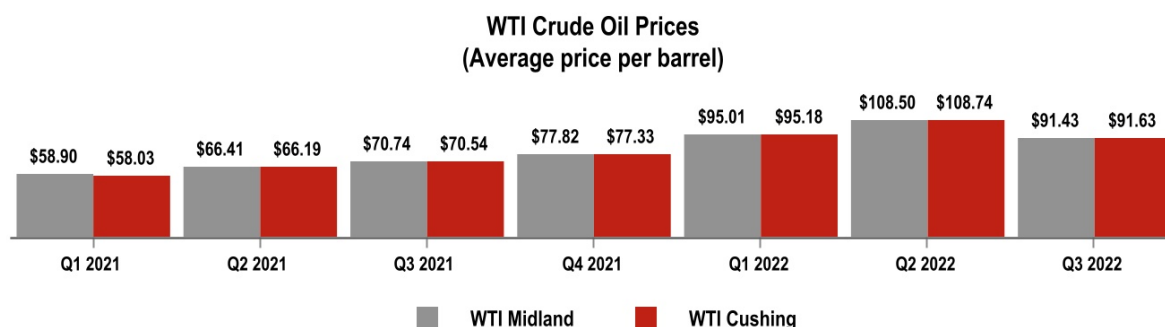
Market Outlook for the Remainder of 2022

During the third quarter of 2022, the domestic oil and gas industry witnessed a contraction of domestic market crack spreads compared to the unprecedented favorable market conditions that existed during the second quarter of 2022. We expect the volatility in the global energy markets will continue until supply can meet the current demand and fears of an economic downturn subside. Although the possibility of an economic downturn exists, Delek is witnessing a strong demand environment for refined products which is being driven by a rebound in domestic on road fuel demand. To capture the macro environment, we have positioned the Company to continue to run safely, reliably and environmentally responsibly at near nameplate capacity while leveraging our new 3 Bear logistics lines of business with an eye towards the One Delek vision. We will continue to balance the cost of debt and cost of equity while continuing to exercise a longer-term sustainable view of capital allocation.

See the following pages for further discussion on how certain key market trends impact our refining margins.

Crude Prices

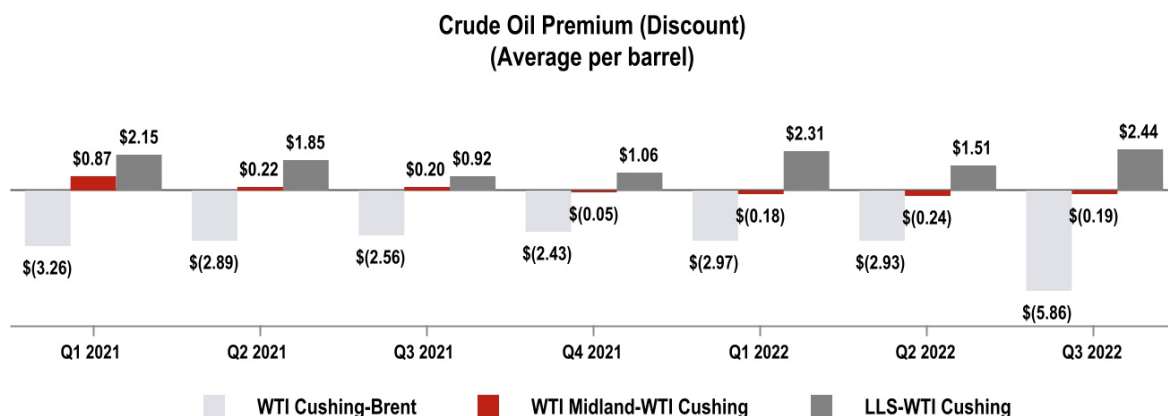
WTI crude oil represents the largest component of our crude slate at all of our refineries, and can be sourced through our gathering channels or optimization efforts from Midland, Texas or Cushing, Oklahoma or other locations. We manage our supply chain risk to ensure that we have the barrels to meet our crude slate consumption plan for each month through gathering supply contracts and throughput agreements on various strategic pipelines, some of which include those where we hold equity method investments. We manage market price risk on crude oil through financial derivative hedges, in accordance with our risk management strategies. The table below reflects the quarterly average prices of WTI Midland and WTI Cushing crude oil for each of the quarterly periods in 2021 and for the three quarterly periods in 2022.



Crude Pricing Differentials

Historically, domestic refiners have benefited from the discount for WTI Cushing compared to Brent. This generally leads to higher margins in our refineries, as refined product prices are influenced by Brent crude prices and the majority of our crude supply is WTI-linked. Because of our positioning in the Permian basin, including our access to significant sources of WTI Midland crude through our gathering system, we are even further benefited by discounts for WTI Midland/WTI Cushing differentials. When these discounts shrink or become premiums, our reliance on WTI-linked crude pricing, and specifically WTI Midland crude, can negatively impact our refining margins. Conversely, as these price discounts widen, so does our competitive advantage, created specifically by our access to WTI Midland crude sourced through our gathering systems.

The chart below illustrates the key differentials impacting our refining operations, including WTI Cushing to Brent, WTI Midland to WTI Cushing, and Louisiana Light Sweet crude oil ("LLS") to WTI Cushing for each of the quarterly periods in 2021 and for the three quarterly periods in 2022.

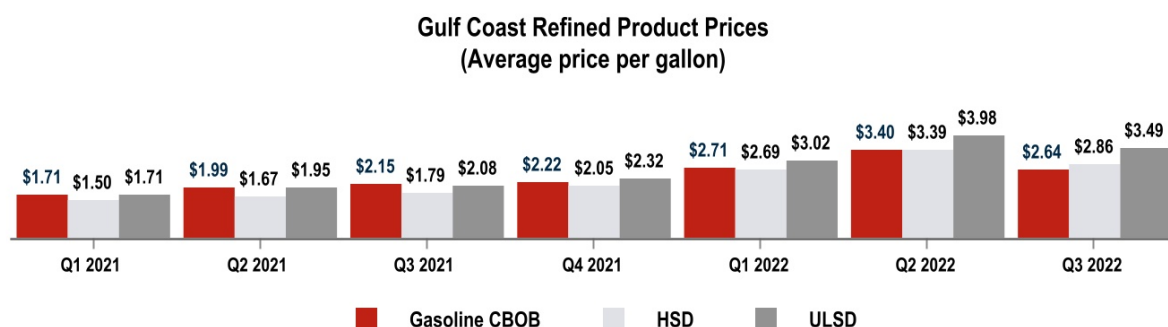


Refined Product Prices

Our refineries produce the following products:

	Tyler Refinery	El Dorado Refinery	Big Spring Refinery	Krotz Springs Refinery
Primary Products	Gasoline, jet fuel, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, petroleum coke and sulfur	Gasoline, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, asphalt and sulfur	Gasoline, jet fuel, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, aromatics and sulfur	Gasoline, jet fuel, high-sulfur diesel, light cycle oil, liquefied petroleum gases, propylene and ammonium thiosulfate

The charts below illustrate the quarterly average prices of CBOB, U.S. High Sulfur Diesel ("HSD") and U.S. Ultra Low Sulfur Diesel ("ULSD") for each of the quarterly periods in 2021 and for the three quarterly periods in 2022.

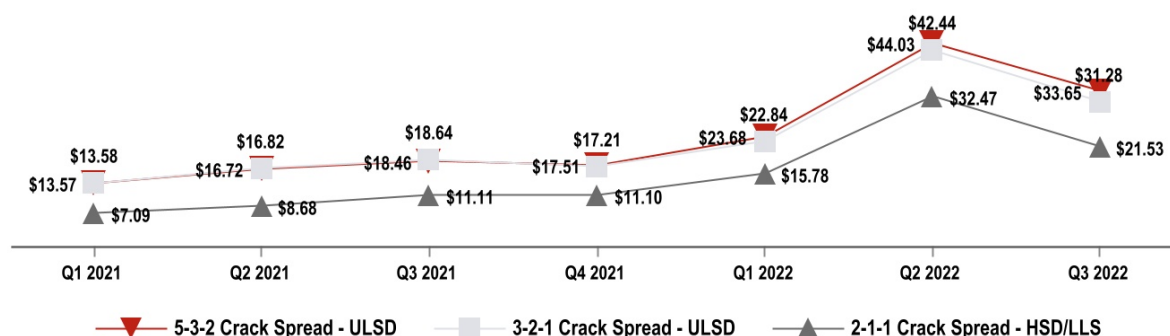


Crack Spreads

Crack spreads are used as benchmarks for predicting and evaluating a refinery's product margins by measuring the difference between the market price of feedstocks/crude oil and the resultant refined products. Generally, a crack spread represents the approximate refining margin resulting from processing one barrel of crude oil into its outputs, generally gasoline and diesel fuel.

The table below reflects the quarterly average Gulf Coast 5-3-2 ULSD, 3-2-1 ULSD and 2-1-1 HSD/LLS crack spreads for each of the quarterly periods in 2021 and for the three quarterly periods in 2022. As the chart illustrates, the 3-2-1 crack spread has consistently outperformed the 5-3-2 and the 2-1-1 crack spreads. When market conditions consist of near-capacity throughputs and no significant outages, our Big Spring refinery, whose benchmark is the 3-2-1 crack spread, should outperform our other refineries in terms of refining margin, which are benchmarked against either the 5-3-2 or the 2-1-1 crack spreads.

Gulf Coast Crack Spread
(Average per barrel)

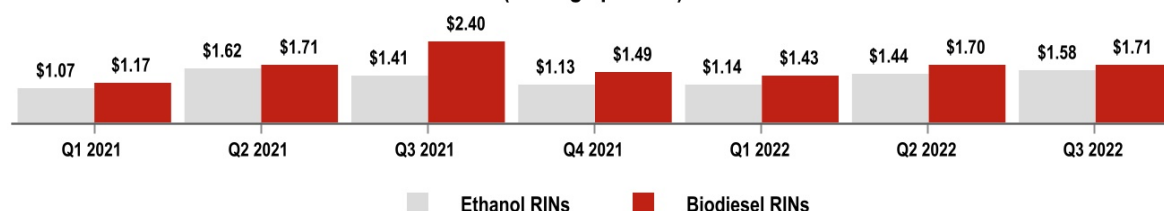


RIN Volatility

Environmental regulations and the political environment continue to affect our refining margins in the form of volatility in the price of RINs. We enter into future commitments to purchase or sell RINs at fixed prices and quantities, which are used to manage our RINs Obligation. On a consolidated basis, we work to balance our RINs Obligation in order to minimize the effect of RINs on our results. While we obtain RINs in our refining and logistics segments through our ethanol and biodiesel production and blending, and generate RINs through biodiesel production, our refining segment still must purchase additional RINs to satisfy its obligations. Additionally, our ability to obtain RINs through blending is limited by our refined product slate, blending capabilities and market constraints. The cost to purchase these additional RINs is a significant cash outflow for our business. Increases in the market prices of RINs generally adversely affect our results of operations through changes in fair value to our existing RINs Obligation, to the extent we do not have offsetting RINs inventory on hand or effective economic hedges through net forward purchase commitments. RINs prices are highly sensitive to regulatory and political influence and conditions, and therefore often do not correlate to movements in crude oil prices, refined product prices or crack spreads. Furthermore, RIN prices are impacted by market expectations regarding whether the EPA may grant certain SREs. Because of the volatility in RINs prices, it is not possible to predict future RINs cost with certainty, and movements in RIN prices can have significant and unanticipated adverse effects on our refining margins that are outside of our control.

The chart below illustrates the volatility in RINs beginning with the first quarter of 2021 through the third quarter of 2022.

RIN Prices
(Average per RIN)

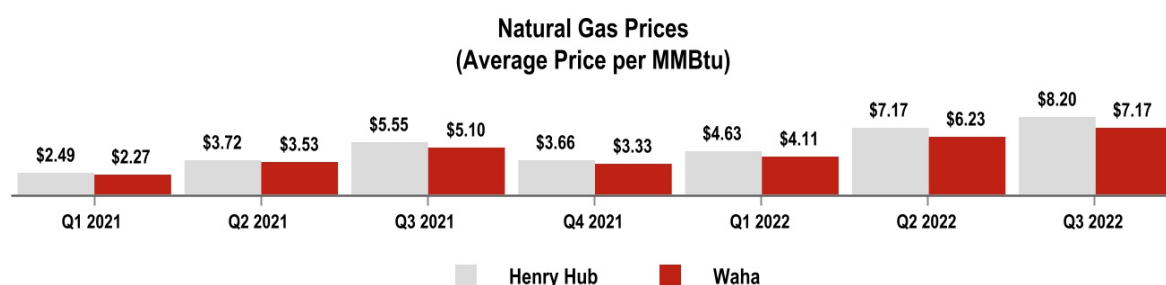


Energy Costs

Energy costs are a significant element of our Refining contribution margin and can significantly impact our ability to capture crack spreads, with natural gas representing the largest component. Natural gas prices are driven by supply-side factors such as amount of natural gas production, level of natural gas in storage and import and export activity, while demand-side factors include variability of weather, economic growth and the availability and price of other fuels. Refiners and other large-volume fuel consumers may be more or less susceptible to volatility in natural gas prices depending on their consumption levels as well as their capabilities to switch to more economical sources of fuel/energy. Additionally, geographic location of facilities make consumers vulnerable to price differentials of natural gas available at different supply hubs. Within Delek's geographic footprint, we source the majority of our natural gas from the Gulf Coast, and secondarily

from the Permian, coinciding with the physical locations of our refineries. We manage our risk around natural gas prices by entering into variable and fixed-price supply contracts in both the Gulf and Permian Basin or by entering into derivative hedges based on forecasted consumption and forward curve prices, as appropriate, in accordance with our risk policy.

The chart below illustrates the quarterly average prices of Waha (Permian Basin) and Henry Hub (Gulf Coast) beginning with the first quarter of 2021 through the third quarter of 2022.



Critical Accounting Estimates

The preparation of our condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The SEC has defined critical accounting policies as those that are both most important to the portrayal of our financial condition and results of operations, and require our most difficult, subjective or complex judgments or estimates. Based on this definition and as further described in our 2021 Annual Report on Form 10-K, we believe our critical accounting policies include the following: (i) evaluating impairment for property, plant and equipment and definite life intangibles, (ii) evaluating potential impairment of goodwill, (iii) estimating environmental expenditures, and (iv) estimating asset retirement obligations. Additionally, we have identified the following critical accounting policy that impacts the nine months ended September 30, 2022:

Taxes

Under Accounting Standards Codification ("ASC") 740, *Income Taxes* ("ASC 740"), we use an estimated annual effective tax rate ("AETR") to record income taxes. The development of the estimated AETR involves significant judgment, particularly early in the year and in times of economic uncertainty. As of and during the nine months ended September 30, 2022, our estimates of the expected AETR reflected inputs which are subject to judgment including (but not necessarily limited to) the following:

- Forecasted pre-tax U.S. generally accepted accounting principles ("GAAP") income or loss for the year
- Estimates of expected permanent differences in GAAP income or loss and taxable income or loss for the year
- Forecasted capital expenditures for the year and future years (where such activities can be impacted by unanticipated events)
- Expected applicable jurisdictional tax rates
- Estimated impact of possible deduction and tax credit limitations
- Estimates regarding net operating losses, carryback and carryforward provisions (and limitations) and valuation allowances

All of these inputs are subject to significant judgment and assumptions about future events impacting 2022, some of which are based on historical trends and results, operational plans, and projections regarding future pricing and profitability (where we utilize third party forward curves and pricing sources, where possible, but where expectations regarding capture rates and other factors involve judgment). We also note that, while economic conditions affecting our industry and industry outlooks related to COVID-19 are stabilizing and improving, there remains a level of uncertainty related to COVID-19 and the expectations for recovery that increases the level of judgment involved with some of these assumptions. Accordingly, where appropriate, we may consider the probability of certain components in determining what we believe to be a reasonable estimate based on conditions and events that were in existence as of our reporting date, which may also involve the use of significant management judgment. Furthermore, many of our assumptions are inter-relational, where changing one assumption can impact other assumptions (e.g., in terms of the applicability of or limitations under various tax code provisions).

The nature of the AETR estimation approach for recording income taxes requires continuous review and adjustment during the year based on actual results, and as better information regarding forecasted results and assumptions becomes available. Significant changes in any of these assumptions or in actual results compared to our forecasts and assumptions could cause material changes in our AETR, which could result in cumulative adjustments to reflect the new estimates in future periods.

We have developed and utilized methodologies and rationales for the development of our assumptions, subject to internal controls and sensitivity or probability assessments, as appropriate, and we believe our process provides a reasonable basis for our estimated AETR as well as the income taxes as of and for the nine months ended September 30, 2022.

Business Combinations

We recognize and measure the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date. Any excess or surplus of the purchase consideration when compared to the fair value of the net tangible assets acquired, if any, is recorded as goodwill or gain from a bargain purchase. The fair value of assets and liabilities as of the acquisition date are often estimated using a combination of approaches, including the income approach, which requires us to project future cash flows and apply an appropriate discount rate; the cost approach, which requires estimates of replacement costs and depreciation and obsolescence estimates; and the market approach which uses market data and adjusts for entity-specific differences. We use all available information to make these fair value determinations and engage third-party consultants for valuation assistance. The estimates used in determining fair values are based on assumptions believed to be reasonable but which are inherently uncertain. Accordingly, actual results may differ materially from the projected results used to determine fair value.

Non-GAAP Measures

Our management uses certain “non-GAAP” operational measures to evaluate our operating segment performance and non-GAAP financial measures to evaluate past performance and prospects for the future to supplement our GAAP financial information presented in accordance with U.S. GAAP. These financial and operational non-GAAP measures are important factors in assessing our operating results and profitability and include:

- Refining margin - calculated based on the regional market sales price of refined products produced, less allocated transportation, RFS renewable volume obligation and associated feedstock costs. This measure reflects the economics of each refinery exclusive of the financial impact of inventory price risk mitigation programs and marketing uplift strategies;
- Refining segment margin- calculated as the difference between net refining revenues and total cost of materials and other; and
- Refining margin per barrels sold - calculated as refining margin divided by our average refining sales in barrels per day (excluding purchased barrels) multiplied by 1,000 and multiplied by the number of days in the period.

We believe these non-GAAP operational and financial measures are useful to investors, lenders, ratings agencies and analysts to assess our ongoing performance because, when reconciled to their most comparable GAAP financial measure, they provide improved comparability between periods through the exclusion of certain items that we believe are not indicative of our core operating performance and that may obscure our underlying results and trends.

Non-GAAP measures have important limitations as analytical tools, because they exclude some, but not all, items that affect net earnings and operating income. These measures should not be considered substitutes for their most directly comparable U.S. GAAP financial measures.

Non-GAAP Reconciliations

The following table provides a reconciliation of refining margin to the most directly comparable U.S. GAAP measure, gross margin:

Reconciliation of refining margin to gross margin (in millions)

	Refining Segment			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 As Adjusted ⁽¹⁾	2022	2021 As Adjusted ⁽¹⁾
Net revenues	\$ 4,246.1	\$ 2,814.6	\$ 12,550.3	\$ 6,970.4
Cost of sales	4,189.0	2,778.4	11,880.7	7,012.8
Gross margin	57.1	36.2	669.6	(42.4)
Add back (items included in cost of sales):				
Operating expenses (excluding depreciation and amortization) ⁽²⁾	172.0	84.2	456.9	313.9
Depreciation and amortization	48.9	45.9	151.6	149.0
Refining segment margin	<u>\$ 278.0</u>	<u>\$ 166.3</u>	<u>\$ 1,278.1</u>	<u>\$ 420.5</u>

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. For further discussion, see Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

⁽²⁾ Reflects the prior period conforming reclassification adjustment between operating expenses and general and administrative expenses.

Summary Financial and Other Information

The following table provides summary financial data for Delek:

Consolidated Summary Statement of Operations Data				
(in millions) ⁽¹⁾	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 As Adjusted ⁽²⁾	2022	2021 As Adjusted ⁽²⁾
Net revenues	\$ 5,324.9	\$ 2,956.5	\$ 15,766.6	\$ 7,540.2
Total operating costs and expenses	5,271.9	2,918.6	15,173.6	7,599.9
Operating income (loss)	53.0	37.9	593.0	(59.7)
Total non-operating expense, net	32.2	12.8	85.3	69.5
Income (loss) before income tax expense (benefit)	20.8	25.1	507.7	(129.2)
Income tax expense (benefit)	4.0	4.5	107.5	(39.0)
Net income (loss)	16.8	20.6	400.2	(90.2)
Net income attributed to non-controlling interests	9.4	8.8	24.4	24.7
Net income (loss) attributable to Delek	\$ 7.4	\$ 11.8	\$ 375.8	\$ (114.9)

⁽¹⁾ This information is presented at a summary level for your reference. See the Condensed Consolidated Statements of Income included in Item 1. to this Quarterly Report on Form 10-Q for more detail regarding our results of operations and net loss per share.

⁽²⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. For further discussion, see Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We report operating results in three reportable segments:

- Refining
- Logistics
- Retail

Decisions concerning the allocation of resources and assessment of operating performance are made based on this segmentation. Management measures the operating performance of each of its reportable segments based on the segment contribution margin which is defined as net revenues less costs of materials and other and operating expenses, excluding depreciation and amortization.

Results of Operations

Consolidated Results of Operations — Comparison of the Three and Nine Months Ended September 30, 2022 versus the Three and Nine Months Ended September 30, 2021

Net Income (Loss)

Q3 2022 vs. Q3 2021

Consolidated net income for the third quarter of 2022 was \$16.8 million compared to net income of \$20.6 million for the third quarter of 2021. Consolidated net income attributable to Delek for the third quarter of September 30, 2022 was \$7.4 million, or \$0.11 per basic share, compared to a net income of \$11.8 million, or \$0.16 per basic share, for the third quarter 2021. Explanations for significant drivers impacting net income as compared to the comparable period of the prior year are discussed in the sections below.

YTD 2022 vs. YTD 2021

Consolidated net income for the nine months ended September 30, 2022 was \$400.2 million compared to a net loss of \$90.2 million for the nine months ended September 30, 2021. Consolidated net income attributable to Delek for the nine months ended September 30, 2022 was \$375.8 million, or \$5.26 per basic share, compared to a net loss of \$114.9 million, or \$(1.55) per basic share, for the nine months ended September 30, 2021. Explanations for significant drivers impacting net income (loss) as compared to the comparable period of the prior year are discussed in the sections below.

Net Revenues

Q3 2022 vs. Q3 2021

In the third quarter of 2022 and 2021, we generated net revenues of \$5,324.9 million and \$2,956.5 million, respectively, an increase of \$2,368.4 million, or 80.1%. The increase in net revenues was primarily driven by the following factors:

- in our refining segment, increases in the average price of U.S. Gulf Coast gasoline of 23.3%, ULSD of 67.9%, and HSD of 60.1%;
- in our logistics segment, increases in the average volumes of diesel sold and in the average sales price per gallon of diesel and gasoline sold in our West Texas marketing operations as well as incremental revenues from the 3 Bear Acquisition; and
- in our retail segment, increases in fuel sales primarily attributable to a 26.8% increase in average price charged per gallon sold.

YTD 2022 vs. YTD 2021

For the nine months ended September 30, 2022 and 2021, we generated net revenues of \$15,766.6 million and \$7,540.2 million, respectively, an increase of \$8,226.4 million, or 109.1%. The increase in net revenues was primarily driven by the following factors:

- in our refining segment, increases in the average price of U.S. Gulf Coast gasoline of 49.3%, ULSD of 82.4%, and HSD of 80.3%;
- in our logistics segment, increases in the average volumes of diesel sold and in the average sales price per gallon of diesel and gasoline sold in our West Texas marketing operations; and
- in our retail segment, increases in fuel sales primarily attributable to a 38.8% increase in average price charged per gallon sold.

Total Operating Costs and Expenses

Cost of Materials and Other

Q3 2022 vs. Q3 2021

Cost of materials and other was \$4,916.0 million for the third quarter of 2022 compared to \$2,678.0 million for the third quarter of 2021, an increase of \$2,238.0 million, or 83.6%. The net increase in cost of materials and other was primarily driven by the following:

- increases in cost of crude oil feedstocks at the refineries, including a 29.9% increase in the average cost of WTI Cushing crude oil and a 29.2% increase in the average cost of WTI Midland crude oil;
- increases in the average volumes sold and average cost per gallon of gasoline and diesel sold in our logistics segment; and
- an increase in retail cost of materials and other due to 29.4% increase in average cost per gallon sold applied to higher fuel sales volumes.

YTD 2022 vs. YTD 2021

Cost of materials and other was \$14,151.1 million for the nine months ended September 30, 2022 compared to \$6,811.4 million for the nine months ended September 30, 2021, an increase of \$7,339.7 million, or 107.8%. The net increase in cost of materials and other was primarily driven by the following:

- increases in cost of crude oil feedstocks at the refineries, including a 51.4% increase in the average cost of WTI Cushing crude oil and a 50.1% increase in the average cost of WTI Midland crude oil;
- increases in average RINs expense due to increased production during the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021;
- increases in the average volumes sold and average cost per gallon of gasoline and diesel sold in our logistics segment; and
- an increase in retail cost of materials and other due to 45.5% increase in average cost per gallon sold applied to higher fuel sales volumes.

Operating Expenses

Q3 2022 vs. Q3 2021

Operating expenses were \$226.4 million for the third quarter of 2022 compared to \$128.5 million for the third quarter of 2021, an increase of \$97.9 million, or 76.2%. The increase in operating expenses was primarily driven by the following:

- an increase in variable costs and utilities associated with higher throughput during current period;
- higher natural gas prices in the third quarter of 2022; and
- increases in employee costs including incentive compensation costs.

YTD 2022 vs. YTD 2021

Operating expenses were \$615.8 million for the nine months ended September 30, 2022 compared to \$450.0 million for the nine months ended September 30, 2021, an increase of \$165.8 million, or 36.8%. The increase in operating expenses was primarily driven by the following:

- an increase in variable costs and utilities associated with higher throughput during current period;
- higher natural gas prices in the first half of 2022; and
- increases in employee costs including incentive compensation costs.

General and Administrative Expenses

Q3 2022 vs. Q3 2021

General and administrative expenses were \$62.4 million for the third quarter of 2022 compared to \$53.0 million for the third quarter of 2021, an increase of \$9.4 million, or 17.7%. The increase was primarily driven by an increase in employee costs including incentive compensation costs and incremental transaction costs related to the 3 Bear Acquisition.

YTD 2022 vs. YTD 2021

General and administrative expenses were \$242.0 million and \$147.6 million for the nine months ended September 30, 2022 and 2021, respectively, an increase of \$94.4 million, or 64.0%. The increase was primarily driven by an increase in employee costs including incentive compensation costs and incremental transaction costs related to the 3 Bear Acquisition.

Depreciation and Amortization

Q3 2022 vs. Q3 2021

Depreciation and amortization (included in both cost of sales and other operating expenses) was \$72.9 million for the third quarter of 2022 compared to \$60.8 million for the third quarter of 2021, an increase of \$12.1 million, or 19.9%.

YTD 2022 vs. YTD 2021

Depreciation and amortization (included in both cost of sales and other operating expenses) was \$209.2 million compared to \$195.6 million for the nine months ended September 30, 2022 and 2021, respectively, an increase of \$13.6 million, or 7.0%.

Other Operating Income, Net

Q3 2022 vs. Q3 2021

Other operating income, net increased by \$4.1 million in the third quarter of 2022 to \$5.8 million compared to \$1.7 million in the third quarter of 2021. The increases were due to insurance proceeds received in the third quarter of 2022.

YTD 2022 vs. YTD 2021

Other operating income, net increased by \$39.8 million during the nine months ended September 30, 2022 to \$44.5 million compared to \$4.7 million during the nine months ended September 30, 2021. The increases were primarily driven by an increase due to realized hedge gains during the 2022 period and insurance proceeds received in 2022.

Non-operating Expenses, Net

Interest Expense, Net

Q3 2022 vs. Q3 2021

Interest expense, net increased by \$13.2 million, or 35.2%, to \$50.7 million in the third quarter of 2022 compared to \$37.5 million in the third quarter of 2021, primarily driven by the following:

- an increase in the average effective interest rate of 56 basis points in the third quarter of 2022 compared to the third quarter of 2021 (where effective interest rate is calculated as interest expense divided by the net average borrowings/obligations outstanding); and
- an increase in net average borrowings outstanding (including the obligations under the supply and offtake agreements which have an associated interest charge) of approximately \$738.4 million in the third quarter of 2022 (calculated as a simple average of beginning borrowings/obligations and ending borrowings/obligations for the period) compared to the third quarter of 2021.

YTD 2022 vs. YTD 2021

Interest expense, net increased by \$32.7 million, or 32.7%, to \$132.7 million during the nine months ended September 30, 2022 compared to \$100.0 million during the nine months ended September 30, 2021, primarily driven by the following:

- an increase in the average effective interest rate of 101 basis points during the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 (where effective interest rate is calculated as interest expense divided by the net average borrowings/obligations outstanding); and
- an increase in net average borrowings outstanding (including the obligations under the supply and offtake agreements which have an associated interest charge) of approximately \$316.1 million during the nine months ended September 30, 2022 (calculated as a simple average of beginning borrowings/obligations and ending borrowings/obligations for the period) compared to the nine months ended September 30, 2021.

Results from Equity Method Investments

Q3 2022 vs. Q3 2021

We recognized income of \$17.8 million from equity method investments during the third quarter of 2022, compared to \$2.9 million for the third quarter of 2021, an increase of \$14.9 million. This increase was primarily driven by the following:

- increase in income from our Red River and Caddo equity method investment due to higher throughput volumes and resulting revenue increases; and
- an increase in income from our investment in W2W Holdings LLC to income of \$1.2 million in the third quarter of 2022 from a loss of \$8.8 million in the third quarter of 2021.

YTD 2022 vs. YTD 2021

We recognized income of \$44.4 million from equity method investments during the nine months ended September 30, 2022, compared to \$14.5 million for the nine months ended September 30, 2021, an increase of \$29.9 million. This increase was primarily driven by the following:

- increase in income from our Red River and Caddo equity method investment due to higher throughput volumes and resulting revenue increases; and
- an increase in income from our investment in W2W Holdings LLC to income of \$5.4 million during the nine months of 2022 from a loss of \$12.9 million during the nine months of 2021.

Other

During the three and nine months ended September 30, 2021, we recognized a receivable of \$27.5 million, \$20.9 million of which is included as a gain in other income, related to payment to be received from a loan buy-out agreement between Wink to Webster Pipeline LLC and the Company. Refer to Note 6 of the condensed consolidated financial statements in Item 1. Financial Statements, for additional information.

Income Taxes

Q3 2022 vs. Q3 2021

Income tax expense decreased by \$0.5 million in the third quarter of 2022 compared to the third quarter of 2021, primarily driven by the following:

- pre-tax income of \$20.8 million in the third quarter of 2022, as compared to a pre-tax loss of \$25.1 million for the third quarter of 2021; and

- an increase in our effective tax rate which was 19.2% for the third quarter of 2022, compared to 17.9% for the third quarter of 2021 primarily due to the following:
 - the impact of credits and permanent differences on the tax rate due to changes in pre-tax book income;
 - changes in the valuation allowance for state tax attributes; and
 - changes in the third quarter estimated annual tax rate applied to year-to-date loss for the third quarter of 2021.

YTD 2022 vs. YTD 2021

Income tax expense increased by \$146.5 million during the nine months ended September 30, 2022 compared to the same period for 2021, primarily driven by the following:

- pre-tax income of \$507.7 million in the nine months ended September 30, 2022, as compared to a pre-tax loss of \$129.2 million for the nine months ended September 30, 2021; and
- a decrease in our effective tax rate which was 21.2% for the nine months ended September 30, 2022, compared to 30.2% for the nine months ended September 30, 2021 primarily due to the following:
 - the impact of credits and permanent differences on the tax rate due to changes in pre-tax book income; and
 - changes in the valuation allowance for state tax attributes.

Refining Segment

The tables and charts below set forth certain information concerning our refining segment operations (\$ in millions, except per barrel amounts):

	Refining Segment Margins			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	Adjusted 2021 ⁽¹⁾	2022	Adjusted 2021 ⁽¹⁾
Net revenues	\$ 4,246.1	\$ 2,814.6	\$ 12,550.3	\$ 6,970.4
Cost of materials and other	3,968.1	2,648.3	11,272.2	6,549.9
Refining segment margin	278.0	166.3	1,278.1	420.5
Operating expenses (excluding depreciation and amortization) ^{(1) (2)}	172.0	84.2	456.9	313.9
Contribution margin ⁽¹⁾	\$ 106.0	\$ 82.1	\$ 821.2	\$ 106.6

⁽¹⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. For further discussion, see Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

⁽²⁾ Reflects the prior period conforming reclassification adjustment between operating expenses and general and administrative expenses.

Factors Impacting Refining Profitability

Our profitability in the refining segment is substantially determined by the difference between the cost of the crude oil feedstocks we purchase and the price of the refined products we sell, referred to as the "crack spread" or "refining margin". Refining margin is used as a metric to assess a refinery's product margins against market crack spread trends, where "crack spread" is a measure of the difference between market prices for crude oil and refined products and is a commonly used proxy within the industry to estimate or identify trends in refining margins.

The cost to acquire feedstocks and the price of the refined petroleum products we ultimately sell from our refineries depend on numerous factors beyond our control, including the supply of, and demand for, crude oil, gasoline and other refined petroleum products which, in turn, depend on, among other factors, changes in domestic and foreign economies, weather conditions such as hurricanes or tornadoes, local, domestic and foreign political affairs, global conflict, production levels, the availability of imports, the marketing of competitive fuels and government regulation. Other significant factors that influence our results in the refining segment include operating costs (particularly the cost of natural gas used for fuel and the cost of electricity), seasonal factors, refinery utilization rates and planned or unplanned maintenance activities or turnarounds. Moreover, while the fluctuations in the cost of crude oil are typically reflected in the prices of light refined products, such as gasoline and diesel fuel, the price of other residual products, such as asphalt, coke, carbon black oil and liquefied petroleum gas ("LPG") are less likely to move in parallel with crude cost. This could cause additional pressure on our realized margin during periods of rising or falling crude oil prices.

Additionally, our margins are impacted by the pricing differentials of the various types and sources of crude oil we use at our refineries and their relation to product pricing. Our crude slate is predominantly comprised of WTI crude oil. Therefore, favorable differentials of WTI compared to other crude will favorably impact our operating results, and vice versa. Additionally, because of our gathering system presence in the Midland area and the significant source of crude specifically from that region into our network, a widening of the WTI Cushing less WTI Midland spread will favorably influence the operating margin for our refineries. Alternatively, a narrowing of this differential will have an adverse effect on our operating margins. Global product prices are influenced by the price of Brent crude which is a global benchmark crude. Global product prices influence product prices in the U.S. As a result, our refineries are influenced by the spread between Brent crude and WTI Midland. The Brent less WTI Midland spread represents the differential between the average per barrel price of Brent crude oil and the average per barrel price of WTI Midland crude oil. A widening of the spread between Brent and WTI Midland will favorably influence our refineries' operating margins. Also, the Krotz Springs refinery is influenced by the spread between Brent crude and LLS. The Brent less LLS spread represents the differential between the average per barrel price of Brent crude oil and the average per barrel price of LLS crude oil. A discount in LLS relative to Brent will favorably influence the Krotz Springs refinery operating margin.

Refining contribution margin is impacted by regulatory costs associated with the cost of RINs as well as energy costs, including the cost of natural gas. In periods of unfavorable regulatory sentiment or uncertainty regarding the possibility of SREs, RINs prices can increase at higher rates than crack spreads, or even when crack spreads are declining. This can be particularly impactful on smaller refineries, where the operating cost structure does not have as much scalability as larger refineries. Additionally, volatility in energy costs, which are captured in our operating expenses and impact our Refining contribution margin, can significantly impact our ability to capture crack spreads, with natural gas representing the most significant component. Within Delek's geographic footprint, we source the majority of our natural gas from the Gulf Coast, and secondarily from the Permian, and we do not currently have the capability at our refineries to switch our energy consumption to utilize alternative sources of fuel. For this reason, unfavorable Gulf Coast (Henry Hub) differentials can impact

our crack spread capture. The cost to acquire the refined fuel products we sell to our wholesale customers in our logistics segment and at our convenience stores in our retail segment largely depends on numerous factors beyond our control, including the supply of, and demand for, crude oil, gasoline and other refined petroleum products which, in turn, depend on, among other factors, changes in domestic and foreign economies, weather conditions, domestic and foreign political affairs, production levels, the availability of imports, the marketing of competitive fuels and government regulation.

In addition to the above, it continues to be a strategic and operational objective to manage price and supply risk related to crude oil that is used in refinery production, and to develop strategic sourcing relationships. For that purpose, from a pricing perspective, we enter into commodity derivative contracts to manage our price exposure to our inventory positions, future purchases of crude oil and ethanol, future sales of refined products or to fix margins on future production. We also enter into future commitments to purchase or sell RINs at fixed prices and quantities, which are used to manage our RINs Obligation. Additionally, from a sourcing perspective, we often enter into purchase and sale contracts with vendors and customers or take physical or financial commodity positions for crude oil that may not be used immediately in production, but that may be used to manage the overall supply and availability of crude expected to ultimately be needed for production and/or to meet minimum requirements under strategic pipeline arrangements, and also to optimize and hedge availability risks associated with crude that we ultimately expect to use in production. Such transactions are inherently based on certain assumptions and judgments made about the current and possible future availability of crude. Therefore, when we take physical or financial positions for optimization purposes, our intent is generally to take offsetting positions in quantities and at prices that will advance these objectives while minimizing our positional and financial statement risk. However, because of the volatility of the market in terms of pricing and availability, it is possible that we may have material positions with timing differences or, more rarely, that we are unable to cover a position with an offsetting position as intended. Such differences could have a material impact on the classification of resulting gains/losses, assets or liabilities, and could also significantly impact refining contribution margin.

Finally, as part of our overall business strategy, we regularly evaluate opportunities to expand our portfolio of businesses and may at any time be discussing or negotiating a transaction that, if consummated, could have a material effect on our business, financial condition, liquidity or results of operations.

Refinery Statistics				
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 As Adjusted ⁽²⁾	2022	2021 As Adjusted ⁽²⁾
	(Unaudited)		(Unaudited)	
Total Refining Segment				
Days in period	92	92	273	273
Total sales volume - refined product (average bpd) ⁽¹⁾	300,129	343,007	303,084	311,532
Total production (average bpd)	300,235	287,784	293,969	245,849
Crude oil	299,973	282,000	289,046	241,120
Other feedstocks	2,276	7,931	6,536	7,342
Total throughput (average bpd):	302,249	289,931	295,582	248,462
Total refining segment margin (\$ in millions) ⁽²⁾	\$ 278.0	\$ 166.3	\$ 1,278.1	\$ 420.5
Total refining segment operating expenses (\$ in millions) ⁽³⁾	172.0	84.2	456.9	313.9
Total refining segment contribution margin (\$ in millions) ⁽²⁾	\$ 106.0	\$ 82.1	\$ 821.2	\$ 106.6
Crude Slate: (% based on amount received in period)				
WTI crude oil	75.2 %	70.8 %	67.1 %	70.1 %
Gulf Coast Sweet Crude	5.3 %	8.5 %	8.4 %	7.0 %
Local Arkansas crude oil	3.5 %	4.0 %	4.1 %	4.7 %
Other	16.0 %	16.7 %	20.4 %	18.2 %

Refinery Statistics (continued)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 As Adjusted ⁽²⁾	2022	2021 As Adjusted ⁽²⁾
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Tyler, AR Refinery				
Products manufactured (average bpd):				
Gasoline	35,210	35,221	35,021	37,410
Diesel/Jet	33,844	28,452	31,060	28,883
Petrochemicals, LPG, natural gas liquids ("NGLs")	2,246	2,196	2,160	2,001
Other	2,032	1,620	1,844	1,575
Total production	73,332	67,489	70,085	69,869
Throughput (average bpd):				
Crude Oil	74,796	67,199	69,335	68,206
Other feedstocks	(1,123)	528	1,032	2,021
Total throughput	73,673	67,727	70,367	70,227
Per barrel of throughput:				
Operating expenses ⁽³⁾	\$ 6.93	\$ 3.54	5.87	\$ 3.73
Crude Slate: (% based on amount received in period):				
WTI crude oil	86.4 %	87.8 %	85.9 %	89.6 %
East Texas crude oil	13.6 %	12.2 %	14.1 %	10.1 %
Other	— %	— %	— %	0.3 %
El Dorado, AR Refinery				
Products manufactured (average bpd):				
Gasoline	40,577	40,108	38,946	28,017
Diesel	31,372	31,922	31,143	22,208
Petrochemicals, LPG, NGLs	1,347	1,235	1,306	933
Asphalt	8,503	7,595	7,941	5,768
Other	848	720	813	588
Total production	82,647	81,580	80,149	57,514
Throughput (average bpd):				
Crude Oil	80,711	78,744	78,136	56,026
Other feedstocks	3,301	4,115	3,154	2,419
Total throughput	84,012	82,859	81,290	58,445
Per barrel of throughput:				
Operating expenses ⁽³⁾	\$ 4.73	\$ 1.90	\$ 4.65	\$ 4.31
Crude Slate: (% based on amount received in period):				
WTI crude oil	68.4 %	56.9 %	52.1 %	51.6 %
Local Arkansas crude oil	14.0 %	14.7 %	15.5 %	20.2 %
Other	17.6 %	28.4 %	32.4 %	28.2 %
Big Spring, TX Refinery				
Products manufactured (average bpd):				
Gasoline	34,431	36,051	34,087	34,133
Diesel/Jet	26,020	27,036	25,262	24,510
Petrochemicals, LPG, NGLs	3,524	3,528	3,466	3,672
Asphalt	1,701	1,589	1,662	1,464
Other	1,342	1,354	1,344	1,416
Total production	67,018	69,558	65,821	65,195

Refinery Statistics (continued)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 As Adjusted ⁽²⁾	2022	2021 As Adjusted ⁽³⁾
	(Unaudited)		(Unaudited)	
Throughput (average bpd):				
Crude oil	70,955	70,473	67,455	66,693
Other feedstocks	(3,189)	576	(866)	(68)
Total throughput	67,766	71,049	66,589	66,625
Per barrel of throughput:				
Direct operating expenses ⁽³⁾	\$ 7.19	\$ 2.97	\$ 6.96	\$ 5.13
Crude Slate: (% based on amount received in period):				
WTI crude oil	72.7 %	75.9 %	69.3 %	68.7 %
WTS crude oil	27.3 %	24.1 %	30.7 %	31.3 %
Krotz Springs, LA Refinery				
Products manufactured (average bpd):				
Gasoline	32,371	31,465	32,111	23,639
Diesel/Jet	31,195	26,364	31,537	19,075
Heavy Oils	944	1,216	1,439	759
Petrochemicals, LPG, NGLs	6,768	6,151	6,948	4,690
Other	5,960	3,960	5,881	7,267
Total production	77,238	69,156	77,916	55,430
Throughput (average bpd):				
Crude Oil	73,510	65,583	74,120	50,197
Other feedstocks	3,287	2,713	3,216	5,413
Total throughput	76,797	68,296	77,336	55,610
Per barrel of throughput:				
Direct operating expenses ⁽³⁾	\$ 5.85	\$ 4.02	\$ 5.24	\$ 4.91
Crude Slate: (% based on amount received in period):				
WTI Crude	70.1 %	62.5 %	61.0 %	65.5 %
Gulf Coast Sweet Crude	23.2 %	37.5 %	33.3 %	33.8 %
Other	6.7 %	— %	5.7 %	0.7 %

⁽¹⁾ Includes sales to other segments which are eliminated in consolidation. See tables below.

⁽²⁾ Adjusted to reflect the retrospective change in accounting policy from LIFO to FIFO for certain inventories. For further discussion, see Note 7 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

⁽³⁾ Reflects the prior period conforming reclassification adjustment between operating expenses and general and administrative expenses.

Included in the refinery statistics above are the following sales to other segments:

Refinery Sales to Other Segments

(in barrels per day)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
Tyler refined product sales to other Delek segments	—	50	—	619
El Dorado refined product sales to other Delek segments	—	9	5	9
Big Spring refined product sales to other Delek segments	21,565	22,298	20,863	22,196
Krotz Springs refined product sales to other Delek segments	—	3,180	—	2,423

Pricing Statistics (average for the period presented)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
WTI — Cushing crude oil (per barrel)	\$ 91.63	\$ 70.54	\$ 98.50	\$ 65.06
WTI — Midland crude oil (per barrel)	\$ 91.43	\$ 70.74	\$ 98.29	\$ 65.48
WTS -- Midland crude oil (per barrel)	\$ 92.17	\$ 70.58	\$ 98.58	\$ 65.43
LLS (per barrel)	\$ 94.07	\$ 71.46	\$ 100.58	\$ 66.69
Brent crude oil (per barrel)	\$ 97.69	\$ 73.15	\$ 102.48	\$ 67.96
U.S. Gulf Coast 5-3-2 crack spread (per barrel) - utilizing HSD	\$ 23.07	\$ 13.53	\$ 25.08	\$ 11.90
U.S. Gulf Coast 5-3-2 crack spread (per barrel) ⁽¹⁾	\$ 33.65	\$ 18.46	\$ 33.73	\$ 16.32
U.S. Gulf Coast 3-2-1 crack spread (per barrel) ⁽¹⁾	\$ 31.28	\$ 18.64	\$ 32.12	\$ 16.42
U.S. Gulf Coast 2-1-1 crack spread (per barrel) ⁽¹⁾	\$ 21.53	\$ 11.11	\$ 23.24	\$ 9.01
U.S. Gulf Coast Unleaded Gasoline (per gallon)	\$ 2.64	\$ 2.15	\$ 2.92	\$ 1.95
Gulf Coast Ultra low sulfur diesel (per gallon)	\$ 3.49	\$ 2.08	\$ 3.49	\$ 1.92
U.S. Gulf Coast high sulfur diesel (per gallon)	\$ 2.86	\$ 1.79	\$ 2.98	\$ 1.65
Natural gas (per MMBtu) ⁽²⁾	\$ 7.97	\$ 4.32	\$ 6.69	\$ 3.35

⁽¹⁾ For our Tyler and El Dorado refineries, we compare our per barrel refining product margin to the Gulf Coast 5-3-2 crack spread consisting of WTI Cushing crude, U.S. Gulf Coast CBOB gasoline and U.S. Gulf Coast Pipeline No. 2 heating oil (ultra low sulfur diesel). For our Big Spring refinery, we compare our refining margin to the Gulf Coast 3-2-1 crack spread consisting of WTI Cushing crude, Gulf Coast CBOB gasoline and Gulf Coast ultra low sulfur diesel, and for our Krotz Springs refinery, we compare our per barrel refining margin to the Gulf Coast 2-1-1 crack spread consisting of LLS crude oil, Gulf Coast CBOB gasoline and U.S. Gulf Coast Pipeline No. 2 heating oil (high sulfur diesel). The Tyler refinery's crude oil input is primarily WTI Midland and East Texas, while the El Dorado refinery's crude input is primarily a combination of WTI Midland, local Arkansas and other domestic inland crude oil. The Big Spring refinery's crude oil input is primarily comprised of WTS and WTI Midland. The Krotz Springs refinery's crude oil input is primarily comprised of LLS and WTI Midland.

⁽²⁾ One Million British Thermal Units ("MMBtu").

Refining Segment Operational Comparison of the Three and Nine Months Ended September 30, 2022 versus the Three and Nine Months Ended September 30, 2021

Net Revenues

Q3 2022 vs. Q3 2021

Net revenues for the refining segment increased by \$1,431.5 million, or 50.9%, in the third quarter of 2022 compared to the third quarter of 2021, primarily driven by increases in the average price of U.S. Gulf Coast gasoline of 23.3% ULSD of 67.9%, and HSD of 60.1% and

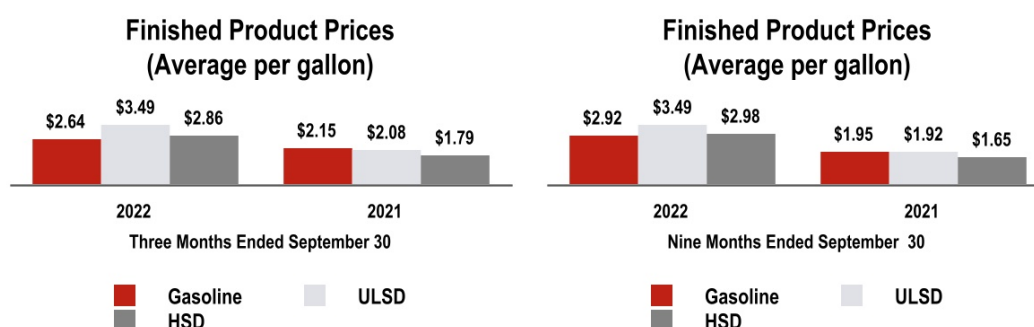
Net revenues included sales to our retail segment of \$132.1 million and \$92.3 million, sales to our logistics segment of \$124.7 million and \$89.9 million, and sales to our other segment of \$0.0 million and \$28.7 million for the three months ended September 30, 2022 and September 30, 2021, respectively. We eliminate this intercompany revenue in consolidation.

YTD 2022 vs. YTD 2021

Net revenues for the refining segment increased by \$5,579.9 million, or 80.1%, in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily driven by the following:

- increases in the average price of U.S. Gulf Coast gasoline of 49.3%, ULSD of 82.4%, and HSD of 80.3%; and
- an increase in total sales volumes of 13.1 million barrels, where sales volumes were lower in the nine months of 2021 due to severe weather impacting our refineries and turnaround activities at our El Dorado refinery.

Net revenues included sales to our retail segment of \$404.0 million and \$253.8 million, sales to our logistics segment of \$374.3 million and \$229.8 million and sales to our other segment of \$16.7 million and \$71.7 million for the nine months ended September 30, 2022 and 2021, respectively. We eliminate this intercompany revenue in consolidation.



Cost of Materials and Other

Q3 2022 vs. Q3 2021

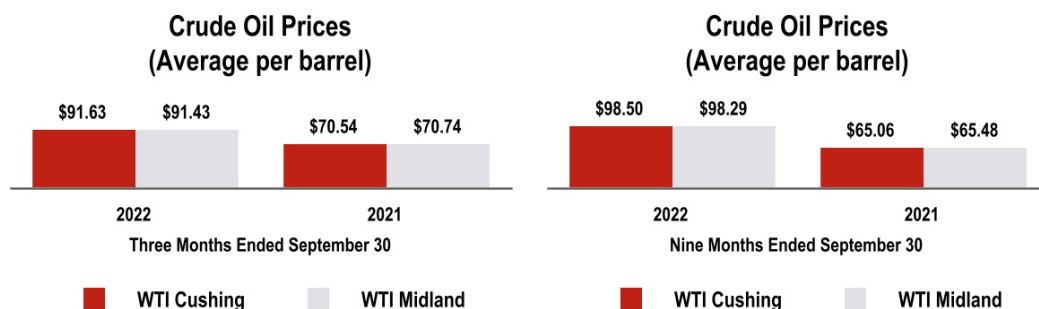
Cost of materials and other increased by \$1,319.8 million, or 49.8%, in the third quarter of 2022 compared to the third quarter of 2021, primarily driven by the following:

- increases in the cost of WTI Cushing crude oil, from an average of \$70.54 per barrel to an average of \$91.63, or 29.9%, and increases in the cost of WTI Midland crude oil, from an average of \$70.74 per barrel to an average of \$91.43, or 29.2%; and
- an increase in sales volumes.

YTD 2022 vs. YTD 2021

Cost of materials and other increased by \$4,722.3 million, or 72.1%, during the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily driven by the following:

- increases in the cost of WTI Cushing crude oil, from an average of \$65.06 per barrel to an average of \$98.50, or 51.4%;
- increases in the cost of WTI Midland crude oil, from an average of \$65.48 per barrel to an average of \$98.29, or 50.1%;
- an increase in sales volumes; and
- an increase in RINs expense primarily due to increased production.



Our refining segment has multiple service agreements with our logistics segment which, among other things, require the refining segment to pay terminalling and storage fees based on the throughput volume of crude and finished product in the logistics segment pipelines and the volume of crude and finished product stored in the logistics segment storage tanks, subject to minimum volume commitments. These costs and fees were \$126.1 million and \$109.3 million during the third quarters of 2022 and 2021, respectively, and \$375.1 million and \$307.0 million during the nine months ended September 30, 2022 and 2021, respectively. We eliminate these intercompany fees in consolidation.

Refining Segment Margin

Q3 2022 vs. Q3 2021

Refining segment margin increased by \$111.7 million, or 67.2%, in the third quarter of 2022 compared to the third quarter of 2021, primarily driven by the following:

- a 70.5% improvement in the 5-3-2 crack spread (the primary measure for the Tyler refinery and El Dorado refinery), a 67.8% improvement in the average Gulf Coast 3-2-1 crack spread (the primary measure for the Big Spring refinery), and a 93.8% improvement in the average Gulf Coast 2-1-1 crack spread (the primary measure for the Krotz Springs refinery) and;
- an increase in utilization and sales volumes.

YTD 2022 vs. YTD 2021

Refining margin increased by \$857.6 million, or 203.9%, in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily driven by the following:

- a 110.8% improvement in the 5-3-2 crack spread (the primary measure for the Tyler refinery and El Dorado refinery), a 95.6% improvement in the average Gulf Coast 3-2-1 crack spread (the primary measure for the Big Spring refinery), and a 157.9% improvement in the average Gulf Coast 2-1-1 crack spread (the primary measure for the Krotz Springs refinery) and;
- an increase in sales volumes.

Such increase was partially offset by an increase in RINs expense primarily due to increased production.

Operating Expenses

Q3 2022 vs. Q3 2021

Operating expenses increased by \$87.8 million, or 104.3%, in the third quarter of 2022 compared to the third quarter of 2021, primarily driven by the following:

- increase in variable costs and utilities associated with higher throughput during the current period; and
- higher natural gas prices in the third quarter of 2022.

YTD 2022 vs. YTD 2021

Operating expenses increased by \$143.0 million, or 45.6%, during the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily driven by the following:

- increase in variable costs and utilities associated with higher throughput during the current period; and
- higher natural gas prices in the nine months ended September 30, 2022 compared to the prior year for the same period.

Contribution Margin**Q3 2022 vs. Q3 2021**

Contribution margin increased by \$23.9 million, in the third quarter of 2022 compared to the third quarter of 2021, primarily driven by an increase in refining margin primarily driven by improved crack spreads offset by increase in variable costs and utilities and natural gas prices.

YTD 2022 vs. YTD 2021

Contribution margin increased by \$714.6 million for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily driven by an increase in refining margin primarily driven by improved crack spreads, increased sales volumes, offset by increase in variable costs and utilities, natural gas prices, and higher RINs expense primarily due to increased production.

Logistics Segment

The table below sets forth certain information concerning our logistics segment operations (\$ in millions, except per barrel amounts):

Logistics Contribution Margin and Operating Information				
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net revenues	\$ 294.1	\$ 189.6	\$ 767.4	\$ 511.0
Cost of materials and other	177.7	105.1	480.3	275.0
Operating expenses (excluding depreciation and amortization)	25.9	17.6	65.0	48.0
Contribution margin	\$ 90.5	\$ 66.9	\$ 222.1	\$ 188.0
Operating Information:				
East Texas - Tyler Refinery sales volumes (average bpd) ⁽¹⁾	65,396	71,847	66,473	72,791
Big Spring wholesale marketing throughputs (average bpd)	74,238	81,880	76,135	76,680
West Texas wholesale marketing throughputs (average bpd)	10,082	10,560	10,023	10,033
West Texas wholesale marketing margin per barrel	\$ 4.23	\$ 3.33	\$ 3.84	\$ 3.64
Terminalling throughputs (average bpd) ⁽²⁾	142,003	144,355	138,558	142,959
Throughputs (average bpd):				
<i>Lion Pipeline System:</i>				
Crude pipelines (non-gathered)	87,653	81,929	81,795	60,344
Refined products pipelines to Enterprise Systems	65,761	62,263	63,391	42,733
SALA Gathering System	14,354	14,086	16,150	14,056
East Texas Crude Logistics System	23,960	18,644	20,015	24,045
Big Spring Gathering Assets ⁽³⁾	121,304	84,325	107,699	79,251
Plains Connection System	184,254	131,571	166,864	120,905
Trucking Assets	15,763	11,450	13,606	10,655

⁽¹⁾ Excludes jet fuel and petroleum coke.

⁽²⁾ Consists of terminalling throughputs at our Tyler, Big Spring, Big Sandy and Mount Pleasant, Texas terminals, El Dorado and North Little Rock, Arkansas terminals and Memphis and Nashville, Tennessee terminals.

⁽³⁾ Excludes volumes that are being temporarily transported via trucks while connectors are under construction.

Logistics Segment Operational Comparison of the Three and Nine Months Ended September 30, 2022 versus the Three and Nine Months Ended September 30, 2021

Net Revenues

Q3 2022 vs. Q3 2021

Net revenues increased by \$104.5 million, or 55.1%, in the third quarter of 2022 compared to the third quarter of 2021, primarily driven by:

- increases in the average sales prices per gallon of diesel and gasoline sold, partially offset by a decrease in the volumes of gasoline and diesel sold in our West Texas marketing operations;
- incremental revenues from the 3 Bear Acquisition; and
- increases in pipeline throughputs.

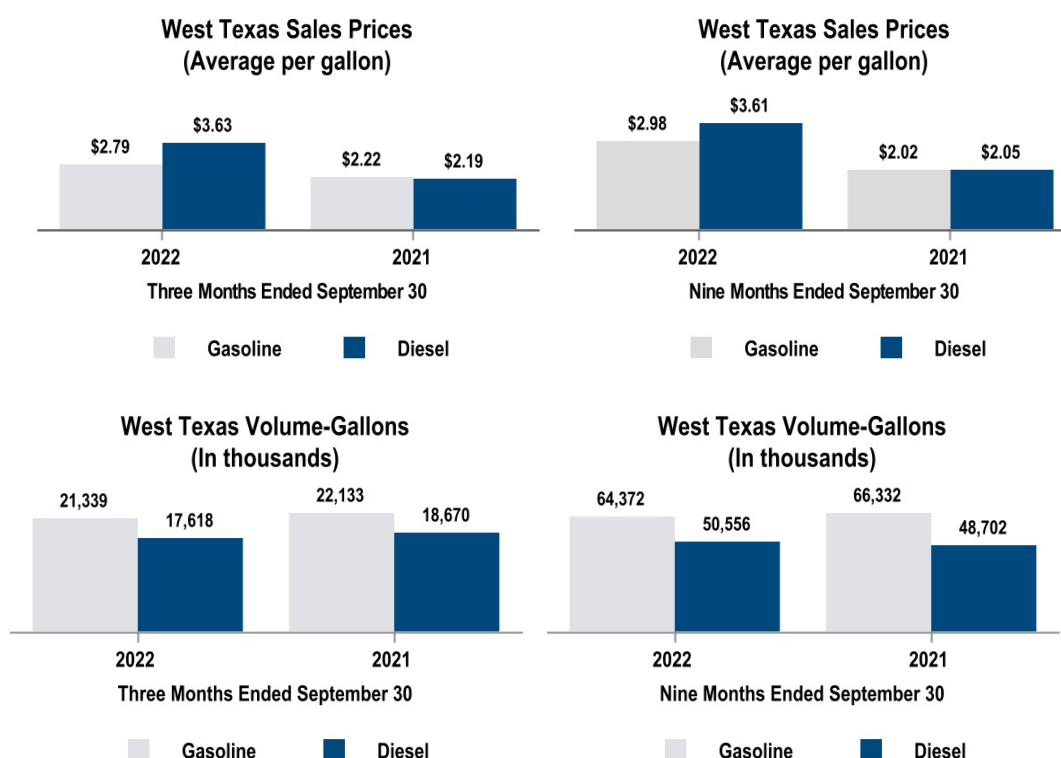
Net revenues included sales to our refining segment of \$126.1 million and \$109.3 million for the three months ended September 30, 2022 and September 30, 2021, respectively. We eliminate this intercompany revenue in consolidation.

YTD 2022 vs. YTD 2021

Net revenues increased by \$256.4 million, or 50.2%, in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily driven by the following:

- increases in the average sales prices per gallon of gasoline and diesel sold and volume of diesel sold, partially offset by a decrease in the volume of gasoline sold in our West Texas marketing operations;
- incremental revenues from the 3 Bear Acquisition; and
- increases in pipeline throughputs, where the nine months ended September 30, 2021 were negatively impacted by the Pandemic as well as severe weather events.

Net revenues included sales to our refining segment of \$375.1 million and \$307.0 million for the nine months ended September 30, 2022 and 2021, respectively, and sales to our other segment of \$2.0 million and \$1.4 million for the nine months ended September 30, 2022 and 2021, respectively. We eliminate this intercompany revenue in consolidation.



Cost of Materials and Other

Q3 2022 vs. Q3 2021

Cost of materials and other for the logistics segment increased by \$72.6 million, or 69.1%, in the third quarter of 2022 compared to the third quarter of 2021 primarily driven by the following:

- increases in the average cost per gallon of gasoline and diesel sold, and increases in the volume of gasoline sold in our West Texas marketing operations:
 - the average cost per gallon of gasoline and diesel sold increased \$0.56 per gallon and \$1.42 per gallon, respectively;
 - the average volumes of gasoline and diesel sold decreased by 0.8 million gallons and 1.1 million gallons, respectively, and;
- incremental cost of materials and other from the 3 Bear Acquisition.

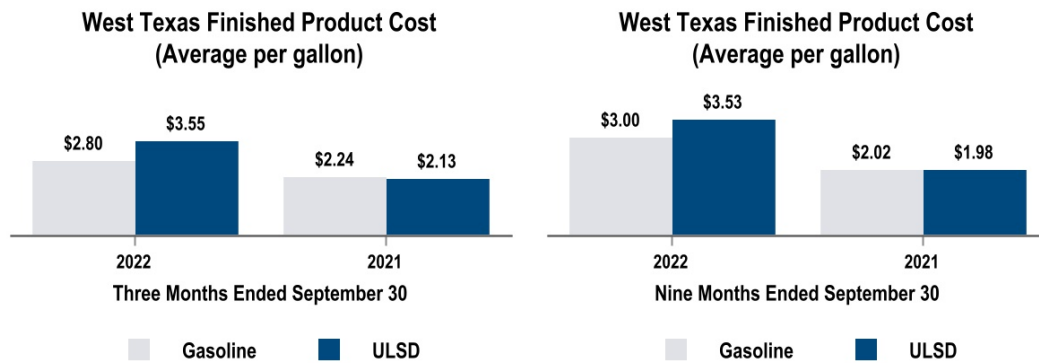
Our logistics segment purchased product from our refining segment of \$124.7 million and \$89.9 million for the three months ended September 30, 2022 and September 30, 2021, respectively. We eliminate these intercompany costs in consolidation.

YTD 2022 vs. YTD 2021

Cost of materials and other for the logistics segment increased by \$205.3 million, or 74.7%, in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 primarily driven by the following:

- increases in the average cost per gallon of gasoline and diesel sold, partially offset by decreases in the average volumes of gasoline sold in our West Texas marketing operations:
 - the average cost per gallon of gasoline and diesel sold increased \$0.97 per gallon and \$1.55 per gallon, respectively;
 - the average volumes of diesel sold increased by 1.9 million gallons, while gasoline volumes sold decreased by 2.0 million gallons; and
- incremental cost of materials and other from the 3 Bear Acquisition.

Our logistics segment purchased product from our refining segment of \$374.3 million and \$229.8 million for the nine months ended September 30, 2022 and September 30, 2021, respectively. We eliminate these intercompany costs in consolidation.



Operating Expenses

Q3 2022 vs. Q3 2021

Operating expenses increased by \$8.3 million, or 47.2%, in the third quarter of 2022 compared to the third quarter of 2021, driven by the following:

- increase due to additional expenses associated with 3 Bear Acquisition;
- increases in employee and outside service costs after cost cutting measures previously implemented to respond to the COVID-19 Pandemic, including delaying non-essential projects, ended;
- increase in energy costs, due to higher natural gas prices; and
- increases in utilities, maintenance and other variable expenses due to higher throughput.

YTD 2022 vs. YTD 2021

Operating expenses increased by \$17.0 million, or 35.4%, in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, driven by the following:

- increase due to additional expenses associated with 3 Bear Acquisition;
- increases in employee and outside service costs; and
- increases in variable expenses such as maintenance and materials costs due to higher throughput.

Contribution Margin

Q3 2022 vs. Q3 2021

Contribution margin increased by \$23.6 million in the third quarter of 2022 compared to the third quarter of 2021 primarily driven by the following:

- increases in revenue due to higher throughput volumes; and
- partially offset by increases in operating expense.

YTD 2022 vs. YTD 2021

Contribution margin increased by \$34.1 million, or 18.1%, in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily driven by the following:

- increases in revenue due to higher throughput volumes; and
- partially offset by increases in operating expense.

Retail Segment

The table below sets forth certain information concerning our retail segment operations (gross sales \$ in millions):

Retail Contribution Margins				
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Net revenues	253.1	206.5	739.7	590.3
Cost of materials and other	210.3	165.2	617.1	466.4
Operating expenses (excluding depreciation and amortization)	25.4	23.4	73.2	67.4
Contribution margin	17.4	17.9	49.4	56.5

Operating Information				
Number of stores (end of period)	248	250	248	250
Average number of stores	248	250	248	250
Average number of fuel stores	243	245	243	245
Retail fuel sales	\$ 169.0	\$ 124.9	\$ 502.4	\$ 349.5
Retail fuel sales (thousands of gallons)	44,729	41,912	129,145	124,655
Average retail gallons sold per average number of fuel stores (in thousands)	184	171	533	510
Average retail sales price per gallon sold	\$ 3.78	\$ 2.98	\$ 3.89	\$ 2.80
Retail fuel margin (\$ per gallon) ⁽¹⁾	\$ 0.345	\$ 0.327	\$ 0.330	\$ 0.356
Merchandise sales (in millions)	\$ 84.2	\$ 81.7	\$ 237.3	\$ 240.9
Merchandise sales per average number of stores (in millions)	\$ 0.3	\$ 0.3	\$ 1.0	\$ 1.0
Merchandise margin %	32.6 %	33.7 %	33.7 %	33.1 %

Same-Store Comparison ⁽²⁾				
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Change in same-store fuel gallons sold	7.4 %	(5.9)%	4.7 %	(9.6)%
Change in same-store merchandise sales	3.9 %	(7.1)%	(0.3)%	(3.1)%

⁽¹⁾ Retail fuel margin represents gross margin on fuel sales in the retail segment, and is calculated as retail fuel sales revenue less retail fuel cost of sales. The retail fuel margin per gallon calculation is derived by dividing retail fuel margin by the total retail fuel gallons sold for the period.

⁽²⁾ Same-store comparisons include period-over-period changes in specified metrics for stores that were in service at both the beginning of the earliest period and the end of the most recent period used in the comparison.

Retail Segment Operational Comparison of the Three and Nine Months Ended September 30, 2022 versus the Three and Nine Months Ended September 30, 2021

Net Revenues

Q3 2022 vs. Q3 2021

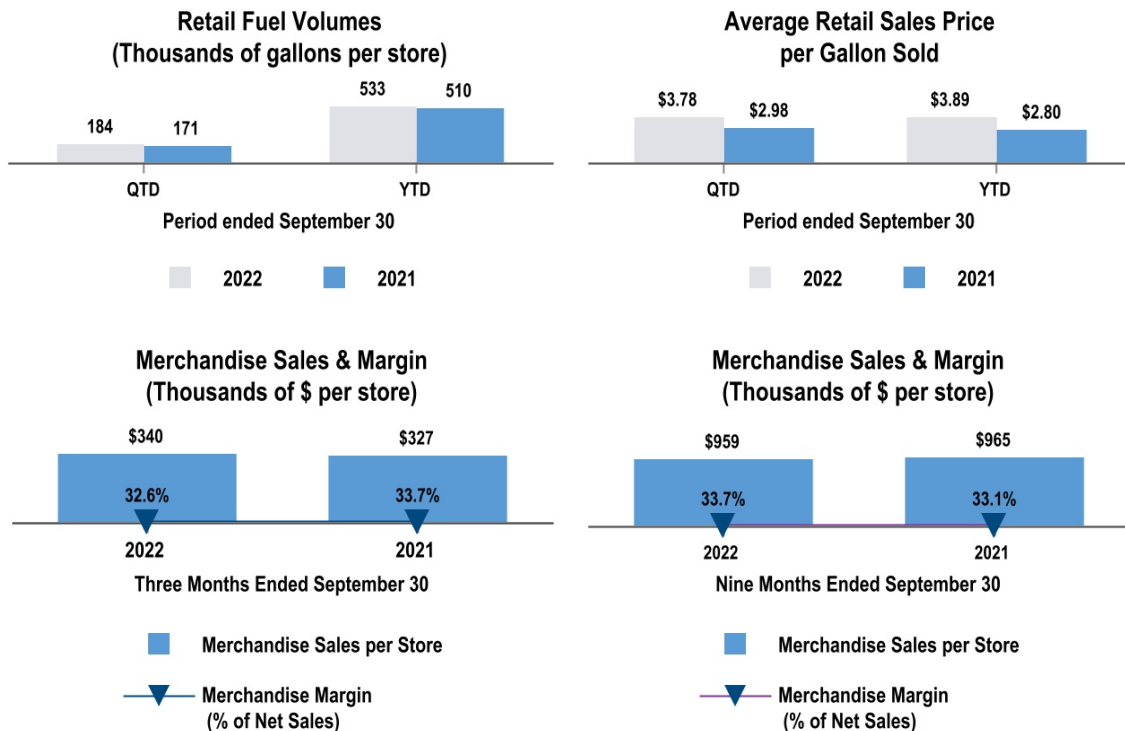
Net revenues for the retail segment increased by \$46.6 million, or 22.6%, in the third quarter of 2022 compared to the third quarter of 2021, primarily driven by the following:

- an increase in total fuel sales which were \$169.0 million in the third quarter of 2022 compared to \$124.9 million in the third quarter of 2021, primarily attributable to an increase of \$0.80 in average price charged per gallon sold; and
- an increase in merchandise sales to \$84.2 million in the third quarter of 2022 compared to \$81.7 million in the third quarter of 2021.

2022 vs. YTD 2021

Net revenues for the retail segment increased by \$149.4 million, or 25.3%, in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily driven by the following:

- an increase in total fuel sales which were \$502.4 million in the nine months of 2022 compared to \$349.5 million in the nine months of 2021, primarily attributable to a \$1.09 increase in average price charged per gallon sold; and
- partially offset by a decrease in merchandise sales to \$237.3 million in the nine months of 2022 compared to \$240.9 million in the nine months of 2021, primarily driven by the same-store sales decrease of 0.3%.



Cost of Materials and Other

Q3 2022 vs. Q3 2021

Cost of materials and other for the retail segment increased by \$45.1 million, or 27.3%, in the third quarter of 2022 compared to the third quarter of 2021, primarily driven by an increase in average cost per gallon of \$0.78 or 29.4% applied to fuel sales volumes that increased period over period. Our retail segment purchased finished product from our refining segment of \$132.1 million and \$92.3 million for the three months ended September 30, 2022 and September 30, 2021, respectively, which is eliminated in consolidation.

YTD 2022 vs. YTD 2021

Cost of materials and other for the retail segment increased by \$150.7 million, or 32.3%, in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily driven by an increase in average cost per gallon of \$1.11 or 45.5% applied to fuel sales volumes that increased period over period. Our retail segment purchased finished product from our refining segment of \$404.0 million and \$253.8 million for the nine months ended September 30, 2022 and September 30, 2021, respectively, which is eliminated in consolidation.

Operating Expenses

Q3 2022 vs. Q3 2021

Retail segment operating expenses increased by \$2.0 million, or 8.5%, in the third quarter of 2022 compared to the third quarter of 2021, primarily due to increased salary cost and credit card expenses due to a higher price per gallon.

YTD 2022 vs. YTD 2021

Operating expenses for the retail segment increased by \$5.8 million, or 8.6% in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily due to increased employee costs.

Contribution Margin

Q3 2022 vs. Q3 2021

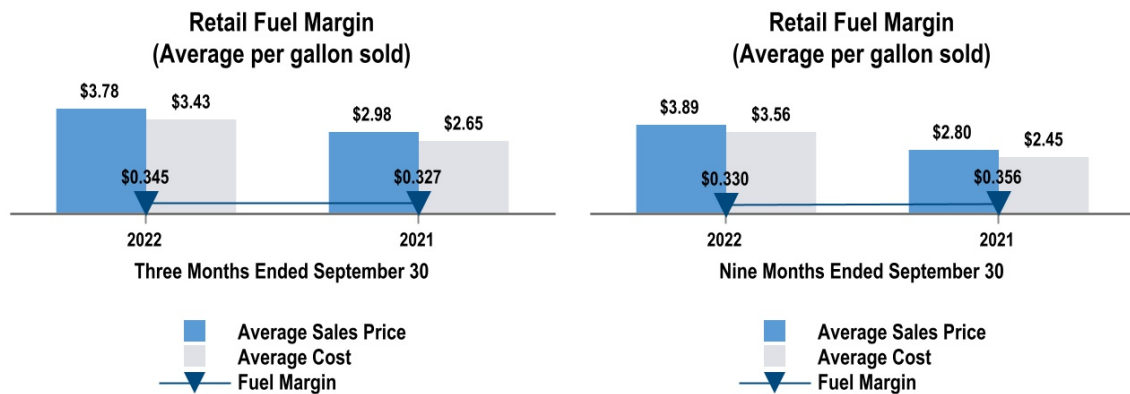
Contribution margin for the retail segment decreased by \$0.5 million, or 2.8%, in the third quarter of 2022 compared to the third quarter of 2021, primarily driven by the following:

- a decline in merchandise margin percentage of 1.1%; and
- an increase in operating expense.

YTD 2022 vs. YTD 2021

Contribution margin for the retail segment decreased by \$7.1 million, or 12.6%, in the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily driven by the following:

- a decrease in average fuel margin of \$0.025 per gallon and an increase in fuel sales volume; and
- a 1.5% decrease in merchandise sales, partially offset by an increase in merchandise margin percentage of 0.6%.



Liquidity and Capital Resources

Our primary sources of liquidity and capital resources are

- cash generated from our operating activities;
- borrowings under our debt facilities; and
- potential issuances of additional equity and debt securities.

At September 30, 2022 our total liquidity amounted to \$2.1 billion comprised primarily of \$787.4 million in unused credit commitments under the Delek Revolving Credit Facility (as defined in Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements), \$193.1 million in unused credit commitments under the Delek Logistics Credit Facility (as defined in Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements) and \$1,153.8 million in cash and cash equivalents. Refer to Note 19 of the condensed consolidated financial statements in Item 1. Financial Statements for information on our recent amendments to our debt facilities. Historically, we have generated adequate cash from operations to fund ongoing working capital requirements and pay quarterly cash dividends and operational capital expenditures. In response to the COVID-19 Pandemic and the decline in oil prices, on November 5, 2020, we announced that we elected to suspend dividends in order to conserve capital. On June 21, 2022, our Board of Directors voted to declare a special cash dividend of \$0.20 per share of our common stock, payable on July 20, 2022 to shareholders of record on July 12, 2022. Return of cash to shareholders remains a priority for the Company along with maintaining a strong and flexible balance sheet. On August 1, 2022, our Board voted to reinstate the quarterly cash dividend and declared a quarterly cash dividend of \$0.20 per share of our common stock, payable on September 6, 2022 to shareholders of record on August 22, 2022. On October 31, 2022, our Board declared a quarterly cash dividend of \$0.21 per share of our common stock, payable on December 2, 2022 to shareholders of record on November 18, 2022. In addition, on August 1, 2022, the Board approved an approximately \$170.3 million increase in its share repurchase authorization, bringing the total amount available for repurchases under current authorizations to \$400.0 million. During the third quarter 2022, we repurchased approximately 1.4 million shares of Delek US common stock for approximately \$40 million, with an average price of \$27.86 per share. Other funding sources including borrowings under existing credit agreements and issuance of equity and debt securities have been utilized to meet our funding requirements and support our growth capital projects and acquisitions. In addition, we have

historically been able to source funding that terms that reflect market conditions, our financial position and our credit ratings. We continue to monitor market conditions, our financial position and our credit ratings and expect future funding sources to be at terms that are sustainable and profitable for the Company. However, there can be no assurances regarding the availability of any future debt or equity financings or whether such financings can be made available on terms that are acceptable to us; any execution of such financing activities will be dependent on the contemporaneous availability of functioning debt or equity markets. Additionally, new debt financing activities will be subject to the satisfaction of any debt incurrence limitation covenants in our existing financing agreements. Our debt limitation covenants in our existing financing documents are usual and customary for credit agreements of our type and reflective of market conditions at the time of their execution. Additionally, our ability to satisfy working capital requirements, to service our debt obligations, to fund planned capital expenditures, or to pay dividends will depend upon future operating performance, which will be affected by prevailing economic conditions in the oil industry and other financial and business factors, including the current COVID-19 Pandemic and oil prices, some of which are beyond our control.

If market conditions were to change, for instance due to the uncertainty created by the COVID-19 Pandemic or the Russia-Ukraine War, and our revenue was reduced significantly or operating costs were to increase significantly, our cash flows and liquidity could be unfavorably impacted.

As of September 30, 2022, we believe we were in compliance with all of our debt maintenance covenants, where the most significant long-term obligation subject to such covenants was the Delek Logistics Credit Facility (see Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements). We currently expect to remain in compliance with our existing debt maintenance covenants, though we can provide no assurances, particularly if conditions significantly worsen beyond our ability to predict. Additionally, we were in compliance with incurrence covenants during the quarter ended September 30, 2022 to the extent that any of our activities triggered these covenants. However, given the uncertainty around economic conditions, it is at least reasonably possible that conditions could change significantly, and that such changes could adversely impact our ability to meet some of these incurrence covenants. Inability to meet the incurrence covenants could impose certain incremental restrictions on our ability to incur new debt and also may limit whether and the extent to which we may pay dividends, as well as impose additional restrictions on our ability to repurchase our stock, make new investments and incur new liens (among others). Such restrictions would generally remain in place until such quarter that we are able to satisfy the applicable incurrence based covenants. In the event that we are subject to these incremental restrictions, we believe that we have sufficient current and alternative sources of liquidity, including (but not limited to) the following: available borrowings under our existing Wells Fargo Revolving Credit Facility, and for Delek Logistics, under its Delek Logistics Credit Facility (each as defined in Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements); the allowance to incur additional secured debt under the Term Loan Credit Facility (as defined in Note 9 of the condensed consolidated financial statements in Item 1. Financial Statements); as well as the possibility of obtaining other secured and unsecured debt, raising capital through equity issuance, or taking advantage of transactional financing opportunities such as sale-leasebacks, each as otherwise contemplated and allowed under our incurrence covenants.

Cash Flows

The following table sets forth a summary of our consolidated cash flows (in millions):

	Consolidated	
	Nine Months Ended September 30,	
	2022	2021
Cash Flow Data:		
Operating activities	\$ 716.1	\$ 210.2
Investing activities	(819.9)	(143.2)
Financing activities	401.1	(23.9)
Net increase	\$ 297.3	\$ 43.1

Cash Flows from Operating Activities

Net cash provided by operating activities was \$716.1 million for the nine months ended September 30, 2022, compared to cash provided of \$210.2 million for the comparable period of 2021. The increase in cash provided by operating activities was primarily due to an increase in cash receipts from customers and cash payments to suppliers and for salaries resulting in a net \$555.4 million increase in cash provided by operating activities. Additionally, interest paid increased \$34.4 million, income taxes paid increased \$22.4 million and dividends received increased \$7.3 million.

Cash Flows from Investing Activities

Net cash used in investing activities was \$819.9 million for the first nine months of 2022, compared to \$143.2 million in the comparable period of 2021. The increase in cash flows used in investing activities was primarily due to the \$625.4 million acquisition of 3 Bear, an \$29.7 million increase in purchases of property, plant and equipment, partially attributable to delaying non-essential projects in light of the COVID-19 Pandemic and a \$10.4 million decrease in proceeds from sale of property, plant and equipment.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$401.1 million for the nine months ended September 30, 2022, compared to net cash used of \$23.9 million in the comparable 2021 period. This increase in cash provided was primarily due to net proceeds on our revolvers and term debt of \$510.0 million during the nine months ended September 30, 2022, compared to net repayments of \$125.8 million in the comparable 2021 period and \$16.4 million in proceeds from the sale of Delek Logistics limited partner units in the current period, partially offset by a \$95.6 million decrease in net proceeds from inventory financing arrangements, the purchase of Delek common stock from IEP Energy Holding, LLC for \$64.0 million in the current period, \$40.0 million of share repurchases and \$28.3 million dividends paid in the period.

Cash Position, Indebtedness and Other Financing Arrangements

As of September 30, 2022, our total cash and cash equivalents were \$1,153.8 million and we had total long-term indebtedness of approximately \$2,733.6 million. The total long-term indebtedness is net of deferred financing costs and debt discount of \$9.2 million and \$14.3 million, respectively. Additionally, we had letters of credit issued of approximately \$212.6 million. Total unused credit commitments or borrowing base availability, as applicable, under our revolving credit facilities was approximately \$980.5 million. Our total long-term indebtedness consisted of the following:

- an aggregate principal amount of \$1,250.2 million under the Term Loan Credit Facility, due on March 30, 2025, with effective interest rate of 6.41%;
- an aggregate principal amount of \$806.9 million under the Delek Logistics Credit Facility, due on September 28, 2023, with average borrowing rate of 5.64%;
- an aggregate principal amount of \$250.0 million under the Delek Logistics 2025 Notes, due in 2025, with effective interest rate of 7.19%;
- an aggregate principal amount of \$400.0 million under the Delek Logistics 2028 Notes, due in 2028, with effective interest rate of 7.40%;
- an aggregate principal amount of \$50.0 million under the United Community Bank Revolver (formally Reliant Bank), due on June 30, 2023, with fixed interest rate of 7.00%; and
- the Revolving Credit Facility, due on March 30, 2023, with borrowing rate of 6.50% for base rate loans, with no principal amount outstanding.

See Note 9 and Note 19 of the condensed consolidated financial statements in Item 1. Financial Statements, for additional information about our separate credit facilities included in long-term indebtedness.

Additionally, we also utilize other financing arrangements to finance operating assets and/or, from time to time, to monetize other assets that may not be needed in the near term, when internal cost of capital and other criteria are met. Such arrangements include our supply and offtake arrangements, which finance a significant portion of our first-in, first-out inventory at the refineries and, from time to time, RINs or other non-inventory product financing liabilities. Our supply and offtake obligation with J. Aron amounted to \$596.2 million at September 30, 2022, \$413.0 million of which is due on December 30, 2022. (See Note 8 of the condensed consolidated financial statements in Item 1. Financial Statements, for additional information about our supply and offtake facilities). Our product financing liabilities consisted primarily of RIN financings as of September 30, 2022, and totaled \$305.7 million, all of which is due by December 31, 2022. See further description of these types of arrangements in the Environmental Credits and Related Regulatory Obligations accounting policy disclosed in Note 2 to our audited consolidated financial statements included Item 8. Financial Statements and Supplementary Data, of our December 31, 2021 Annual Report on Form 10-K. For both arrangements and the related commitments, see also our "Contractual Obligations" section included in Item 2. Management's Discussion and Analysis.

Capital Spending

A key component of our long-term strategy is our capital expenditure program. Our capital expenditures for the nine months ended September 30, 2022 were \$174.1 million, of which approximately \$56.0 million was spent in our refining segment, \$68.0 million in our logistics segment, \$22.6 million in our retail segment and \$27.5 million primarily at the holding company level. The following table summarizes our actual capital expenditures for the nine months ended September 30, 2022 and planned capital expenditures for the full year 2022 by operating segment and major category (in millions):

	Full Year 2022 Forecast	Nine Months Ended September 30, 2022
Refining		
Sustaining maintenance, including turnaround activities	\$ 100.9	\$ 50.6
Regulatory	9.7	4.0
Discretionary projects	2.9	1.4
Refining segment total	113.5	56.0
Logistics		
Regulatory	4.6	2.9
Sustaining maintenance	1.7	1.1
Discretionary projects	110.5	64.0
Logistics segment total	116.8	68.0
Retail		
Regulatory	—	—
Sustaining maintenance	4.5	3.3
Discretionary projects	29.0	19.3
Retail segment total	33.5	22.6
Other		
Regulatory	3.8	1.9
Sustaining maintenance	24.4	20.6
Discretionary projects	8.0	5.0
Other total	36.2	27.5
Total capital spending ⁽¹⁾	\$ 300.0	\$ 174.1

(1) The current year spend excludes approximately \$8.1 million for equipment purchased during the nine months ended September 30, 2021 to be used in future expansion projects.

The amount of our capital expenditure budget is subject to change due to unanticipated increases in the cost, scope and completion time for our capital projects and subject to the changes and uncertainties discussed under the 'Forward-Looking Statements' section of Item 2, of this Quarterly Report on Form 10-Q.

We have no material off-balance sheet arrangements through the date of the filing of this Quarterly Report on Form 10-Q.

Cash Requirements

Long-Term Cash Requirements Under Contractual Obligations

Information regarding our known cash requirements under contractual obligations of the types described below as of September 30, 2022, is set forth in the following table (in millions):

	Payments Due by Period				Total
	<1 Year	1-3 Years	3-5 Years	>5 Years	
Long term debt and notes payable obligations	\$ 869.9	\$ 1,487.2	\$ —	\$ 400.0	\$ 2,757.1
Interest ⁽¹⁾	167.9	200.2	65.4	42.8	476.3
Operating lease commitments ⁽²⁾⁽⁷⁾	57.6	82.2	36.1	28.5	204.4
Finance lease commitments ⁽³⁾	4.4	3.8	2.8	4.8	15.8
Purchase commitments ⁽⁴⁾	697.9	—	—	—	697.9
Product financing commitments ⁽⁵⁾	305.7	—	—	—	305.7
Transportation agreements ⁽⁶⁾	158.9	257.1	226.8	249.7	892.5
J. Aron supply and offtake obligations ⁽⁷⁾	428.5	—	—	—	428.5
Total	\$ 2,690.8	\$ 2,030.5	\$ 331.1	\$ 725.8	\$ 5,778.2

⁽¹⁾ Expected interest payments on debt outstanding at September 30, 2022. Floating interest rate debt is calculated using September 30, 2022 rates. For additional information, see Note 9 of our condensed consolidated financial statements included in Item 1. Financial Statements, of this Quarterly Report on Form 10-Q.

⁽²⁾ Amounts reflect future estimated lease payments under operating leases having remaining non-cancelable terms in excess of one year as of September 30, 2022.

⁽³⁾ Amounts reflect future estimated lease payments under financing leases having remaining non-cancelable terms in excess of one year as of September 30, 2022.

⁽⁴⁾ We have purchase commitments to secure certain quantities of crude oil, finished product and other resources used in production at both fixed and market prices. We have estimated future payments under the market-based agreements using current market rates. Excludes purchase commitments in buy-sell transactions which have matching notional amounts with the same counterparty and are generally net settled in exchanges.

⁽⁵⁾ Balances consist of obligations under RINs product financing arrangements. For additional information, see Note 11 of our condensed consolidated financial statements included in Item 1. Financial Statements, of this Quarterly Report on Form 10-Q.

⁽⁶⁾ Balances consist of contractual obligations under agreements with third parties (not including Delek Logistics) for the transportation of crude oil to our refineries.

⁽⁷⁾ Balances consists of contractual obligations under the J. Aron Supply and Offtake Agreements, including annual fees and principal obligation for the Baseline Volume Step-Out Liability. For additional information, see Note 8 of our condensed consolidated financial statements included in Item 1. Financial Statements, of this Quarterly Report on Form 10-Q.

Other Cash Requirements

Our material short-term cash requirements under contractual obligations are presented above, and we expect to fund the majority of those requirements with cash flows from operations, with the exception of the supply and offtake obligations, which are expected to be refinanced. Our other cash requirements consisted of operating activities and capital expenditures. Operating activities include cash outflows related to payments to suppliers for crude and other inventories (which are largely reflected in our contractual purchase commitments in the table above) and payments for salaries and other employee related costs. In line with our Long-term Sustainable strategy, future cash requirements will include initiatives to build on our long term sustainable business model, ESG initiatives and digital transformation.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

These disclosures should be read in conjunction with the condensed consolidated financial statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other information presented herein, as well as in the "Quantitative and Qualitative Disclosures About Market Risk" section contained in our Annual Report on Form 10-K, filed on February 25, 2022.

Price Risk Management Activities

At times, we enter into the following instruments/transactions in order to manage our market-indexed pricing risk: commodity derivative contracts which we use to manage our price exposure to our inventory positions, future purchases of crude oil and ethanol, future sales of refined products or to fix margins on future production; and future commitments to purchase or sell RINs at fixed prices and quantities, which are used to manage the costs associated with our RINs obligations and meet the definition of derivative instruments under ASC 815, *Derivatives and Hedging* ("ASC 815"). In accordance with ASC 815, all of these commodity contracts and future purchase commitments are recorded at fair value, and any change in fair value between periods has historically been recorded in the profit and loss section of our condensed consolidated financial statements. Occasionally, at inception, the Company will elect to designate the commodity derivative contracts as cash flow hedges under ASC 815. Gains or losses on commodity derivative contracts accounted for as cash flow hedges are recognized in other comprehensive income on the condensed consolidated balance sheets and, ultimately, when the forecasted transactions are completed, in net revenues or cost of materials and other in the condensed consolidated statements of income.

The following table sets forth information relating to our open commodity derivative contracts, excluding our trading derivative contracts (which are presented separately below), as of September 30, 2022 (\$ in millions):

Contract Description	Total Outstanding		Notional Contract Volume by Year of Maturity		
	Fair Value	Notional Contract Volume	2022	2023	2024
Contracts not designated as hedging instruments:					
Crude oil price swaps - long ⁽¹⁾	\$ 20.3	51,961,000	24,910,000	27,051,000	—
Crude oil price swaps - short ⁽¹⁾	(11.9)	49,753,000	28,382,000	21,371,000	—
Inventory, refined product and crack spread swaps - long ⁽¹⁾	(8.9)	3,516,000	2,226,000	1,290,000	—
Inventory, refined product and crack spread swaps - short ⁽¹⁾	22.0	7,343,000	4,953,000	2,390,000	—
Natural gas swaps - long ⁽³⁾	(2.7)	2,030,000	—	2,030,000	—
Natural gas swaps - short ⁽³⁾	0.5	5,755,000	5,475,000	280,000	—
RIN commitment contracts - long ⁽²⁾	0.3	128,800,000	128,800,000	—	—
RIN commitment contracts - short ⁽²⁾	1.6	22,000,000	22,000,000	—	—
Total	\$ 21.2	271,158,000	216,746,000	54,412,000	—

⁽¹⁾ Volume in barrels ⁽²⁾ Volume in RINs ⁽³⁾ Volume in MMBTU.

Interest Risk Management Activities

We have market exposure to changes in interest rates relating to our outstanding floating rate borrowings, which totaled approximately \$2,107.1 million as of September 30, 2022. The annualized impact of a hypothetical one percent change in interest rates on our floating rate debt as of September 30, 2022 would be to change interest expense by approximately \$21.1 million.

Inflation

Inflationary factors, such as increases in the costs of our inputs, operating expenses, and interest rates may adversely affect our operating results. During 2022, our results of operations were negatively affected by higher natural gas costs, higher labor costs and supply chain disruptions, in part, by the COVID-19 Pandemic, the uncertain economic environment, and macroeconomic and geopolitical events and trends. We expect these cost pressures and supply chain challenges to continue into fiscal year 2023. In addition, current or future governmental policies may increase the risk of inflation, which could further increase costs and may have an adverse effect on our ability to maintain current levels of gross margin and operating expenses as a percentage of sales if the prices at which we are able to sell our products and services do not increase in line with increases in costs.

LIBOR Transition

LIBOR is a commonly used indicative measure of the average interest rate at which major global banks could borrow from one another. The United Kingdom's Financial Conduct Authority, which regulates LIBOR discontinued the reporting of certain LIBOR rates on December 31, 2021, and has publicly announced that it intends to discontinue all USD LIBOR rates after June 2023. Certain of our agreements use LIBOR as a "benchmark" or "reference rate" for various terms. Some agreements contain an existing LIBOR alternative such as the Secured Overnight Financing Rate. Where there is not an alternative, we expect to replace the LIBOR benchmark with an alternative reference rate. While we do not expect the transition to an alternative rate to have a significant impact on our business or operations, it is possible that the move away from LIBOR could materially impact our borrowing costs on our variable rate indebtedness.

Commodity Derivatives Trading Activities

We enter into active trading positions in a variety of commodity derivatives, which include forward physical contracts, swap contracts, and futures contracts. These trading activities are undertaken by using a range of contract types in combination to create incremental gains by capitalizing on crude oil supply and pricing seasonality. These contracts are classified as held for trading and are recognized at fair value with changes in fair value recognized in the income statement.

The following table sets forth information relating to trading commodity derivative contracts as of September 30, 2022:

Contract Description	Total Outstanding		Notional Contract Volume by Year of Maturity				
	Fair Value	Notional Contract Volume	2022	2023	2024	2025	2026
Crude forward contracts- long ⁽¹⁾	105.9	1,551,582	1,551,582	—	—	—	—
Crude forward contracts- short ⁽¹⁾	(96.3)	1,425,681	1,425,681	—	—	—	—
Total	\$ 9.6	2,977,263	2,977,263	—	—	—	—

⁽¹⁾ Volume in barrels.

ITEM 4. CONTROLS AND PROCEDURES

Our disclosure controls and procedures are designed to provide reasonable assurance that the information that we are required to disclose in reports we file under the Exchange Act is accumulated and appropriately communicated to management. We carried out an evaluation required by Rule 13a-15(b) of the Exchange Act, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures at the end of the reporting period. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the reporting period.

We acquired 3 Bear effective June 1 2022, and have included the operating results and assets and liabilities of 3 Bear in our consolidated financial statements as of September 30, 2022 and for the 122 days then ended. As permitted by SEC guidance for newly acquired businesses, management's assessment of the Company's disclosure controls and procedures did not include an assessment of those disclosure controls and procedures of 3 Bear that are subsumed by internal control over financial reporting. 3 Bear accounted for approximately 8.0% of total assets as of September 30, 2022 and approximately 0.5% of total revenues of the Company for the nine months ended on September 30, 2022. Other than our internal controls for 3 Bear, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the third quarter of 2022 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

In the ordinary conduct of our business, we are from time to time subject to lawsuits, investigations and claims, including, environmental claims and employee-related matters. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations and claims asserted against us, including civil penalties or other enforcement actions, we do not believe that any currently pending legal proceeding or proceedings to which we are a party will have a material adverse effect on our business, financial condition or results of operations. See Note 12 to our accompanying condensed consolidated financial statements, which is incorporated by reference in this Item 1, for additional information. Aside from the disclosure updated in Note 12, there have been no material developments to the proceedings previously reported in our Annual Report on Form 10-K filed on February 25, 2022.

ITEM 1A. RISK FACTORS

There were no material changes during the nine months ended September 30, 2022 to the risk factors identified in the Company's fiscal 2021 Annual Report on Form 10-K, except as described below.

We may be unsuccessful in integrating the operations of the assets we have acquired or may acquire with our operations, and in realizing all or any part of the anticipated benefits of any such acquisitions.

From time to time, we evaluate and acquire assets and businesses that we believe complement our existing assets and businesses. Acquisitions may require substantial capital or the incurrence of substantial indebtedness. Our capitalization and results of operations may change significantly as a result of completed or future acquisitions. Acquisitions and business expansions involve numerous risks, including difficulties in the assimilation of the assets and operations of the acquired businesses, inefficiencies and difficulties that arise because of unfamiliarity with new assets and the businesses associated with them, and new geographic areas and the diversion of management's attention from other business concerns. Further, unexpected costs and challenges may arise whenever businesses with different operations or management are combined, and we may experience unanticipated delays in realizing the benefits of an acquisition. Also, following an acquisition, we may discover previously unknown liabilities associated with the acquired business or assets for which we have no recourse under applicable indemnification provisions.

On June 1 2022, a subsidiary of Delek Logistics acquired 100% of the equity interests of 3 Bear Delaware Holding – NM, LLC, an indirect subsidiary of 3 Bear Energy, LLC.

The 3 Bear Acquisition will require the management of Delek Logistics, which includes certain members of our management who provide management services to Delek Logistics, to devote significant attention and resources to integrating the 3 Bear business with its business. Potential difficulties that may be encountered in the integration process include, among others:

- the inability to successfully integrate the 3 Bear business into its business in a manner that permits Delek Logistics to achieve the revenue and cost savings that it announced as anticipated from the acquisition;
- complexities associated with managing the larger, integrated business;
- potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the acquisition;
- integrating personnel from the two companies while maintaining focus on providing consistent, high-quality products and services;
- loss of key employees;
- integrating relationships with customers, vendors and business partners;
- performance shortfalls at one or both of the companies as a result of the diversion of management's attention caused by completing the acquisition and the integration of operations; and
- the disruption or loss in momentum in, each company's ongoing business or inconsistencies in standards, controls, procedures and policies.

Delays or difficulties in the integration process could adversely affect our business, financial condition, and results of operations. There can be no assurance that the acquisition will result in the realization of the full benefits of the synergies, cost savings, innovation and operational efficiencies that are currently expected from this integration or that have been communicated with respect to this acquisition or that these benefits will be achieved within the anticipated timeframe.

The Russia-Ukraine War, and events occurring in response thereto, including sanctions brought by the United States and other countries against Russia and any expansion of hostilities, may have an adverse impact on our business, our future results of operations, and our overall financial performance.

The effects of the military conflict that began with the Russian invasion of Ukraine in February 2022 on our business, financial condition, and results of operations are impossible to predict. Sanctions brought by the United States and other countries against Russia, any escalation of the conflict, including the regional or global expansion of hostilities, and other future developments could significantly affect the global economy, lead to market volatility and supply chain disruptions, have an adverse impact on energy prices, including prices for crude oil, other feedstocks, and refined petroleum products, have an adverse impact on the margins from our petroleum product marketing operations, and have a material adverse effect on our business, financial condition, and results of operations.

The physical effects of climate change and severe weather present risks to our operations.

The potential physical effects of climate change and severe weather on our operations are highly uncertain and depend upon the unique geographic and environmental factors present. We have systems in place to manage potential acute physical risks, including those that may be caused by climate change, but if any such events were to occur, they could have an adverse effect on our assets and operations. Examples of potential physical risks include floods, hurricane-force winds, wildfires, freezing temperatures and snowstorms. We have incurred, and will continue to incur, costs to protect our assets from physical risks, and to employ processes, to the extent available, to mitigate such risks.

Any extreme weather events may disrupt the ability to operate our facilities or to transport crude oil, refined petroleum or petrochemical and plastics products in these areas. Extended periods of such disruption could have an adverse effect on our results of operations. We could also incur substantial costs to prevent or repair damage to these facilities. Finally, depending on the severity and duration of any extreme weather events or climate conditions, our operations may need to be modified and material costs incurred, which could materially and adversely affect our business, financial condition and results of operations.

There are certain environmental hazards and risks inherent in our operations that could adversely affect those operations and our financial results.

The operation of refineries, pipelines, terminals and vessels is inherently subject to the risks of spills, discharges or other inadvertent releases of petroleum or hazardous substances. If any of these events had previously occurred or occurs in the future in connection with any of our refineries, pipelines or refined petroleum products terminals, or in connection with any facilities that receive our wastes or byproducts for treatment or disposal, other than events for which we are indemnified, we could be liable for all costs and penalties associated with their remediation under federal, state, local and international environmental laws or common law, and could be liable for property damage to third parties caused by contamination from releases and spills.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth information with respect to the purchase of shares of our common stock made during the three months ended September 30, 2022 by or on behalf of us or any “affiliated purchaser,” as defined by Rule 10b-18 of the Exchange Act (inclusive of all purchases that have settled as of September 30, 2022).

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
July 1 - July 31, 2022	—	\$ —	—	\$ 229,724,248
August 1 - August 31, 2022 ⁽¹⁾	1,021,836	27.66	1,021,836	371,735,880
September 1 - September 30, 2022	413,766	28.36	413,766	360,000,008
Total	1,435,602	\$ 27.86	1,435,602	N/A

⁽¹⁾ On August 1, 2022, the Board of Directors approved an approximately \$170.3 million increase in its share repurchase authorization, bringing the total amount available for repurchases under current authorizations to \$400.0 million. (See further discussion in Note 16 to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
<u>3.1</u>	# <u>Fifth Amended and Restated Bylaws of Delek US Holdings, Inc.</u>
<u>10.1</u>	# <u>Assignment and Assumption Agreement and Guaranty, dated as of March 22, 2022, by and among Lion Oil Trading & Transportation, LLC, DK Trading & Supply, LLC, Delek Logistics Operating, LLC, Lion Oil Company, LLC, and Delek US Energy, Inc.</u>
<u>10.2</u>	# <u>Partial Assignment and Assumption Agreement, dated as of March 23, 2022, by and among Lion Oil Company, LLC, DK Trading & Supply, LLC, and Delek Logistics Partners, LP.</u>
<u>10.3</u>	# <u>Omnibus Assignment and Assumption Agreement, dated as of September 12, 2022, by and among Alon USA, LP, DK Trading & Supply, LLC, and the parties set forth on Schedule 1 thereto.</u>
<u>10.4</u>	# <u>Omnibus Assignment and Assumption Agreement, dated as of September 12, 2022, by and among Lion Oil Company, LLC, DK Trading & Supply, LLC, and the parties set forth on Schedule 1 thereto.</u>
<u>10.5</u>	# <u>Omnibus Assignment and Assumption Agreement, dated as of September 13, 2022, by and among Delek Refining Ltd., DK Trading & Supply, LLC, and the parties set forth on Schedule 1 thereto.</u>
<u>10.6</u>	# <u>Omnibus Assignment and Assumption Agreement, dated as of September 13, 2022, by and among Lion Oil Trading & Transportation, LLC, DK Trading & Supply, LLC, and the parties set forth on Schedule 1 thereto.</u>
<u>31.1</u>	# <u>Certification of the Company's Chief Executive Officer pursuant to Rule 13a-14(a)/15(d)-14(a) under the Securities Exchange Act of 1934, as amended.</u>
<u>31.2</u>	# <u>Certification of the Company's Chief Financial Officer pursuant to Rule 13a-14(a)/15(d)-14(a) under the Securities Exchange Act of 1934, as amended.</u>
<u>32.1</u>	## <u>Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
<u>32.2</u>	## <u>Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101	The following materials from Delek US Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of September 30, 2022 and December 31, 2021 (Unaudited), (ii) Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2022 and 2021 (Unaudited), (iii) Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2022 and 2021 (Unaudited), (iv) Condensed Consolidated Statements of Changes in Stockholders' Equity for the three and nine months ended September 30, 2022 and 2021 (Unaudited), (v) Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2022 and 2021 (Unaudited), and (vi) Notes to Condensed Consolidated Financial Statements (Unaudited).
104	The cover page from Delek US Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, has been formatted in Inline XBRL.
#	Filed herewith
##	Furnished herewith

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, thereunto duly authorized.

Delek US Holdings, Inc.

By: /s/ Avigal Soreq

Avigal Soreq
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Reuven Spiegel

Reuven Spiegel
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Robert Wright

Robert Wright
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Dated: November 8, 2022

**Fifth Amended and Restated Bylaws
of
Delek US Holdings, Inc.**

Adopted as of October 31, 2022

**Article I.
OFFICES**

Section 1.01 *Registered Office.* The registered office of the corporation in the State of Delaware shall be in the City of Dover, County of Kent, Delaware 19904 and the name of its registered agent shall be United Corporate Services, Inc.

Section 1.02 *Other Offices.* The corporation also may have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

**Article II.
MEETINGS OF STOCKHOLDERS**

Section 2.01 *Place of Meeting.* All meetings of stockholders shall be held at such place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. The Board of Directors may, in its sole discretion and subject to such guidelines and procedures as the Board of Directors may from time to time adopt, determine that the meeting shall not be held at any specific place, but may instead be held solely by means of remote communication.

Section 2.02 *Annual Meeting.* The annual meeting of stockholders shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. The Board of Directors may, for any reason and at any time prior to the holding of any annual meeting of stockholders, postpone, reschedule or cancel any previously scheduled annual meeting of stockholders.

(a) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders shall be made at an annual meeting of stockholders (i) pursuant to the corporation's notice of such meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving of the notice provided for in this Section 2.02, who is entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 2.02. For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of this subsection (a), (1) the stockholder must have given timely notice thereof in writing to the Secretary of the corporation and such other business must be a proper matter for stockholder action; (2) the stockholder must have complied in all respects with the requirements of Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including, without limitation, the requirements of Rule 14a-19 (as such rule and regulations may be amended from time to time by the Securities and Exchange Commission including any Securities and Exchange Commission Staff interpretations relating thereto), and (3) the Board of Directors or an executive officer designated thereby shall determine that the stockholder has satisfied the requirements of this subsection (a), including without limitation the satisfaction of any undertaking delivered under subsection (b) below. To be timely, a stockholder's notice shall be delivered to the Secretary not earlier than the close of business on

the 120th calendar day nor later than the close of business on the 90th calendar days prior to the one-year anniversary of the preceding year's annual meeting. In the event that no annual meeting was held in the previous year or the date of any annual meeting is more than 30 days before or more than 60 days after the one-year anniversary of the previous year's annual meeting, notice by a stockholder, to be timely, must be so delivered not earlier than 90 calendar days prior to such annual meeting and not later than 10 days following the day on which public announcement of the date of such meeting is first made by the corporation. In no event shall an adjournment or postponement of an annual meeting, or the public announcement of an adjournment or postponement of an annual meeting, commence a new time period for the giving of a stockholder's notice as described above.

- (b) A stockholder's notice to the Secretary must set forth
 - (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee"):
 - A. the name, age, business address and residence address of such Proposed Nominee;
 - B. the principal occupation and employment of such Proposed Nominee;
 - C. a completed and signed Director Questionnaire (as defined in Section 3.02 herein) in the form required by the corporation (which form the stockholder giving notice shall request in writing from the Secretary of the corporation and which the Secretary shall provide to such stockholder within 10 days of receiving such request), and each such Proposed Nominee must attest to the accuracy of the information provided in such Director Questionnaire;
 - D. such Proposed Nominee's written consent to be named in the proxy statement as a nominee to the Board of Directors;
 - E. such Proposed Nominee's written representation and agreement in the form required by the corporation (which form the stockholder shall request in writing from the Secretary of the corporation and which the Secretary shall provide to such stockholder within 10 days of receiving such request) that:
 - I. such Proposed Nominee is not and will not become party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the corporation or any voting commitment that could limit or interfere with such person's ability to comply, if elected as a director of the corporation, with such person's fiduciary duties under applicable law;

- II. such Proposed Nominee is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the corporation;
 - III. such Proposed Nominee would, if elected as a director, comply with applicable regulations of the exchanges upon which the corporation's shares of common stock trade, all of the corporation's corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines applicable generally to the corporation's directors, and applicable fiduciary duties under state law and, if elected as a director of the corporation, such person currently would be in compliance with any such policies and guidelines that have been publicly disclosed; and
 - IV. such Proposed Nominee will provide facts, statements, and other information in all communications with the corporation and its stockholders that or will be true and correct in all material respects, and that do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- F. any material monetary agreements, arrangements or understandings during the past three years, and any other material relationships, between or among the stockholder or any Stockholder Associated Person, on the one hand, and such Proposed Nominee, his or her respective affiliates or associates, and any other person or persons (including their names) acting in concert therewith, on the other hand, including all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K under the Exchange Act as if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any Affiliate or Associate thereof or person acting in concert therewith, were the "registrant" for purposes of such regulation and the Proposed Nominee were a director or executive officer of such registrant; and
 - G. any other information relating to such Proposed Nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for a contested election of directors pursuant to Section 14 of the Exchange Act;
- (ii) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be

brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the Stockholder Associated Persons, if any, on whose behalf the proposal is made;

- (iii) as to the stockholder giving the notice, Proposed Nominee and each Stockholder Associated Person:
- A. the name and address of such stockholder, Proposed Nominee and Stockholder Associated Person (including, if applicable, the name and address that appear on the corporation's books and records);
 - B. the class, series and number of all shares of stock or other securities of the corporation or any affiliate thereof (collectively, "Corporation Securities"), if any, which are owned (beneficially or of record) by such stockholder, Proposed Nominee or Stockholder Associated Person, the date on which each such Corporation Security was acquired and the investment intent of such acquisition, together with evidence of such beneficial or record ownership;
 - C. the nominee holder for, and number of, any Corporation Securities owned beneficially but not of record by such stockholder, Proposed Nominee or Stockholder Associated Person;
 - D. any agreement, arrangement, understanding or relationship including any repurchase or so-called "stock borrowing" agreement or arrangement, involving such stockholder, Proposed Nominee or Stockholder Associated Person, directly or indirectly, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the corporation by, manage the risk of share price changes for or increase or decrease the voting power of, such stockholder, Proposed Nominee or Stockholder Associated Person with respect to any class or series of the shares of the corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares of the corporation (any of the foregoing, a "Short Interest");
 - E. any option, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the corporation or with a value derived in whole or in part from the value of any class or series of shares of the corporation, or any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the corporation, or any contract, derivative, swap or other transaction or series of transactions designed to

produce economic benefits and risk that correspond substantially to the ownership of any class or series of shares of the corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the corporation, through the delivery of cash or other property, or otherwise, and without regard to whether such stockholder, Proposed Nominee or Stockholder Associated Person may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of the shares of the corporation (any of the foregoing, a “Derivative Instrument”) that is directly or indirectly owned beneficially by such stockholder, Proposed Nominee or Stockholder Associated Person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the corporation;

- F. any rights to dividends of the shares of the corporation owned beneficially by such stockholder, Proposed Nominee or Stockholder Associated Person;
- G. any proportionate interest in shares of capital stock of the corporation or Derivative Instruments, held, directly or indirectly, by a general or limited partnership or similar entity in which such stockholder, Proposed Nominee or Stockholder Associated Person (I) is the general partner or, directly or indirectly, beneficially owns an interest in a general partner, or (II) is the manager, managing member or directly or indirectly beneficially owns an interest in the manager or managing member of a limited liability company or similar entity;
- H. any significant equity interest or any Derivative Instruments or Short Interests in any entity that provides products or services that compete with or are alternatives to the principal products produced or services provided by the corporation or any affiliate thereof held by such stockholder, Proposed Nominee or Stockholder Associated Person (collectively, a “Competitor”);
- I. any significant equity interest or any Derivative Instruments or Short Interests in any affiliates of the corporation;
- J. any direct or indirect interest of such stockholder, Proposed Nominee or Stockholder Associated Person in any contract with the corporation or any affiliate thereof, or any

Competitor (including, in such case, any employment agreement, collective bargaining agreement or consulting agreement);

- K. any substantial interest, direct or indirect (including any existing or prospective commercial, business or contractual relationship with the corporation), by security holdings or otherwise, of such stockholder, Proposed Nominee or Stockholder Associated Person, in the corporation or any affiliate thereof, other than an interest arising from the ownership of Corporation Securities where such stockholder, Proposed Nominee or Stockholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis with holders of the same class or series;
- L. a complete and accurate description of all agreements, arrangements and understandings, written or oral and formal or informal, (I) between or among the stockholder giving the notice and any of the Stockholder Associated Persons or (II) between or among the stockholder giving the notice or any of the Stockholder Associated Persons and any other person or entity (naming each such person or entity) in connection with or related to the foregoing or the proposal of business by a stockholder or any Proposed Nominee, including (x) any proxy, contract, arrangement, understanding or relationship pursuant to which such proposing stockholder or Stockholder Associated Persons has the right to vote any shares of any security of the corporation; (y) any understanding, formal or informal, written or oral, that the stockholder giving the notice or any of the Stockholder Associated Persons may have reached with any stockholder of the corporation (including their names) with respect to how much such stockholder will vote its shares in the corporation at any meeting of the corporation's stockholders or take other action in support of or related to any business proposed or any Proposed Nominee, or other action to be taken, by the proposing stockholder or any of the Stockholder Associated Persons, and (z) any other agreements that would be required to be disclosed by the stockholder giving the notice or any Stockholder Associated Person or any other person or entity pursuant to Item 5 or Item 6 of a Schedule 13D that would be filed pursuant to the Exchange Act and the rules and regulations promulgated thereunder (regardless of whether the requirement to file a Schedule 13D is applicable to the stockholder giving the notice or any Stockholder Associated Person or other person or entity);
- M. a complete and accurate description of any performance- related fees (other than an asset-based fee) to which such stockholder, Proposed Nominee or Stockholder Associated Person may be entitled as a result of an increase or decrease in the value of the shares of the corporation or any derivate instruments; and

- N. such other information as may be reasonably requested by the corporation to facilitate disclosure to stockholders of all material facts that, in the reasonable discretion of the corporation, are relevant for stockholders to make an informed decision on the director election proposal, including information regarding any Stockholder Associated Person;
- (iv) a complete and accurate description of any pending, or to such stockholder's knowledge, threatened legal proceeding in which such stockholder or Proposed Nominee or any Stockholder Associated Person is a party or participant involving the corporation or any officer, affiliate or associate of the corporation;
- (v) any other information relating to such stockholder and any Stockholder Associated Person, if any, that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for, as applicable, the proposal or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;
- (vi) with respect to any director nominations, a written undertaking by the stockholder giving the notice or, if the notice is given on behalf of a Stockholder Associated Person on whose behalf the nomination is made, by such Stockholder Associated Person, that such stockholder or Stockholder Associated Person will deliver to beneficial owners of shares representing at least 67% of the voting power of the stock entitled to vote generally in the election of directors either (A) at least 20 calendar days before the annual meeting, a copy of its definitive proxy statement for the solicitation of proxies for its director candidates, or (B) at least 40 calendar days before the annual meeting a Notice of Internet Availability of Proxy Materials that would satisfy the requirements of Rule 14a-16(d) of the Exchange Act;
- (vii) a representation as to whether the stockholder or any Stockholder Associated Person intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the corporation's beneficial or record owners of outstanding shares of stock entitled to vote on and required to approve the proposed business described in such stockholder's notice or to elect any Proposed Nominee; and (iv) a representation that such stockholder is a holder of record of the capital stock of the corporation and intends to appear in person or by proxy at the annual meeting to bring such business or nomination (as applicable) before the meeting is so requested and acknowledgement that if such stockholder does not appear to present such business or nomination (as applicable) at such annual meeting, the corporation need not present such business or nominee for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the corporation. In addition to the foregoing, the corporation may require any Proposed Nominee to furnish other information as may be reasonably be required by the corporation to determine the

eligibility of such Proposed Nominee to serve as an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee, under the listing standards of each principal securities exchange upon which the shares of the corporation are listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors, including those applicable to a director's service on any of the committees of the Board of Directors.

(c) A stockholder providing notice under this Section 2.02 shall update such notice, if necessary, so that the information provided or required to be provided in such notice shall continue to be true and correct (i) as of the record date for the meeting and (ii) as of the date that is 10 business days prior to the meeting (or any postponement or adjournment thereof), and such update shall be delivered to, or mailed and received by, the Secretary of the corporation no later than five business days after the record date for the meeting (in the case of an update required to be made as of the record date) and not later than seven business days prior to the date of the meeting, if practicable or, if not practicable, on the first practicable date prior to the meeting or any adjournment or postponement thereof (in the case of an update required to be made as of 10 business days prior to the meeting or any adjournment or postponement thereof).

(d) If information submitted pursuant to this Section 2.02 by any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall be inaccurate in any respect, such information may be deemed not to have been provided in accordance with this Section 2.02. Any such stockholder shall notify the corporation of any inaccuracy or change in any such information within two business days of becoming aware of such inaccuracy or change. Upon written request by the Secretary or the Board of Directors, any such stockholder shall provide, within five business days of delivery of such request (or such other period as may be specified in such request), (i) written verification, reasonably satisfactory to the Board of Directors or any authorized officer of the corporation, to demonstrate the accuracy of information submitted by the stockholder pursuant to this Section 2.02, and (ii) update any information (including, if requested by the corporation, written confirmation by such stockholder that such stockholder continues to intend to bring such nomination or other business proposal before the meeting) submitted by the stockholder pursuant to this Section 2.02 as of an earlier date. If a stockholder fails to provide such written verification or written update within such period, the information as to which written verification or a written update was requested shall be deemed not to have been provided in accordance with this Section 2.02.

(e) For purposes of this Section 2.02, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to the Exchange Act or furnished by the corporation to stockholders.

(f) Notwithstanding the foregoing provisions of this Section 2.02, a stockholder also shall comply with all applicable legal requirements and the Exchange Act and the rules and regulations thereunder with respect to the nomination of persons for election to the Board of Directors or the proposal of business to be considered by the stockholders at a meeting of stockholders. Nothing in this Section 2.02 shall be deemed to affect any right of a stockholder to request inclusion of a proposal in, or the right of the corporation to omit the proposal from, any proxy statement filed by the corporation with the Securities and Exchange Commission

pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in this Section 2.02 shall require disclosure of revocable proxies received by the stockholder or Stockholder Associated Person pursuant to a solicitation of proxies after the filing of an effective Schedule 14A by such stockholder or Stockholder Associated Person under Section 14(a) of the Exchange Act.

(g) Notwithstanding anything in these bylaws to the contrary, except as otherwise determined by the chairman of the meeting, if the stockholder giving notice as provided for in this Section 2.02 does not appear in person or by proxy at such meeting to present each nominee for election as a director or the proposed business, as applicable, such matter shall not be considered at the meeting.

(h) Only such persons who are nominated in accordance with the procedures set forth in these bylaws shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth herein. Except as otherwise provided by law, the corporation's certificate of incorporation, as amended or restated (the "Certificate of Incorporation") or these bylaws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth herein and, if any proposed nomination or business was not made or proposed in compliance these bylaws, to declare that such non-compliant proposal or nomination be disregarded.

(i) As used in these bylaws, "affiliate" and "associate" each have the respective meanings set forth in Rule 12b-2 promulgated under the Exchange Act. A "Stockholder Associated Person" of any stockholder shall mean (i) any person who is a member of a "group" (as such term is used in Rule 13d-5 of the Exchange Act) with or otherwise acting in concert with such stockholder, (ii) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such stockholder (other than a stockholder that is a depositary), (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder or such Stockholder Associated Person and beneficially owns, directly or indirectly, shares of stock of the corporation, (iv) any person that directly or indirectly through one or more intermediaries, controls such stockholder or any Stockholder Associated Person, and (v) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A promulgated under the Exchange Act, or any successor instructions) with such stockholder or other Stockholder Associated Person in respect of any proposals or nominations, as applicable.

Section 2.03 *Voting List.* The officer who has charge of the stock ledger of the corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a specific place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the

whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 2.04 *Special Meeting.* Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by applicable law or by the Certificate of Incorporation, may be called by the Chairman of the Board or the President from time to time, and shall be called by the Secretary upon written request by a majority of the Board of Directors. Such request shall state the purposes of the proposed meeting. No business other than that stated in the corporation's notice of a special meeting of stockholders shall be transacted at such special meeting.

Section 2.05 *Notice of Meeting.* Written notice of the annual meeting of stockholders and each special meeting of stockholders, stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meetings, and, in the case of a special meeting, the purpose or purposes thereof, shall be given to each stockholder entitled to vote thereat, not less than 10 nor more than 60 days before the meeting, unless allowed by applicable law and in accordance with Section 5.01 herein.

Section 2.06 *Quorum; Adjournment.* The holders of a majority of the shares of all classes of the corporation's capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders, except as otherwise provided by applicable law or by the Certificate of Incorporation. Notwithstanding the other provisions of the Certificate of Incorporation or these bylaws, the Board, the chairman of the stockholders meeting or the holders of a majority of the shares of the corporation's capital stock entitled to vote thereat, present in person or represented by proxy, whether or not a quorum is present, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If a quorum is present at the original duly organized meeting of stockholders, it shall also be deemed present at an adjourned session of such meeting.

Section 2.07 *Majority Voting.* Except as otherwise provided by applicable law, the Certificate of Incorporation, or these bylaws, when a quorum is present or represented at any meeting, a nominee for director shall be elected to the Board of Directors if a majority of the votes cast are in favor of such nominee's election; provided, however, that, if the election is a contested election (as described below), directors shall be elected by a plurality of the votes cast at such meeting. For purposes of this provision, a majority of votes cast shall mean that the number of votes cast "for" a nominee's election exceeds the number of votes cast "against" that nominee's election. The following shall not be votes cast: (a) a share whose ballot is marked as "withheld"; (b) a share otherwise present at the meeting but for which there is an abstention; and (c) a share otherwise present at the meeting for which a stockholder gives no authority or direction.

A contested election is one in respect of which (i) the Secretary has received a notice that a stockholder (or group of stockholders) has nominated a person for election to the Board in compliance with the advance notice requirements for stockholder nominees for director set forth in Section 2.02; and (ii) such nomination has not been withdrawn by such stockholder (or group of stockholders) on or prior to the fourteenth day preceding the date the corporation first mails its notice of meeting for such meeting to the stockholders.

Section 2.08 *Voting Rights and Proxies*. Every stockholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such stockholder or by a transmission permitted by law and filed with the Secretary of the corporation before, or at the time of, the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Every proxy must be appointed in accordance with the Delaware General Corporation Law. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless made irrevocable by law. If such instrument shall designate two or more persons to act as proxies, unless such instrument shall provide the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of the same portion of the shares as he is of the proxies representing such shares.

Section 2.09 *Voting of Stock of Certain Holders*. Shares of the corporation's capital stock standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent, or proxy as the bylaws or equivalent organizational documents of such corporation may prescribe, or in the absence of such provision, as the Board of Directors of such corporation may determine. Shares standing in the name of a deceased person may be voted by the executor or administrator of such deceased person, either in person or by proxy. Shares standing in the name of a guardian, conservator, or trustee may be voted by such fiduciary, either in person or by proxy, but no such fiduciary shall be entitled to vote shares held in such fiduciary capacity without a transfer of such shares into the name of such fiduciary. Shares standing in the name of a receiver may be voted by such receiver. A stockholder whose shares are pledged shall be entitled to vote such shares, unless in the transfer by the pledgor on the books of the corporation, the stockholder has expressly empowered the pledgee to vote thereon, in which case only the pledgee, or the stockholder's proxy, may represent the stock and vote thereon.

Section 2.10 *Treasury Stock*. The corporation shall not vote, directly or indirectly, shares of its own capital stock owned by it; and such shares shall not be counted in determining the total number of outstanding shares of the corporation's capital stock and for quorum purposes.

Section 2.11 *Record Date*. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may, except as otherwise required by law, fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting of stockholders, nor more than 60 days prior to the time for such other action as described above. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 2.12 *Inspectors of Elections; Opening and Closing the Polls.* The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at each meeting of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath to faithfully execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

Section 2.13 *Conduct of Meetings.* Meetings of stockholders shall be presided over by any person determined by the Board or, in the absence of such determination, by the Chairman of the Board or the Chairman of the Board's designee. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it deems appropriate. Except to the extent inconsistent with such rules and regulations, the chairman of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of the chairman of the meeting and without any action by the stockholders, are appropriate for the conduct of the meeting, including (i) restricting admission to the time set for the commencement of the meeting; (ii) limiting attendance at the meeting to stockholders of record, their duly authorized proxies and such other individuals as the chairman of the meeting may determine; (iii) limiting participation at the meeting on any matter to stockholders of record entitled to vote on such matter, their duly authorized proxies and other such individuals as the chairman of the meeting may determine; (iv) limiting the time allotted to questions or comments; (v) determining when and for how long the polls should be open and when the polls should be closed; (vi) maintaining order and security at the meeting; (vii) removing any stockholder or any other individual who refuses to comply with the meeting procedures, rules or guidelines as set forth by the chairman of the meeting; (viii) concluding the meeting or adjourning the meeting, whether or not a quorum is present, to a later date and time and at the same or a different place, which may be announced at the meeting; (ix) restricting the use of audio/video recording devices, cell phones and other electronic device; and (x) complying with any state or local laws and regulations concerning safety and security. Unless otherwise determined by the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Article III. BOARD OF DIRECTORS

Section 3.01 *Powers.* The business and affairs of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by applicable law or by the Certificate of Incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

Section 3.02 *Number, Election and Term.* Except as otherwise provided in the Certificate of Incorporation, the number of directors that shall constitute the whole Board of Directors shall be not fewer than three nor more than fifteen. No more than a minority of the number of Directors necessary to constitute a quorum of the Board (and any committee thereof), whether under Section 3.07 herein, Section 3.10 herein or otherwise, shall be Non-U.S. Citizens (as defined in the Certificate of Incorporation). Such number of directors shall from time to time be fixed and determined by the directors and shall be set forth in the notice of any meeting of stockholders held for the purpose of electing directors. The directors shall be elected at the annual meeting of stockholders, except as provided in Section 3.03, and each director elected shall hold

office until his or her successor shall be elected and qualified or until such director's earlier resignation or removal. Directors need not be residents of the State of Delaware or stockholders of the corporation. Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation. Upon request of the corporation, each nominee for director shall provide the Secretary of the corporation a signed a completed written questionnaire with respect to the background and qualifications of such nominee in the form required by the corporation (the "Director Questionnaire"), and each nominee for director must attest to the accuracy of information provided in the Director Questionnaire.

"Electronic transmission," as used in these bylaws, means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by the recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 3.03 *Vacancies, Additional Directors, and Removal From Office.* If any vacancy occurs in the Board of Directors caused by death, resignation, retirement, disqualification, or removal from office of any director, or otherwise, or if any new directorship is created by an increase in the authorized number of directors as provided in Section 3.02 or otherwise, a majority of the directors then in office, though less than a quorum, or a sole remaining director, may choose a successor or fill the newly created directorship. Any director so chosen shall hold office until the next election and until his or her successor shall be duly elected and qualified, unless sooner displaced.

Section 3.04 *Regular Meeting.* A regular meeting of the Board of Directors shall be held each year, without other notice than this bylaw, at the place of, and immediately following, the annual meeting of stockholders; and other regular meetings of the Board of Directors shall be held each year, at such time and place as the Board of Directors may provide, by resolution, either within or without the State of Delaware, without other notice than such resolution. Unless otherwise restricted by the Certificate of Incorporation, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

Section 3.05 *Special Meeting.* A special meeting of the Board of Directors may be called by the Chairman of the Board or by the President of the corporation and shall be called by the Secretary on the written request of any two directors. The Chairman of the Board or President so calling, or the directors so requesting, any such meeting shall fix the time and any place, either within or without the State of Delaware, as the place for holding such meeting. Special meeting may also be held by means of conference telephone or other communications equipment as set forth in Section 3.04.

Section 3.06 *Notice of Special Meeting.* Notice of special meetings of the Board of Directors shall be given to each director in writing by hand delivery, first-class mail, overnight mail or courier service, confirmed facsimile transmission or electronic transmission or orally by telephone at least 24 hours prior to the time of such meeting; provided, however, that if the Chairman of the Board determines in good faith that it is necessary to hold a special meeting sooner, the Chairman of the Board may provide less than 24 hours' notice. Notice shall be given in accordance with Section 5.01. Any director may waive notice of any meeting in accordance with Section 5.02. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, except that notice shall be given of any proposed amendment to the bylaws if it is to be adopted at any special meeting or with respect to any other matter where notice is required under applicable law.

Section 3.07 *Quorum*. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and the vote of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, by the Certificate of Incorporation or by these bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.08 *Action Without Meeting*. Unless otherwise restricted by the Certificate of Incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof as provided in Article IV of these bylaws, may be taken without a meeting if all the members of the Board of Directors or of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.09 *Compensation*. The Board of Directors shall have authority to determine from time to time the amount of compensation, if any, that shall be paid to its members for their services as directors and as members of standing or special committees of the Board of Directors. The Board of Directors shall also have power, in its discretion, to provide for and to pay to directors rendering services to the corporation not ordinarily rendered by directors as such, special compensation appropriate to the value of such services as determined by the Board of Directors from time to time. No provision of these bylaws shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 3.10 *Emergency Bylaws*. Notwithstanding anything to the contrary in the Certificate of Incorporation or these bylaws, in the event there is any emergency, disaster or catastrophe, as referred to in Section 110 of the Delaware General Corporation Law (or any successor section), or other similar emergency condition (each, an “emergency”), and a quorum of the Board of Directors cannot readily be convened for action, this Section 3.10 shall apply.

(a) Any director may call a meeting of the Board of Directors by any feasible means and with such advance notice as circumstances permit in the judgment of the person calling the meeting. Neither the business to be transacted nor the purpose of any such meeting need be specified in the notice thereof.

(b) One-third of the directors shall constitute a quorum, which may in all cases act by majority vote.

(c) Directors may take action to appoint one or more of the director or directors to membership on any standing or temporary committees of the Board of Directors as they deem advisable. Directors may also take action to designate one or more of the officers of the corporation to serve as directors of the corporation while this Section 3.10 applies.

(d) To the extent that it considers it practical to do so, the Board of Directors shall manage the business of the corporation during an emergency in a manner that is consistent with the Certificate of Incorporation and these bylaws. It is recognized, however, that in an emergency it may not always be practical to act in this manner and this Section 3.10 is intended to and does hereby empower the Board of Directors with the maximum authority possible under the Delaware General Corporation Law, and all other applicable law, to conduct the interim management of the affairs of the corporation in an emergency in what it considers to be in the best interests of the corporation.

(e) No director, officer or employee acting in good faith in accordance with this Section 3.10 or otherwise pursuant to Section 110 of the Delaware General Corporation Law (or any successor section) shall be liable except for willful misconduct.

(f) This Section 3.10 shall continue to apply until such time following the emergency when it is feasible for at least a majority of the directors of the corporation immediately prior to the emergency to resume management of the business of the corporation.

(g) The Board of Directors may modify, amend or add to the provisions of this Section 3.10 in order to make any provision that may be practical or necessary given the circumstances of the emergency.

(h) The provisions of this Section 3.10 shall be subject to repeal or change by further action of the Board of Directors or by action of the stockholders, but no such repeal or change shall modify the provisions of paragraph (e) hereof with regard to action taken prior to the time of such repeal or change.

Article IV. COMMITTEES OF THE BOARD OF DIRECTORS

Section 4.01 *Designation, Powers and Name.* The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees of the Board of Directors, including, if the Board of Directors shall so determine, an Executive Committee, each such committee to consist of one or more of the directors of the corporation in accordance with applicable laws; provided, however, that no person who is not a U.S. Citizen (as defined in the Certificate of Incorporation) may exercise or be delegated any authority or duties that in any way relate to the exercise of authority or performance of duties associated with the functions of the Chairman or the President nor may such person be granted or delegated any authority to bind the Corporation. The committee shall have and may exercise such of the powers of the Board of Directors in the management of the business and affairs of the corporation as may be provided in such resolution but no such committee shall have the power or authority to (a) approve, adopt or recommend to the stockholders any action or matter (other than the election or removal of directors) required by applicable law to be submitted to the stockholders for approval or (b) adopt, amend or repeal any of these bylaws. The committee may authorize the seal of the corporation to be affixed to all papers that may require it. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Section 4.02 *Minutes.* Each committee of the Board of Directors shall keep regular minutes of its proceedings and report the same to the Board of Directors when required.

Section 4.03 *Compensation.* Members of committees may be allowed compensation for serving on such committees, if the Board of Directors shall so determine, in accordance with Section 3.09.

Article V. NOTICE

Section 5.01 *General.* Whenever under the provisions of applicable law, the Certificate of Incorporation or these bylaws, notice is required to be given to any director, member of any

committee, or stockholder, such notice need not be delivered personally, but may be given in writing and or mailed to such director, member, or stockholder; provided, however, that in the case of a director or a member of any committee such notice may be given orally by telephone, overnight mail or courier service, facsimile transmission, electronic mail or similar medium of communication; provided further that in the case of a stockholder, notice may be given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. If mailed, notice to a director, member of a committee, or stockholder shall be deemed to be given five days after deposit in the United States mail first class in a sealed envelope, with postage thereon prepaid, addressed, in the case of a stockholder, to the stockholder at the stockholder's address as it appears on the records of the corporation or, in the case of a director or a member of a committee, to such person at his or her business address. If given by overnight mail or courier service, such notice shall be deemed adequately delivered 24 hours after it was delivered to the overnight mail or courier service company. If sent by facsimile transmission, notice to a director or member of a committee shall be deemed to be given when the facsimile is transmitted and notice to a stockholder shall be deemed to be given when directed to a number at which the stockholder has consented to receive notice. If sent by e-mail transmission, notice to a director or member of a committee shall be deemed to be given when the e-mail is transmitted and notice to a stockholder shall be deemed to be given when directed to an electronic mail address at which the stockholder has consented to receive notice. If posted on an electronic network together with separate notice to the stockholder of such specific posting, notice to a stockholder shall be deemed given upon the later of (a) such posting and (b) the giving of such separate notice; and if sent by any other form of electronic transmission, notice shall be deemed given to a stockholder when directed to the stockholder, in accordance with the stockholder's consent.

Section 5.02 *Waiver*. Whenever notice is required to be given under applicable law, the Certificate of Incorporation, or these bylaws, a written waiver, signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to such notice. Attendance of a person at a meeting shall constitute waiver of notice of such meeting except when the person attends a 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. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or a committee thereof need be specified in any waiver of notice of such meeting.

Article VI. OFFICERS

Section 6.01 *Officers*. The officers of the corporation shall be a Chairman of the Board and a Vice Chairman of the Board (if such offices are created by the Board of Directors), a Chief Executive Officer, a President, a Chief Financial Officer, one or more Vice Presidents, any one or more of which may be designated Executive Vice President or Senior Vice President, a Secretary and a Treasurer. No person who is not a U.S. Citizen may exercise or be delegated any authority or duties that in any way relate to the exercise of authority or performance of duties associated with the functions of the Chairman or the President nor may such person be granted or delegated any authority to bind the Corporation. The Board of Directors may appoint such other officers and agents, including Chief Operating Officer, Assistant Vice Presidents, Assistant Secretaries, and Assistant Treasurers, in each case as the Board of Directors shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined by the Board. Any two or more offices may be held by the same person. No officer shall execute, acknowledge, verify or countersign any instrument on behalf of the corporation in more than one capacity, if such instrument is required by law, by these bylaws or by any act of the corporation to be executed, acknowledged, verified, or countersigned by two or more officers.

The Chairman of the Board and Vice Chairman of the Board shall be elected from among the directors. With the foregoing exceptions, none of the other officers need be a director, and none of the officers need be a stockholder of the corporation.

Section 6.02 *Election and Term of Office.* The officers of the corporation shall be elected annually by the Board of Directors at its first regular meeting held after the annual meeting of stockholders or as soon thereafter as conveniently possible. Each officer shall hold office until his or her successor shall have been elected and qualified or until the effective date of his or her earlier resignation or removal, or until he or she shall cease to be a director in the case of the Chairman of the Board and the Vice Chairman of the Board.

Section 6.03 *Removal and Resignation.* Any officer or agent elected or appointed by the Board of Directors may be removed without cause by the affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interests of the corporation shall be served thereby, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Any officer may resign at any time upon written notice to the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.04 *Vacancies.* Any vacancy occurring in any office of the corporation by death, resignation, removal, or otherwise, may be filled by the Board of Directors.

Section 6.05 *Salaries.* The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors or a committee thereof or pursuant to the direction of the Board of Directors or a committee thereof; and no officer shall be prevented from receiving such salary by reason of his or her also being a director.

Section 6.06 *Chairman of the Board.* The Chairman of the Board (if such office is created by the Board of Directors) shall preside at all meetings of the Board of Directors or of the stockholders of the corporation. The Chairman of the Board shall formulate and submit to the Board of Directors or the Executive Committee matters of general policy for the corporation and shall perform such other duties as usually appertain to the office or as may be prescribed by the Board of Directors or the Executive Committee. The Chairman and any other person who chairs a meeting of the Board shall be a U.S. Citizen.

Section 6.07 *Vice Chairman of the Board.* The Vice Chairman of the Board (if such office is created by the Board of Directors) shall, in the absence or disability of the Chairman of the Board, perform the duties and exercise the powers of the Chairman of the Board. The Vice Chairman of the Board shall perform such other duties as from time to time may be prescribed by the Board of Directors or the Executive Committee or assigned by the Chairman of the Board. The Vice Chairman shall be a U.S. Citizen.

Section 6.08 *Chief Executive Officer.* The Chief Executive Officer shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control the business and affairs of the corporation. In the absence of the Chairman of the Board or the Vice Chairman of the Board (if such offices are created by the Board), the Chief Executive Officer shall preside at all meetings of the Board of Directors and of the stockholders. The Chief Executive Officer may also preside at any such meeting attended by the Chairman of the Board or Vice Chairman of the Board if he or she is so designated by the Chairman of the Board or, in the Chairman of the Board's absence, by the Vice Chairman. The Chief Executive Officer shall have the power to appoint and remove subordinate officers, agents and employees, except those elected or appointed by the Board of Directors. The Chief Executive Officer shall keep the Board of Directors and the Executive Committee fully informed and shall

consult them concerning the business of the corporation. He or she may sign, with the Treasurer, Secretary or any other officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation and any deeds, bonds, mortgages, contracts, checks, notes, drafts, or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof has been expressly delegated by these bylaws or by the Board of Directors to some other officer or agent of the corporation, or shall be required by law to be otherwise executed. The Chief Executive Officer shall vote, or give a proxy to any other officer of the corporation to vote, all shares of stock of any other corporation standing in the name of the corporation and in general he or she shall perform all other duties normally incident to the office of Chief Executive Officer and such other duties as may be prescribed by the stockholders, the Board of Directors, or the Executive Committee from time to time. The Chief Executive Officer shall be a U.S. Citizen.

Section 6.09 *President*. The President shall be the chief operating officer of the corporation, subject to the control of the Board of Directors, and shall have general and active management and control of the day-to-day business and affairs of the corporation and shall report directly to the Chief Executive Officer, if the Board of Directors creates such a position. The President shall perform such other duties as from time to time are assigned to him or her by the Chief Executive Officer, the Board of Directors or the Executive Committee. In the absence of the Chief Executive Officer, or in the event of his or her inability or refusal to act, the President shall perform the duties and exercise the powers of the Chief Executive Officer. The President shall perform such other duties as from time to time may be assigned to him or her by the Chief Executive Officer, the Board of Directors or the Executive Committee. The President shall be a U.S. Citizen.

Section 6.10 *Chief Financial Officer*. The Chief Financial Officer shall serve as the principal advisor to the corporation in all matters relating to financial risks, financial planning and record-keeping. The Chief Financial Officer shall report directly to the Chief Executive Officer. The Chief Financial Officer shall be responsible for and shall direct agents and employees in the performance of all financial duties and services for and on behalf of the corporation. The Chief Financial Officer shall perform such other duties and exercise such other powers as are commonly incidental to the office of the Chief Financial Officer, and such other duties as from time to time are assigned to him or her by the Chief Executive Officer, the Board of Directors or the Executive Committee.

Section 6.11 *Vice Presidents*. In the absence of the President, or in the event of his or her inability or refusal to act, the Executive Vice President (or in the event there shall be no Vice President designated Executive Vice President, any Vice President designated by the Board) shall perform the duties and exercise the powers of the President. Any Vice President may sign, with the Secretary or Assistant Secretary, certificates for shares of the corporation. The Vice Presidents shall perform such other duties as from time to time may be assigned to them by the Chief Executive Officer, the President, the Board of Directors or the Executive Committee.

Section 6.12 *Secretary*. The Secretary shall (a) keep the minutes of the meetings of the stockholders, the Board of Directors and committees of the Board of Directors; (b) see that all notices are duly given in accordance with the provisions of these bylaws and as required by law; (c) be custodian of the corporate records and of the seal of the corporation, and see that the seal of the corporation or a facsimile thereof is affixed to all certificates for shares prior to the issue thereof and to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; (d) keep or cause to be kept a register of the post office address of each stockholder which shall be furnished by such stockholder; (e) sign with the President, or an Executive Vice President or Vice President, certificates for shares of the corporation, the issue of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; and (g) in general, perform all

duties normally incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Chief Executive Officer, the President, the Board of Directors or the Executive Committee.

Section 6.13 *Treasurer*. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Section 7.03 of these bylaws; (c) prepare, or cause to be prepared, for submission at each regular meeting of the Board of Directors, at each annual meeting of the stockholders, and at such other times as may be required by the Board of Directors, the Chief Executive Officer, the President or the Executive Committee, a statement of financial condition of the corporation in such detail as may be required; and (d) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Chief Executive Officer, the President, the Chief Financial Officer, the Board of Directors or the Executive Committee.

Section 6.14 *Assistant Secretary and Treasurer*. The Assistant Secretaries and Assistant Treasurers shall, in general, perform such duties as shall be assigned to them by the Chief Financial Officer, the Secretary or the Treasurer, respectively, or by the President, the Board of Directors, or the Executive Committee. The Assistant Secretaries and Assistant Treasurers shall, in the absence of the Secretary or Treasurer, respectively, perform all functions and duties which such absent officers may delegate, but such delegation shall not relieve the absent officer from the responsibilities and liabilities of his or her office. The Assistant Secretaries may sign, with the President or a Vice President, certificates for shares of the corporation, the issue of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

Article VII. CONTRACTS, CHECKS AND DEPOSITS

Section 7.01 *Contracts*. Subject to the provisions of Section 6.01, the Board of Directors may authorize any officer, officers, agent, or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 7.02 *Checks*. All checks, demands, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers or such agent or agents of the corporation, and in such manner, as the Board of Directors may determine.

Section 7.03 *Deposits*. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Article VIII. CERTIFICATES OF STOCK

Section 8.01 *Issuance*. Each stockholder of this corporation shall be entitled to a certificate or certificates representing the number of shares of capital stock registered in his or her name on the books of the corporation unless the Board of Directors has provided by resolution or

resolutions that some or all of any or all classes of shares of the corporation stock shall be uncertificated shares. The certificates shall be in such form as may be determined by the Board of Directors, shall be issued in numerical order and shall be entered in the books of the corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary. If any certificate is countersigned (1) by a transfer agent other than the corporation or any employee of the corporation or (2) by a registrar other than the corporation or any employee of the corporation, any other signature on the certificate may be a facsimile.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences, and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations, or restrictions of such preferences and rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class of stock; provided that, except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of such certificate, a statement that the corporation will furnish such information without charge to each stockholder who so requests. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in the case of a lost, stolen, destroyed, or mutilated certificate a new one may be issued therefor upon such terms and with such indemnity, if any, to the corporation as the Board of Directors may prescribe. Certificates shall not be issued representing fractional shares of stock.

Section 8.02 *Lost Certificates.* The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Section 8.03 *Transfers.* Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment, or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books. Transfers of shares shall be made only on the books of the corporation by the registered holder thereof, or by his or her attorney thereunto authorized by power of attorney and filed with the Secretary of the corporation or the transfer agent.

Section 8.04 *Registered Stockholders.* The corporation shall be entitled to treat the holder of record of any share or shares of the corporation's capital stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 8.05 *Dual Stock Certificate System; Restrictions on Transfer.*

(a) If the Board of Directors has determined pursuant to the Certificate of Incorporation to use a dual stock certificate system, the corporation shall instruct its transfer agent to maintain two separate stock records for each class or series of its capital stock: (i) a record of shares owned by U.S. Citizens; and (ii) a record of shares owned by Non-U.S. Citizens.

(b) Certificates representing shares of each class or series of the capital stock of the corporation shall be marked either "U.S. Citizen" or "Non-U.S. Citizen", but shall be identical in all other respects. Shares owned by U.S. Citizens shall be represented by U.S. Citizen certificates, and shares owned by Non-U.S. Citizens shall be represented by Non-U.S. Citizen certificates. Whether shares are owned by U.S. Citizens or by Non-U.S. Citizens shall be determined in accordance with the Certificate of Incorporation.

(c) Without limiting the applicable provisions of the Certificate of Incorporation, shares of any class or series of capital stock represented by a U.S. Citizen certificate, or represented by a Non-U.S. Citizen certificate determined by the corporation to be held by or on behalf of a U.S. Citizen, may not be transferred, and shares of any class or series of the capital stock of the corporation may not be issued (upon original issuance), to a Non-U.S. Citizen or a holder of record that will hold such shares for or on behalf of a Non-U.S. Citizen if, upon completion of such transfer or issuance, Non-U.S. Citizens will own shares of such class or series of the capital stock represented by Non-U.S. Citizen certificates and represented by U.S. Citizen certificates determined by the corporation to be held by or on behalf of Non-U.S. Citizens in excess of the applicable Permitted Percentage (as defined in the Certificate of Incorporation) for such class or series.

Article IX. DIVIDENDS

Section 9.01 *Declaration.* Subject to the provisions of the Certificate of Incorporation, the Board of Directors may declare dividends with respect to the shares of the corporation's capital stock at any regular or special meeting, pursuant to applicable law. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the Certificate of Incorporation.

Section 9.02 *Reserve.* Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interest of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

Article X. INDEMNIFICATION AND INSURANCE

Section 10.1 *Third Party Actions.* The corporation shall indemnify any director or officer of the corporation, and may indemnify any other person, who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or

not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

Section 10.02 *Actions by or in the Right of the Corporation.* The corporation shall indemnify any director or officer and may indemnify any other person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the Court of Chancery or such other court shall deem proper.

Section 10.03 *Mandatory Indemnification.* To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 10.01 and Section 10.02, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 10.04 *Determination of Conduct.* Any indemnification under Section 10.01 or Section 10.02 (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 10.01 or Section 10.02. Such determination shall be made (a) by a majority vote of directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (b) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (d) by the stockholders.

Section 10.05 *Payment of Expenses in Advance.* Expenses (including attorney's fees) incurred by an officer or director in defending a civil, criminal, administrative or investigative action, suit, or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this Article X. Any such expenses incurred by an employee or agent of the corporation at its discretion may be paid by the corporation upon receipt of such an undertaking.

Section 10.06 *Indemnity Not Exclusive.* The indemnification and advancement of expenses provided or granted hereunder shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, any other bylaw, agreement, vote of stockholders, or disinterested directors or otherwise, both as to action in a person's official capacity and as to action in another capacity while holding such office.

Section 10.07 *Definitions*. For purposes of this Article X:

(a) “the corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee, or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article X with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued;

(b) “other enterprises” shall include employee benefit plans;

(c) “fines” shall include any excise taxes assessed on a person with respect to any employee benefit plan;

(d) “serving at the request of the corporation” shall include any service as a director, officer, employee, or agent of the corporation that imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and

(e) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the corporation” as referred to in this Article X.

Section 10.08 *Continuation of Indemnity*. The indemnification and advancement of expenses provided by or granted pursuant to this Article X shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 10.09 *Insurance, Contracts and Funding*. The corporation may purchase and maintain insurance on behalf of any person who was or is a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person’s status as such, whether or not the corporation would have the power to indemnify such person against such liability under the Delaware General Corporation Law. The corporation, without further stockholder approval, may enter into contracts with any director, officer, employee or agent in furtherance of the provisions of this Section 10.09 and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure that payment of such amounts as may be necessary to effect indemnification as provided in this Section 10.09.

Article XI. MISCELLANEOUS

Section 11.01 *Seal*. The corporate seal, if one is authorized by the Board of Directors, shall have inscribed thereon the name of the corporation, and the words “Corporate Seal, Delaware.” The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

Section 11.02 *Books*. The books of the corporation may be kept (subject to applicable law) outside the State of Delaware at the offices of the corporation, or at such other place or places as may be designated from time to time by the Board of Directors.

Article XII.
AMENDMENT

Except as otherwise provided by the Certificate of Incorporation, the Board of Directors is expressly authorized to adopt, alter, amend or repeal any and all of the bylaws of the corporation and the bylaws of the corporation may be adopted, altered, amended or repealed by the affirmative vote of the holders of at least sixty-six and two-thirds percent ($66\frac{2}{3}\%$) of all of the outstanding shares of capital stock of the corporation entitled to vote thereon, voting together as a single class.

**ASSIGNMENT AND ASSUMPTION AGREEMENT
AND GUARANTY**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT AND GUARANTY (the "Assignment") is made and entered into effective as of March 22, 2022, to be effective as of January 1, 2022 (the "Effective Date"), by and between LION OIL TRADING & TRANSPORTATION LLC ("Assignor"), DK TRADING & SUPPLY, LLC ("Assignee"), DELEK LOGISTICS OPERATING, LLC ("Logistics"), LION OIL COMPANY, LLC ("LION") and, solely for the purposes set forth in Section 2 herein, DELEK US ENERGY, INC. ("Delek US").

WITNESSETH:

WHEREAS, Assignor, Assignee, Logistics and Lion Oil Company, then an Arkansas corporation, entered into that certain Throughput Agreement (El Dorado Rail Offloading Facility) dated as of March 31, 2015 (the "Throughput Agreement"); and

WHEREAS, Lion was subsequently converted from a corporation to a limited liability company); and

WHEREAS, Assignor has agreed to assign all of its right, title and interest in the Throughput Agreement to Assignee; and

WHEREAS, Assignee has agreed to assume Assignor's obligations and liabilities under the Throughput Agreement to the extent first arising during and related to periods from and after the Effective Date; and

WHEREAS, Logistics has agreed to consent to the assignment of the Throughput Agreement by Assignor to Assignee, and Lion has agreed to acknowledge that its consent is not required for the assignment of the Throughput Agreement by Assignor to Assignee; and

WHEREAS, Delek US has agreed to guaranty the payment obligations of Assignee under the Throughput Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor, Assignee, Logistics and Lion agree as follows:

1. Assignment and Assumption. Assignor hereby assigns all of its right, title and interest in, to and under the Throughput Agreement to Assignee. Assignee hereby assumes all of the obligations and liabilities of Assignor under the Throughput Agreement to the extent, but only to the extent, such obligations and liabilities first arise and relate to periods from and after the Effective Date; provided Assignor shall remain responsible for and Assignee is not assuming any obligations or liabilities of Assignor under the Throughput Agreement that (i) arose prior to the Effective Date, (ii) are related to an event, matter or circumstance that occurred prior to the Effective Date, even though such obligations or liabilities do not accrue until after the Effective Date, or (iii) result from or relate to any default by Assignor under the Throughput Agreement prior to the Effective Date (the obligations and liabilities described in subparagraphs (i) through (iii) of this Section 1 are collectively referred to as the "Retained Liabilities"). In the event there are any Retained Liabilities, Assignee may, at its option and in addition to its other rights and remedies hereunder, at law or in equity, satisfy such Retained Liabilities, in which case Assignor shall reimburse Assignee for all reasonable costs and expenses that Assignee incurs in connection therewith.

2. Guaranty by Delek US. Delek US hereby unconditionally and irrevocably guarantees to Logistics the due and punctual payment of all sums payable by Assignee under this Agreement. In the case of the failure of Assignee to make any such payment as and when due, Delek US hereby

agrees to make such payment or cause such payment to be made, promptly upon written demand by Logistics to Delek US, but any delay in providing such notice shall not under any circumstances reduce the liability of Delek US or operate as a waiver of Logistics' right to demand payment.

3. Indemnity.

(a) Assignor shall indemnify, defend (with counsel reasonably satisfactory to Assignee) and hold harmless Assignee for, from and against all claims, demands, losses, damages, liabilities, costs and expenses, including, but not limited to, reasonable attorneys' fees, arising out of or in connection with (i) Assignor's failure to observe, perform and discharge each and every one of its obligations and liabilities under the Throughput Agreement not expressly assumed by Assignee under Section 1 of this Assignment, including, without limitation, the Retained Liabilities, or (ii) any default by Assignor under the Throughput Agreement occurring prior to the Effective Date.

(b) Assignee shall indemnify, defend (with counsel reasonably satisfactory to Assignor) and hold harmless Assignor for, from and against all claims, demands, losses, damages, liabilities, costs and expenses, including, but not limited to, reasonable attorneys' fees, arising out of or in connection with (i) Assignee's failure to observe, perform and discharge each and every one of the obligations and liabilities under the Throughput Agreement expressly assumed by Assignee under Section 1 of this Assignment, or (ii) any default by Assignee under the Throughput Agreement occurring from and after the Effective Date.

4. Notice Address. The address for notices to Assignee (as successor to Assignor) under the Throughput Agreement shall be as follows:

If to Assignee: DK TRADING & SUPPLY, LLC
c/o Delek US Holdings, Inc.
7102 Commerce Way
Brentwood, Tennessee 37027
Attn: EVP, Commercial

With a copy to: DK TRADING & SUPPLY, LLC
c/o Delek US Holdings, Inc.
7102 Commerce Way
Brentwood, Tennessee 37027
Attn: Legal Department
Email: legalnotices@delekus.com

The address for notices to Delek US, as guarantor of Assignee, shall be as follows:

If to Assignee: DELEK US ENERGY, INC.
7102 Commerce Way
Brentwood, Tennessee 37027
Attn: EVP, Commercial

With a copy to: DELEK US ENERGY, INC.
7102 Commerce Way
Brentwood, Tennessee 37027
Attn: Legal Department
Email: legalnotices@delekus.com

5. Consent to Assignment. Logistics consents to the assignment of the Throughput Agreement by Assignor to Assignee. Lion acknowledges and agrees that its consent is not required for Assignor to assign the Throughput Agreement to Assignee.

6. Status. Assignor hereby represents and warrants to Assignee that: (i) a true, correct and complete copy of the Throughput Agreement is set forth on Exhibit A, attached hereto and incorporated herein by reference; (ii) the Throughput Agreement has not been amended, modified or supplemented; (iii) Assignor is the sole owner and holder of its interest in the Throughput Agreement; (iv) Assignor has the right, power and authority necessary to validly assign its right, title and interest in the Throughput Agreement to Assignee, without obtaining the consent of any third party whose consent has not been obtained; (v) Assignor's right, title and interest in the Throughput Agreement is not subject to any lien or other encumbrance, other than liens or encumbrances existing or arising in connection with any credit facilities to which Assignor's and Assignee's ultimate parent entity is a party or is otherwise bound; and (vi) the Throughput Agreement is in full force and effect.

7. Successors and Assigns. The Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

8. Entire Agreement. This Assignment constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof.

9. Severability. In the event any provision of this Assignment shall be prohibited by or invalidated under applicable laws, the remaining provisions of this Assignment shall remain fully effective.

10. No Waiver. No waiver of any provision of this Assignment shall be deemed to have been made unless expressed in writing and signed by the party charged therewith. The failure of any party to insist in any one or more instances upon the strict performance of any provision of this Assignment or to take advantage of any of its rights under this Assignment shall not be construed as a waiver of such provision or the relinquishment of such rights. No delay or omission in the exercise of any remedy accruing upon the breach of this Assignment shall impair such remedy or be construed as a waiver of such breach. The waiver of any breach of this Assignment shall not be deemed a waiver of any other breach of the same or any other provision hereof.

11. Construction. Whenever the context may require, any pronoun used in this Assignment shall include the masculine, feminine and neuter forms. All references to articles, sections and paragraphs shall be deemed references to the articles, sections and paragraphs of this Assignment, unless the context shall indicate otherwise. The terms "hereof", "hereunder" and similar expressions refer to this Assignment as a whole and not to any particular article, section or paragraph contained herein. The titles of the articles, sections and paragraphs of this Assignment are for convenience only and shall not affect the meaning of any provision hereof. The parties have agreed to the particular language of this Assignment, and any question regarding the meaning of this Assignment shall not be resolved by a rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. FOR PURPOSES OF THIS ASSIGNMENT, TIME SHALL BE CONSIDERED OF THE ESSENCE.

12. Attorneys' Fees. In the event any legal proceeding is commenced related to this Assignment, the prevailing party in such proceeding shall be entitled to recover its reasonable attorneys' fees, court costs and litigation expenses from the non-prevailing party therein.

13. Waiver of Jury Trial. EACH OF THE PARTIES TO THIS ASSIGNMENT HEREBY EXPRESSLY WAIVES ITS RIGHT TO A TRIAL BY JURY OF ANY CLAIM ARISING UNDER OR RELATED TO THIS ASSIGNMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING.

14. Governing Law. This Assignment shall be governed by the laws of the State of Texas, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this Agreement to the laws of another state.

15. Miscellaneous. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Electronic signatures shall be valid and sufficient to bind any party to this Assignment. Signatures to this Assignment transmitted by facsimile, email or other electronic transmission (for example, through the use of a Portable Document Format or “PDF” file) shall be valid and effective to bind the party so signing. The exchange of copies of this Assignment and of signature pages by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution and delivery of this Assignment as to the parties. Signatures of the parties to this Assignment transmitted by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will be deemed to be their original signatures for all purposes. This Assignment may only be modified by a written instrument executed by Assignor, Assignee, Logistics and Lion.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

ASSIGNOR:

Lion Oil Trading & Transportation, LLC

By: /s/ Todd O'Malley
Name: Todd O'Malley
Title: Executive Vice President, COO

By: /s/ Stephen Sundstrom
Name: Stephen Sundstrom
Title: Vice President

ASSIGNEE:

DK Trading & Supply, LLC

By: /s/ Todd O'Malley
Name: Todd O'Malley
Title: Executive Vice President, COO

By: /s/ Stephen Sundstrom
Name: Stephen Sundstrom
Title: Vice President

LOGISTICS:

Delek Logistics Operating, LLC

By: /s/ Odely Sakazi
Name: Odely Sakazi
Title: Senior Vice President

By: /s/ Michael Odigie
Name: Michael Odigie
Title: Senior Vice President

LION:

Lion Oil Company, LLC

By: /s/ Nithia Thaver
Name: Nithia Thaver
Title: Senior Vice President

By: /s/ Michael Reed
Name: Michael Reed
Vice President and General
Title: Manager

Solely for the purposes of Section 2 herein:

DELEK US:

Delek US Energy, Inc.

By: /s/ Todd O'Malley
Name: Todd O'Malley
Title: Executive Vice President, COO

By: /s/ Stephen Sundstrom
Name: Stephen Sundstrom
Title: Vice President

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Partial Assignment") is made and entered on March __, 2022 and is effective as of January 1, 2022 (the "Effective Date"), by and between LION OIL COMPANY, LLC an Arkansas limited liability company (the "Assignor"), DK TRADING & SUPPLY, LLC, a Delaware limited liability company ("Assignee"), and, solely for the purposes of Section 5, herein, DELEK LOGISTICS PARTNERS, LP, a Delaware limited partnership (the "Partnership"). For purposes hereof, Assignor and Assignee referred to individually as a "Party" or collectively as the "Parties").

WITNESSETH:

WHEREAS, Assignor, then an Arkansas corporation, Partnership, Sala Gathering Systems LLC ("SALA"), El Dorado Pipeline Company, LLC ("El Dorado"), Magnolia Pipeline Company, LLC ("Magnolia"), and J. Aron & Company ("J. Aron") entered into that certain Pipelines and Storage Facilities Agreement having a Commencement Date of November 7, 2012 (the "Original Agreement"); and

WHEREAS, on November 4, 2017 Lion exercised its option under Section 2.1 of the Original Agreement to extend such agreement for the first Renewal Term; and

WHEREAS, the Parties entered into that certain First Amendment to Pipelines and Storage Facilities Agreement dated as of December 14, 2018 (the Original Agreement, as amended, hereinafter the "Pipelines & Storage Agreement"); and

WHEREAS, Assignor was subsequently converted from a corporation to a limited liability company, and

WHEREAS, Assignor has agreed to assign its rights and interests in, and delegate its duties under, the Pipelines & Storage Agreement to Assignee to the extent, but only to the extent, such rights, interests and duties (i) relate to the Lion Crude Pipelines and (ii) first arise or are allocable to periods from and after the Effective Date, including, without limitation, rights, interests and duties of Assignor related to the El Dorado Crude Pipeline, the El Dorado Crude Pipeline Minimum Throughput Capacity, the Lion Crude Pipelines, the Lion Crude Minimum Throughput Commitment, the Lion Crude Throughput Fee, the Magnolia Pipeline, the Magnolia Pipeline Minimum Throughput Capacity, and the Rail Pipeline to the extent first arising or allocable to periods from and after the Effective Date (such rights, interests and duties are collectively referred to as the "Assigned Interests"); and

WHEREAS, Assignee has agreed to assume Assignor's obligations and liabilities under the Pipelines & Storage Agreement related to the Assigned Interests to the extent, but only to the extent, first arising during or allocable to periods from and after the Effective Date.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor, Assignee and Partnership agree as follows:

1. Defined Terms. For purposes hereof, any capitalized terms defined in the Pipelines & Supply Agreement and not in this Partial Assignment shall have meaning ascribed to them in the Pipelines & Supply Agreement.

2. Partial Assignment and Assumption. Assignor hereby assigns all of the Assigned Interests to Assignee. Assignee hereby assumes all of the obligations and liabilities of Assignor under the Pipelines & Storage Agreement related to the Assigned Interests to the extent, but only to the extent, such obligations and liabilities first arise and relate to periods from and after the Effective Date; provided Assignor shall remain responsible for and Assignee is not assuming any obligations, duties or liabilities of Assignor under the Pipelines & Storage Agreement that (i)

arose prior to the Effective Date, (ii) are related to an event, matter or circumstance that occurred prior to the Effective Date, even though such obligations or liabilities do not accrue until after the Effective Date, (iii) result from or relate to any default by Assignor under the Pipelines & Storage Agreement prior to the Effective Date, or (iv) do not related to the Assigned Interest (the obligations, duties and liabilities described in subparagraphs (i) through (iv) of this Section 2 are collectively referred to as the "Retained Liabilities"). In the event Assignor fails to satisfy any of the Retained Liabilities as and when required under the Pipelines & Supply Agreement, Assignee may, at its option and in addition to its other rights and remedies hereunder, at law or in equity, satisfy such Retained Liabilities, in which case Assignor shall reimburse Assignee for all reasonable costs and expenses that Assignee incurs in connection therewith. Except for the Assigned Interest (and the obligations and liabilities under the Pipelines & Supply Agreement related to the same that are expressly assumed by Assignee hereunder), Assignor agrees to timely comply with and satisfy all of its obligations and liabilities under the Pipelines & Storage Agreement.

3. Indemnity.

(a) Assignor shall indemnify, defend (with counsel reasonably satisfactory to Assignee) and hold harmless Assignee for, from and against all claims, demands, losses, damages, liabilities, costs and expenses, including, but not limited to, reasonable attorneys' fees, arising out of or in connection with (i) Assignor's failure to observe, perform and discharge each and every one of its obligations, liabilities and duties under the Pipelines & Storage Agreement not expressly assumed by Assignee under Section 2 of this Partial Assignment, including, without limitation, the Retained Liabilities, or (ii) any default by Assignor under the Pipelines & Storage Agreement occurring prior to the Effective Date.

(b) Assignee shall indemnify, defend (with counsel reasonably satisfactory to Assignor) and hold harmless Assignor for, from and against all claims, demands, losses, damages, liabilities, costs and expenses, including, but not limited to, reasonable attorneys' fees, arising out of or in connection with (i) Assignee's failure to observe, perform and discharge each and every one of the obligations, duties and liabilities under the Pipelines & Storage Agreement expressly assumed by Assignee under Section 2 of this Partial Assignment, or (ii) any default by Assignee under the Pipelines & Storage Agreement occurring from and after the Effective Date.

4. Notices. Assignor shall cause a copy of all notices, requests, demands and other communications (each, a "Notice") received by Assignor that are related to the Assigned Interests or that could affect the Assigned Interests or any matter related thereto to be sent directly to Assignee, if possible; provided, if any such Notice is not sent directly to Assignee, Assignor shall cause a copy of such Notice to be delivered to Assignee within two (2) business days after Assignor's receipt thereof.

5. Consent to Assignment. Partnership consents to the partial assignment of the Pipelines & Storage Agreement by Assignor to Assignee as provided herein.

6. Status. Assignor hereby represents and warrants to Assignee that: (i) a true, correct and complete copy of the Pipelines & Storage Agreement is set forth on Exhibit A, attached hereto and incorporated herein by reference; (ii) the Pipelines & Storage Agreement has not been further amended, modified or supplemented; (iii) Assignor is the sole owner and holder of its rights and interests in the Pipelines & Storage Agreement; (iv) Assignor has the right, power and authority necessary to validly assign its rights and interests in the Pipelines & Storage Agreement to Assignee, without obtaining the consent of any third party whose consent has not been obtained; (v) Assignor's right, title and interest in the Pipelines & Storage Agreement is not subject to any lien or other encumbrance, other than liens or encumbrances (A) existing or arising in connection with any credit facilities to which Assignor's and Assignee's ultimate parent entity is a party or is otherwise bound and (B) liens, if any, in favor of J. Aron; and (vi) the Pipelines & Storage Agreement is in full force and effect.

7. Successors and Assigns. The Partial Assignment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

8. Entire Agreement. This Partial Assignment constitutes the entire agreement and understanding of the Parties hereto with respect to the subject matter hereof.

9. Severability. In the event any provision of this Partial Assignment shall be prohibited by or invalidated under applicable laws, the remaining provisions of this Partial Assignment shall remain fully effective.

10. No Waiver. No waiver of any provision of this Partial Assignment shall be deemed to have been made unless expressed in writing and signed by the Party charged therewith. The failure of any Party to insist in any one or more instances upon the strict performance of any provision of this Partial Assignment or to take advantage of any of its rights under this Partial Assignment shall not be construed as a waiver of such provision or the relinquishment of such rights. No delay or omission in the exercise of any remedy accruing upon the breach of this Partial Assignment shall impair such remedy or be construed as a waiver of such breach. The waiver of any breach of this Partial Assignment shall not be deemed a waiver of any other breach of the same or any other provision hereof.

11. Construction. Whenever the context may require, any pronoun used in this Partial Assignment shall include the masculine, feminine and neuter forms. All references to articles, sections and paragraphs shall be deemed references to the articles, sections and paragraphs of this Partial Assignment, unless the context shall indicate otherwise. The terms "hereof", "hereunder" and similar expressions refer to this Partial Assignment as a whole and not to any particular article, section or paragraph contained herein. The titles of the articles, sections and paragraphs of this Partial Assignment are for convenience only and shall not affect the meaning of any provision hereof. The Parties have agreed to the particular language of this Partial Assignment, and any question regarding the meaning of this Partial Assignment shall not be resolved by a rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. FOR PURPOSES OF THIS ASSIGNMENT, TIME SHALL BE CONSIDERED OF THE ESSENCE.

12. Attorneys' Fees. In the event any legal proceeding is commenced related to this Partial Assignment, the prevailing party in such proceeding shall be entitled to recover its reasonable attorneys' fees, court costs and litigation expenses from the non-prevailing party therein.

13. Waiver of Jury Trial. EACH OF THE PARTIES TO THIS PARTIAL ASSIGNMENT HEREBY EXPRESSLY WAIVES ITS RIGHT TO A TRIAL BY JURY OF ANY CLAIM ARISING UNDER OR RELATED TO THIS PARTIAL ASSIGNMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING.

14. Governing Law. This Partial Assignment shall be governed by the laws of the State of Texas, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this Agreement to the laws of another state.

15. Miscellaneous. This Partial Assignment may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Electronic signatures shall be valid and sufficient to bind any party to this Partial Assignment. Signatures to this Partial Assignment transmitted by facsimile, email or other electronic transmission (for example, through the use of a Portable Document Format or "PDF" file) shall be valid and effective to bind the party so signing. The exchange of copies of this Partial Assignment and of signature pages by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution and delivery of this Partial Assignment as to the Parties. Signatures of the Parties to this Partial

Assignment transmitted by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will be deemed to be their original signatures for all purposes. This Partial Assignment may only be modified by a written instrument executed by Assignor and Assignee.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Partial Assignment as of the date first above written.

ASSIGNOR:

Lion Oil Company, LLC

By: /s/ Nithia Thaver
Name: Nithia Thaver
Title: Senior Vice President

By: /s/ Michael Reed
Name: Michael Reed
Title: Vice President and General Manager

ASSIGNEE:

DK Trading & Supply, LLC

By: /s/ Todd O'Malley
Name: Todd O'Malley
Title: Executive Vice President, COO

By: /s/ Stephen Sundstrom
Name: Stephen Sundstrom
Title: Vice President

Solely for the purposes of Section 5 herein:

PARTNERSHIP:

Delek Logistics Partners, LP

By: Delek Logistics GP, LLC
General Partner

By: /s/ Odely Sakazi
Name: Odely Sakazi
Title: Senior Vice President

By: /s/ Michael Odigie
Name: Michael Odigie
Title: Senior Vice President

OMNIBUS ASSIGNMENT AND ASSUMPTION AGREEMENT
(Alon USA, LP to DK Trading & Supply, LLC)

THIS OMNIBUS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment") is made and entered into this 12th day of September, 2022 to be effective as of July 1, 2022 ("Effective Date"), by and between each of ALON USA, LP ("Assignor") and DK TRADING & SUPPLY, LLC ("Assignee"), and, for the limited purpose set forth in Section 3 hereof, the parties set forth on Schedule 1 hereto ("Counterparties").

WITNESSETH:

WHEREAS, Assignor entered into those certain agreements listed on Exhibit A ("Agreements");

WHEREAS, Assignor has agreed to assign all of its right, title and interest in all of the Agreements to Assignee;

WHEREAS, Assignee has agreed to assume Assignor's obligations and liabilities under all of the Agreements to the extent first arising during and related to periods from and after the Effective Date, and

WHEREAS, the Counterparties to the Agreements desire to provide their acknowledgement and/or consent to such assignment and assumption.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment and Assumption. Assignor hereby assigns all of its right, title and interest in, to and under all of the Agreements to Assignee. Assignee hereby assumes all of the obligations and liabilities of Assignor under all of the Agreements to the extent, but only to the extent, such obligations and liabilities first arise and relate to periods from and after the Effective Date; provided Assignor shall remain responsible for and Assignee is not assuming any obligations or liabilities of Assignor under any of the Agreements that (i) arose prior to the Effective Date, (ii) are related to an event, matter or circumstance that occurred prior to the Effective Date, even though such obligations or liabilities do not accrue until after the Effective Date, or (iii) result from or relate to any default by Assignor under any of the Agreements prior to the Effective Date (the obligations and liabilities described in subparagraphs (i) through (iii) of this Section 1 are collectively referred to as the "Retained Liabilities"). In the event there are any Retained Liabilities, Assignee may, at its option and in addition to its other rights and remedies hereunder, at law or in equity, satisfy such Retained Liabilities, in which case Assignor shall reimburse Assignee for all reasonable costs and expenses that Assignee incurs in connection therewith.

2. Indemnity.

(a) Assignor shall indemnify, defend (with counsel reasonably satisfactory to Assignee) and hold harmless Assignee for, from and against all claims, demands, losses, damages, liabilities, costs and expenses, including, but not limited to, reasonable attorneys' fees, arising out of or in connection with (i) Assignor's failure to observe, perform and discharge each and every one of its obligations and liabilities under any of the Agreements not expressly assumed by Assignee under Section 1 of this Assignment, including, without limitation, the Retained Liabilities, or (ii) any default by Assignor under any of the Agreements occurring prior to the Effective Date.

(b) Assignee shall indemnify, defend (with counsel reasonably satisfactory to Assignor) and hold harmless Assignor for, from and against all claims, demands, losses, damages, liabilities, costs and

expenses, including, but not limited to, reasonable attorneys' fees, arising out of or in connection with (i) Assignee's failure to observe, perform and discharge each and every one of the obligations and liabilities under any of the Agreements expressly assumed by Assignee under Section 1 of this Assignment, or (ii) any default by Assignee under any of the Agreement occurring from and after the Effective Date.

3. Acknowledgement and Consent of Counterparties.

(a) Each of the Counterparties, severally and not jointly, hereby joins in this Assignment solely for the limited purpose of indicating their acknowledgement of and, if required by the terms of any of their respective Agreements, their consent to the foregoing assignment and assumption of their respective Agreements.

(b) Delek US Holdings, Inc. ("Delek US") is a party to one or more of the Agreements solely for the purpose of guaranteeing Assignor's payments and/or other obligations thereunder. Delek US hereby agrees that all of its obligations under the Agreements are unchanged by this Assignment and remain in full force and effect.

4. Notice Address. The address for notice (i) between Assignor and Assignee in connection with this Assignment and (ii) to Assignee as successor to Assignor under the Agreements shall be as follows:

If to Assignor: Alon US, LP
c/o Delek US Holdings, Inc. 7102 Commerce Way
Brentwood, Tennessee 37027 Attn: General Counsel
Email: legalnotices@delekus.com

If to Assignee: DK Trading & Supply, LLC
c/o Delek US Holdings, Inc. 7102 Commerce Way
Brentwood, Tennessee 37027 Attn: General Counsel
Email: legalnotices@delekus.com

5. Status. Assignor hereby represents and warrants to Assignee that: (i) the Agreements have not been amended, modified or supplemented; (ii) Assignor is the sole owner and holder of its interest in the Agreements and the same have not been previously assigned, pledged, collaterally assigned, hypothecated or encumbered; (iii) Assignor has the right, power and authority necessary to validly assign its right, title and interest in the Agreements to Assignee, without obtaining the consent of any third party whose consent has not been obtained; (iv) Assignor's right, title and interest in the Agreements is not subject to any lien or other encumbrance; (v) all of the Agreements are in full force and effect; (vi) Assignor is not in default under any of the Agreements and no circumstance or matter exists that with the giving of notice, the passage of time, or both would constitute such a default; and (vii) to the best of Assignor's knowledge, no counterparty is in default under any of the Agreements and no circumstance or matter exists that with the giving of notice, the passage of time or both would constitute such a default.

6. Successors and Assigns. The Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. Entire Agreement. This Assignment constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof.

8. Severability. In the event any provision of this Assignment shall be prohibited by or invalidated under applicable laws, the remaining provisions of this Assignment shall remain fully effective.

9. No Waiver. No waiver of any provision of this Assignment shall be deemed to have been made unless expressed in writing and signed by the party charged therewith. The failure of any party to insist in any one or more instances upon the strict performance of any provision of this Assignment or to take advantage of any of its rights under this Assignment shall not be construed as a waiver of such provision or the relinquishment of such rights. No delay or omission in the exercise of any remedy accruing upon the breach of this Assignment shall impair such remedy or be construed as a waiver of such breach. The waiver of any breach of this Assignment shall not be deemed a waiver of any other breach of the same or any other provision hereof.

10. Construction. Whenever the context may require, any pronoun used in this Assignment shall include the masculine, feminine and neuter forms. All references to articles, sections and paragraphs shall be deemed references to the articles, sections and paragraphs of this Assignment, unless the context shall indicate otherwise. The terms "hereof", "hereunder" and similar expressions refer to this Assignment as a whole and not to any particular article, section or paragraph contained herein. The titles of the articles, sections and paragraphs of this Assignment are for convenience only and shall not affect the meaning of any provision hereof. The parties have agreed to the particular language of this Assignment, and any question regarding the meaning of this Assignment shall not be resolved by a rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. FOR PURPOSES OF THIS ASSIGNMENT, TIME SHALL BE CONSIDERED OF THE ESSENCE.

11. Attorneys' Fees. In the event any legal proceeding is commenced related to this Assignment, the prevailing party in such proceeding shall be entitled to recover its reasonable attorneys' fees, court costs and litigation expenses from the non-prevailing party therein.

12. Waiver of Jury Trial. EACH OF THE PARTIES TO THIS ASSIGNMENT HEREBY EXPRESSLY WAIVES ITS RIGHT TO A TRIAL BY JURY OF ANY CLAIM ARISING UNDER OR RELATED TO THIS ASSIGNMENT, WHETHER NOW EXISTING OR HEREFTER ARISING.

13. Governing Law. This Assignment shall be governed by the laws of the State of Tennessee.

14. Miscellaneous. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Electronic signatures shall be valid and sufficient to bind any party to this Assignment. Signatures to this Assignment transmitted by facsimile, email or other electronic transmission (for example, through the use of a Portable Document Format or "PDF" file) shall be valid and effective to bind the party so signing. The exchange of copies of this Assignment and of signature pages by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution and delivery of this Assignment as to the parties. Signatures of the parties to this Assignment transmitted by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docusign.com) will be deemed to be their original signatures for all purposes. This Assignment may only be modified by a written instrument executed by Assignor and Assignee. The parties acknowledge that all exhibits referenced in this Assignment are attached hereto and are incorporated herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written. ASSIGNOR:

Alon USA, LP

By: Alon USA GP II, LLC
General Partner

By: /s/ Todd O'Malley

Name: Todd O'Malley

Title: Executive Vice President, COO

ASSIGNEE:

DK Trading & Supply, LLC

By: /s/ Todd O'Malley

Name: Todd O'Malley

Title: Executive Vice President, COO

Schedule 1

Acknowledgement and Consent of Counterparties to the Agreements

As set forth in Section 3 of the Assignment, each of the Counterparties to the Agreements, severally and not jointly, hereby joins in this Assignment solely for the limited purpose of indicating their acknowledgement of and, if required by the terms of any of their respective Agreements, their consent to the foregoing assignment and assumption of their respective Agreements.

DKL Big Spring, LLC

By: /s/ Odely Sakazi
Name: Odely Sakazi
Title: Senior Vice President

Delek Marketing & Supply, LP

By: Delek Marketing GP, LLC General Partner

By: /s/ Odely Sakazi
Name: Odely Sakazi
Title: Senior Vice President

DKL Permian Gathering, LLC

By: /s/ Odely Sakazi
Name: Odely Sakazi
Title: Senior Vice President

Delek US Holdings, Inc.

By: /s/ Todd O'Malley
Name: Todd O'Malley
Title: Executive Vice President, COO

Delek US Holdings, Inc.

By: /s/ Todd O'Malley
Name: Todd O'Malley
Title: Executive Vice President, COO

Exhibit A AGREEMENTS

1. Pipelines, Storage and Throughput Facilities Agreement (Big Spring Refinery Logistics Assets and Duncan Terminal), dated March 20, 2018 and effective as of March 1, 2018, by and among Alon USA, LP, DKL Big Spring, LLC, for the limited purposes specified therein, Delek US Holdings, Inc., and for the limited purposes specified therein, J. Aron & Company LLC.
2. Big Spring Asphalt Services Agreement, dated March 20, 2018 and effective as of March 1, 2018, by and among Alon USA, LP, DKL Big Spring, LLC, for the limited purposes specified therein, Delek US Holdings, Inc., and for the limited purposes specified therein, J. Aron & Company LLC
3. Marketing Agreement dated March 20, 2018 by and between Alon USA, LP and DKL Big Spring, LLC.
4. Pipelines, Throughput and Offloading Facilities Agreement (Magellan Connection, Big Spring & Luther Stations, LPG Rack and Tank 1012) by and among Delek Marketing & Supply, LP, DKL Permian Gathering, LLC, Alon USA, LP and DK Trading & Supply, LLC, dated June 26, 2020.

OMNIBUS ASSIGNMENT AND ASSUMPTION AGREEMENT
(Lion Oil Company, LLC to DK Trading & Supply, LLC)

THIS OMNIBUS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment") is made and entered into this 12th day of September, 2022 to be effective as of July 1, 2022 ("Effective Date"), by and between each of LION OIL COMPANY, LLC ("Assignor") and DK TRADING & SUPPLY, LLC ("Assignee"), and, for the limited purpose set forth in Section 3 hereof, the parties set forth on Schedule 1 hereto ("Counterparties").

WITNESSETH:

WHEREAS, Assignor (formerly Lion Oil Company, an Arkansas corporation) entered into those certain agreements listed on Exhibit A ("Agreements");

WHEREAS, Assignor has agreed to assign all of its right, title and interest in all of the Agreements to Assignee;

WHEREAS, Assignee has agreed to assume Assignor's obligations and liabilities under all of the Agreements to the extent first arising during and related to periods from and after the Effective Date, and

WHEREAS, the Counterparties to the Agreements desire to provide their acknowledgement and/or consent to such assignment and assumption.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment and Assumption. Assignor hereby assigns all of its right, title and interest in, to and under all of the Agreements to Assignee. Assignee hereby assumes all of the obligations and liabilities of Assignor under all of the Agreements to the extent, but only to the extent, such obligations and liabilities first arise and relate to periods from and after the Effective Date; provided Assignor shall remain responsible for and Assignee is not assuming any obligations or liabilities of Assignor under any of the Agreements that (i) arose prior to the Effective Date, (ii) are related to an event, matter or circumstance that occurred prior to the Effective Date, even though such obligations or liabilities do not accrue until after the Effective Date, or (iii) result from or relate to any default by Assignor under any of the Agreements prior to the Effective Date (the obligations and liabilities described in subparagraphs (i) through (iii) of this Section 1 are collectively referred to as the "Retained Liabilities"). In the event there are any Retained Liabilities, Assignee may, at its option and in addition to its other rights and remedies hereunder, at law or in equity, satisfy such Retained Liabilities, in which case Assignor shall reimburse Assignee for all reasonable costs and expenses that Assignee incurs in connection therewith.

2. Indemnity.

(a) Assignor shall indemnify, defend (with counsel reasonably satisfactory to Assignee) and hold harmless Assignee for, from and against all claims, demands, losses, damages, liabilities, costs and expenses, including, but not limited to, reasonable attorneys' fees, arising out of or in connection with (i) Assignor's failure to observe, perform and discharge each and every one of its obligations and liabilities under any of the Agreements not expressly assumed by Assignee under Section 1 of this Assignment, including, without limitation, the Retained Liabilities, or (ii) any default by Assignor under any of the Agreements occurring prior to the Effective Date.

(a) Assignee shall indemnify, defend (with counsel reasonably satisfactory to Assignor) and hold harmless Assignor for, from and against all claims, demands, losses, damages, liabilities, costs and expenses, including, but not limited to, reasonable attorneys' fees, arising out of or in connection with (i) Assignee's failure to observe, perform and discharge each and every one of the obligations and liabilities under any of the Agreements expressly assumed by Assignee under Section 1 of this Assignment, or (ii) any default by Assignee under any of the Agreement occurring from and after the Effective Date.

3. Acknowledgement and Consent of Counterparties. Each of the Counterparties, severally and not jointly, hereby joins in this Assignment solely for the limited purpose of indicating their acknowledgement of and, if required by the terms of any of their respective Agreements, their consent to the foregoing assignment and assumption of their respective Agreements.

4. Notice Address. The address for notice i) between Assignor and Assignee in connection with this Assignment and (ii) to Assignee as successor to Assignor under the Agreements shall be as follows:

If to Assignor: Lion Oil Company, LLC
c/o Delek US Holdings, Inc.
7102 Commerce Way
Brentwood, Tennessee 37027
Attn: General Counsel
Email: legalnotices@delekus.com

If to Assignee: DK Trading & Supply, LLC
c/o Delek US Holdings, Inc. 7102 Commerce Way
Brentwood, Tennessee 37027 Attn: General Counsel
Email: legalnotices@delekus.com

5. Status. Assignor hereby represents and warrants to Assignee that: (i) the Agreements have not been amended, modified or supplemented; (ii) Assignor is the sole owner and holder of its interest in the Agreements and the same have not been previously assigned, pledged, collaterally assigned, hypothecated or encumbered; (iii) Assignor has the right, power and authority necessary to validly assign its right, title and interest in the Agreements to Assignee, without obtaining the consent of any third party whose consent has not been obtained; (iv) Assignor's right, title and interest in the Agreements is not subject to any lien or other encumbrance; (v) all of the Agreements are in full force and effect; (vi) Assignor is not in default under any of the Agreements and no circumstance or matter exists that with the giving of notice, the passage of time, or both would constitute such a default; and (vii) to the best of Assignor's knowledge, no counterparty is in default under any of the Agreements and no circumstance or matter exists that with the giving of notice, the passage of time or both would constitute such a default.

6. Successors and Assigns. The Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. Entire Agreement. This Assignment constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof.

8. Severability. In the event any provision of this Assignment shall be prohibited by or invalidated under applicable laws, the remaining provisions of this Assignment shall remain fully effective.
9. No Waiver. No waiver of any provision of this Assignment shall be deemed to have been made unless expressed in writing and signed by the party charged therewith. The failure of any party to insist in any one or more instances upon the strict performance of any provision of this Assignment or to take advantage of any of its rights under this Assignment shall not be construed as a waiver of such provision or the relinquishment of such rights. No delay or omission in the exercise of any remedy accruing upon the breach of this Assignment shall impair such remedy or be construed as a waiver of such breach. The waiver of any breach of this Assignment shall not be deemed a waiver of any other breach of the same or any other provision hereof.
10. Construction. Whenever the context may require, any pronoun used in this Assignment shall include the masculine, feminine and neuter forms. All references to articles, sections and paragraphs shall be deemed references to the articles, sections and paragraphs of this Assignment, unless the context shall indicate otherwise. The terms "hereof", "hereunder" and similar expressions refer to this Assignment as a whole and not to any particular article, section or paragraph contained herein. The titles of the articles, sections and paragraphs of this Assignment are for convenience only and shall not affect the meaning of any provision hereof. The parties have agreed to the particular language of this Assignment, and any question regarding the meaning of this Assignment shall not be resolved by a rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. FOR PURPOSES OF THIS ASSIGNMENT, TIME SHALL BE CONSIDERED OF THE ESSENCE.
11. Attorneys' Fees. In the event any legal proceeding is commenced related to this Assignment, the prevailing party in such proceeding shall be entitled to recover its reasonable attorneys' fees, court costs and litigation expenses from the non-prevailing party therein.
12. Waiver of Jury Trial. EACH OF THE PARTIES TO THIS ASSIGNMENT HEREBY EXPRESSLY WAIVES ITS RIGHT TO A TRIAL BY JURY OF ANY CLAIM ARISING UNDER OR RELATED TO THIS ASSIGNMENT, WHETHER NOW EXISTING OR HEREFTER ARISING.
13. Governing Law. This Assignment shall be governed by the laws of the State of Tennessee.
14. Miscellaneous. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Electronic signatures shall be valid and sufficient to bind any party to this Assignment. Signatures to this Assignment transmitted by facsimile, email or other electronic transmission (for example, through the use of a Portable Document Format or "PDF" file) shall be valid and effective to bind the party so signing. The exchange of copies of this Assignment and of signature pages by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution and delivery of this Assignment as to the parties. Signatures of the parties to this Assignment transmitted by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will be deemed to be their original signatures for all purposes. This Assignment may only be modified by a written instrument executed by Assignor and Assignee. The parties acknowledge that all exhibits referenced in this Assignment are attached hereto and are incorporated herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written. ASSIGNOR:

Lion Oil Company, LLC

By: /s/ Todd O'Malley

Name: Todd O'Malley

Title: Executive Vice President, COO

ASSIGNEE:

DK Trading & Supply, LLC

By: /s/ Todd O'Malley

Name: Todd O'Malley

Title: Executive Vice President, COO

Schedule 1

Acknowledgement and Consent of Counterparties to the Agreements

As set forth in Section 3 of the Assignment, each of the Counterparties to the Agreements, severally and not jointly, hereby joins in this Assignment solely for the limited purpose of indicating their acknowledgement of and, if required by the terms of any of their respective Agreements, their consent to the foregoing assignment and assumption of their respective Agreements.

Delek Logistics Partners, LP

By: Delek Logistics GP, LLC General Partner

By: /s/ Odely Sakazi

Name: Odely Sakazi

Title: Senior Vice President

SALA Gathering Systems, LLC

By: /s/ Odely Sakazi

Name: Odely Sakazi

Title: Senior Vice President

El Dorado Pipeline Company, LLC

By: /s/ Odely Sakazi

Name: Odely Sakazi

Title: Senior Vice President

Magnolia Pipeline Company, LLC

By: /s/ Odely Sakazi

Name: Odely Sakazi

Title: Senior Vice President

Delek Logistics Operating, LLC

By: /s/ Odely Sakazi

Name: Odely Sakazi

Title: Senior Vice President

DKL Transportation, LLC

By: /s/ Odely Sakazi

Name: Odely Sakazi

Title: Senior Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

Delek Refining, Ltd.

By: Delek U.S. Refining GP, LLC General Partner

By: /s/ Todd O'Malley

Name: Todd O'Malley

Title: Executive Vice President, COO

Lion Oil Trading & Transportation, LLC

By: /s/ Todd O'Malley

Name: Todd O'Malley

Title: Executive Vice President, COO

Exhibit A
AGREEMENTS

1. Pipelines and Storage Facilities Agreement, dated November 7, 2012, by and among Lion Oil Company, Delek Logistics Partners, LP, SALA Gathering Systems, LLC, El Dorado Pipeline Company, LLC, Magnolia Pipeline Company, LLC and J. Aron & Company, as amended.
2. Terminalling Services Agreement (Memphis Terminal), dated November 7, 2012, by and between Lion Oil Company, Delek Logistics Operating, LLC and J. Aron & Company, as amended.
3. Throughput and Tankage Agreement (El Dorado Terminal and Tankage), dated as of February 10, 2014, by and among Lion Oil Company and Delek Logistics Operating, LLC, and for limited purposes, J. Aron & Company, as amended.
4. Terminalling Services Agreement (North Little Rock Terminal) by and between Lion Oil Company and Delek Logistics Operating, LLC, and for limited purposes, J. Aron & Company, executed October 24, 2013, as amended.
5. Throughput Agreement (El Dorado Rail Offloading Facility), dated as of March 31, 2015, among Lion Oil Company, Lion Oil Trading & Transportation, LLC and Delek Logistics Operating, LLC.
6. Products Transportation Agreement, dated January 9, 2019, by and between Lion Oil Company and El Dorado Pipeline Company, LLC.
7. Transportation Services Agreement executed as of May 15, 2020, by and between Delek Refining, Ltd., Lion Oil Company, and DKL Transportation, LLC.

OMNIBUS ASSIGNMENT AND ASSUMPTION AGREEMENT
(Delek Refining, Ltd. to DK Trading & Supply, LLC)

THIS OMNIBUS ASSIGNMENT AND ASSUMPTION AGREEMENT (“Assignment”) is made and entered into this 13th day of September, 2022 to be effective as of July 1, 2022 (“Effective Date”), by and between each of DELEK REFINING LTD. (“Assignor”) and DK TRADING & SUPPLY, LLC (“Assignee”), and, for the limited purpose set forth in Section 3 hereof, the parties set forth on Schedule 1 hereto (“Counterparties”).

WITNESSETH:

WHEREAS, Assignor entered into those certain agreements listed on Exhibit A (“Agreements”);

WHEREAS, Assignor has agreed to assign all of its right, title and interest in all of the Agreements to Assignee;

WHEREAS, Assignee has agreed to assume Assignor’s obligations and liabilities under all of the Agreements to the extent first arising during and related to periods from and after the Effective Date, and

WHEREAS, the Counterparties to the Agreements desire to provide their acknowledgement and/or consent to such assignment and assumption.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment and Assumption. Assignor hereby assigns all of its right, title and interest in, to and under all of the Agreements to Assignee. Assignee hereby assumes all of the obligations and liabilities of Assignor under all of the Agreements to the extent, but only to the extent, such obligations and liabilities first arise and relate to periods from and after the Effective Date; provided Assignor shall remain responsible for and Assignee is not assuming any obligations or liabilities of Assignor under any of the Agreements that (i) arose prior to the Effective Date, (ii) are related to an event, matter or circumstance that occurred prior to the Effective Date, even though such obligations or liabilities do not accrue until after the Effective Date, or (iii) result from or relate to any default by Assignor under any of the Agreements prior to the Effective Date (the obligations and liabilities described in subparagraphs (i) through (iii) of this Section 1 are collectively referred to as the “Retained Liabilities”). In the event there are any Retained Liabilities, Assignee may, at its option and in addition to its other rights and remedies hereunder, at law or in equity, satisfy such Retained Liabilities, in which case Assignor shall reimburse Assignee for all reasonable costs and expenses that Assignee incurs in connection therewith.

2. Indemnity.

(a) Assignor shall indemnify, defend (with counsel reasonably satisfactory to Assignee) and hold harmless Assignee for, from and against all claims, demands, losses, damages, liabilities, costs and expenses, including, but not limited to, reasonable attorneys’ fees, arising out of or in connection with (i) Assignor’s failure to observe, perform and discharge each and every one of its obligations and liabilities under any of the Agreements not expressly assumed by Assignee under Section 1 of this Assignment, including, without limitation, the Retained Liabilities, or (ii) any default by Assignor under any of the Agreements occurring prior to the Effective Date.

(b) Assignee shall indemnify, defend (with counsel reasonably satisfactory to Assignor) and hold harmless Assignor for, from and against all claims, demands, losses, damages, liabilities, costs and

expenses, including, but not limited to, reasonable attorneys' fees, arising out of or in connection with (i) Assignee's failure to observe, perform and discharge each and every one of the obligations and liabilities under any of the Agreements expressly assumed by Assignee under Section 1 of this Assignment, or (ii) any default by Assignee under any of the Agreement occurring from and after the Effective Date.

3. Acknowledgement and Consent of Counterparties. Each of the Counterparties, severally and not jointly, hereby joins in this Assignment solely for the limited purpose of indicating their acknowledgement of and, if required by the terms of any of their respective Agreements, their consent to the foregoing assignment and assumption of their respective Agreements.

4. Notice Address. The address for notice between (i) Assignor and Assignee in connection with this Assignment and (ii) to Assignee as successor to Assignor under the Agreements shall be as follows:

If to Assignor: Delek Refining, Ltd.
c/o Delek US Holdings, Inc. 7102 Commerce Way
Brentwood, Tennessee 37027 Attn: General Counsel
Email: legalnotices@delekus.com

If to Assignee: DK Trading & Supply, LLC
c/o Delek US Holdings, Inc. 7102 Commerce Way
Brentwood, Tennessee 37027 Attn: General Counsel
Email: legalnotices@delekus.com

5. Status. Assignor hereby represents and warrants to Assignee that: (i) the Agreements have not been amended, modified or supplemented; (ii) Assignor is the sole owner and holder of its interest in the Agreements and the same have not been previously assigned, pledged, collaterally assigned, hypothecated or encumbered; (iii) Assignor has the right, power and authority necessary to validly assign its right, title and interest in the Agreements to Assignee, without obtaining the consent of any third party whose consent has not been obtained; (iv) Assignor's right, title and interest in the Agreements is not subject to any lien or other encumbrance; (v) all of the Agreements are in full force and effect; (vi) Assignor is not in default under any of the Agreements and no circumstance or matter exists that with the giving of notice, the passage of time, or both would constitute such a default; and (vii) to the best of Assignor's knowledge, no counterparty is in default under any of the Agreements and no circumstance or matter exists that with the giving of notice, the passage of time or both would constitute such a default.

6. Successors and Assigns. The Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. Entire Agreement. This Assignment constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof.

8. Severability. In the event any provision of this Assignment shall be prohibited by or invalidated under applicable laws, the remaining provisions of this Assignment shall remain fully effective.

9. No Waiver. No waiver of any provision of this Assignment shall be deemed to have been made unless expressed in writing and signed by the party charged therewith. The failure of any party to insist in any one or more instances upon the strict performance of any provision of this Assignment or to take

advantage of any of its rights under this Assignment shall not be construed as a waiver of such provision or the relinquishment of such rights. No delay or omission in the exercise of any remedy accruing upon the breach of this Assignment shall impair such remedy or be construed as a waiver of such breach. The waiver of any breach of this Assignment shall not be deemed a waiver of any other breach of the same or any other provision hereof.

10. Construction. Whenever the context may require, any pronoun used in this Assignment shall include the masculine, feminine and neuter forms. All references to articles, sections and paragraphs shall be deemed references to the articles, sections and paragraphs of this Assignment, unless the context shall indicate otherwise. The terms "hereof", "hereunder" and similar expressions refer to this Assignment as a whole and not to any particular article, section or paragraph contained herein. The titles of the articles, sections and paragraphs of this Assignment are for convenience only and shall not affect the meaning of any provision hereof. The parties have agreed to the particular language of this Assignment, and any question regarding the meaning of this Assignment shall not be resolved by a rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. FOR PURPOSES OF THIS ASSIGNMENT, TIME SHALL BE CONSIDERED OF THE ESSENCE.

11. Attorneys' Fees. In the event any legal proceeding is commenced related to this Assignment, the prevailing party in such proceeding shall be entitled to recover its reasonable attorneys' fees, court costs and litigation expenses from the non-prevailing party therein.

12. Waiver of Jury Trial. EACH OF THE PARTIES TO THIS ASSIGNMENT HEREBY EXPRESSLY WAIVES ITS RIGHT TO A TRIAL BY JURY OF ANY CLAIM ARISING UNDER OR RELATED TO THIS ASSIGNMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING.

13. Governing Law. This Assignment shall be governed by the laws of the State of Tennessee.

14. Miscellaneous. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Electronic signatures shall be valid and sufficient to bind any party to this Assignment. Signatures to this Assignment transmitted by facsimile, email or other electronic transmission (for example, through the use of a Portable Document Format or "PDF" file) shall be valid and effective to bind the party so signing. The exchange of copies of this Assignment and of signature pages by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution and delivery of this Assignment as to the parties. Signatures of the parties to this Assignment transmitted by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will be deemed to be their original signatures for all purposes. This Assignment may only be modified by a written instrument executed by Assignor and Assignee. The parties acknowledge that all exhibits referenced in this Assignment are attached hereto and are incorporated herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

ASSIGNOR:

Delek Refining, Ltd.

By: Delek U.S. Refining GP, LLC General Partner

By: /s/ Todd O'Malley

Name: Todd O'Malley

Title: Executive Vice President, COO

ASSIGNEE:

DK Trading & Supply, LLC

By: /s/ Todd O'Malley

Name: Todd O'Malley

Title: Executive Vice President, COO

Schedule 1

Acknowledgement and Consent of Counterparties to the Agreements

As set forth in Section 3 of the Assignment, each of the Counterparties to the Agreements, severally and not jointly, hereby joins in this Assignment solely for the limited purpose of indicating their acknowledgement of and, if required by the terms of any of their respective Agreements, their consent to the foregoing assignment and assumption of their respective Agreements.

Delek Marketing & Supply, LP

By: Delek Marketing GP, LLC General Partner

By: /s/ Odely Sakazi
Name: Odely Sakazi
Title: Senior Vice President

Delek Crude Logistics, LLC

By: /s/ Odely Sakazi
Name: Odely Sakazi
Title: Senior Vice President

Delek Marketing-Big Sandy, LLC

By: /s/ Odely Sakazi
Name: Odely Sakazi
Title: Senior Vice President

DKL Transportation, LLC

By: /s/ Odely Sakazi
Name: Odely Sakazi
Title: Senior Vice President

Delek Refining, Ltd.

By: Delek U.S. Refining GP, LLC General Partner

By: /s/ Odely Sakazi
Name: Odely Sakazi
Title: Senior Vice President

Lion Oil Company, LLC

By: /s/ Todd O'Malley
Name: Todd O'Malley
Title: Executive Vice President, COO

Exhibit A
AGREEMENTS

1. Marketing Agreement dated November 7, 2012 by and between Delek Refining, Ltd. and Delek Marketing & Supply, LP, as amended.
2. Pipelines and Tankage Agreement (East Texas Crude Logistics System), dated November 7, 2012, by and between Delek Refining, Ltd. and Delek Crude Logistics, LLC, as amended.
3. Amended and Restated Services Agreement (Big Sandy Terminal and Pipeline), dated July 25, 2013, by and between Delek Refining, Ltd. and Delek Marketing-Big Sandy, LLC, as amended.
4. Throughput and Tankage Agreement (Tyler Terminal and Tankage), dated July 26, 2013, by and between and Delek Refining, Ltd. and Delek Marketing & Supply, LP, as amended.
5. Tankage Agreement (Tyler Crude Storage Tank 701), dated as of March 31, 2015, by and between Delek Refining, Ltd. and Delek Marketing & Supply, LP.
6. Terminalling Services Agreement (Mt. Pleasant Terminal), dated as of June 30, 2015, among Delek Refining, Ltd. and Delek Marketing-Big Sandy, LLC.
7. Services Agreement (Greenville Facility), dated December 19, 2016 among Delek Refining, Ltd. and Delek Marketing-Big Sandy, LLC
8. Transportation Services Agreement executed as of May 15, 2020, by and between Delek Refining, Ltd., Lion Oil Company, and DKL Transportation, LLC.

OMNIBUS ASSIGNMENT AND ASSUMPTION AGREEMENT
(Lion Oil Trading & Transportation, LLC to DK Trading & Supply, LLC)

THIS OMNIBUS ASSIGNMENT AND ASSUMPTION AGREEMENT (“Assignment”) is made and entered into this 13th day of September, 2022 to be effective as of July 1, 2022 (“Effective Date”), by and between LION OIL TRADING & TRANSPORTATION, LLC (“Assignor”) and DK TRADING & SUPPLY, LLC (“Assignee”), and, for the limited purpose set forth in Section 3 hereof, the party set forth on Schedule 1 hereto (“Counterparty”).

WITNESSETH:

WHEREAS, Assignor entered into that certain agreement listed on Exhibit A (“Agreement”);

WHEREAS, Assignor has agreed to assign all of its right, title and interest in the Agreement to Assignee;

WHEREAS, Assignee has agreed to assume Assignor’s obligations and liabilities under the Agreement to the extent first arising during and related to periods from and after the Effective Date, and

WHEREAS, the Counterparty desires to provide its acknowledgement and/or consent to such assignment and assumption.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment and Assumption. Assignor hereby assigns all of its right, title and interest in, to and under the Agreement to Assignee. Assignee hereby assumes all of the obligations and liabilities of Assignor under the Agreement to the extent, but only to the extent, such obligations and liabilities first arise and relate to periods from and after the Effective Date; provided Assignor shall remain responsible for and Assignee is not assuming any obligations or liabilities of Assignor under the Agreement that (i) arose prior to the Effective Date, (ii) are related to an event, matter or circumstance that occurred prior to the Effective Date, even though such obligations or liabilities do not accrue until after the Effective Date, or (iii) result from or relate to any default by Assignor under the Agreement prior to the Effective Date (the obligations and liabilities described in subparagraphs (i) through (iii) of this Section 1 are collectively referred to as the “Retained Liabilities”). In the event there are any Retained Liabilities, Assignee may, at its option and in addition to its other rights and remedies hereunder, at law or in equity, satisfy such Retained Liabilities, in which case Assignor shall reimburse Assignee for all reasonable costs and expenses that Assignee incurs in connection therewith.

2. Indemnity.

(a) Assignor shall indemnify, defend (with counsel reasonably satisfactory to Assignee) and hold harmless Assignee for, from and against all claims, demands, losses, damages, liabilities, costs and expenses, including, but not limited to, reasonable attorneys’ fees, arising out of or in connection with (i) Assignor’s failure to observe, perform and discharge each and every one of its obligations and liabilities under the Agreement not expressly assumed by Assignee under Section 1 of this Assignment, including, without limitation, the Retained Liabilities, or (ii) any default by Assignor under the Agreement occurring prior to the Effective Date.

(b) Assignee shall indemnify, defend (with counsel reasonably satisfactory to Assignor) and hold harmless Assignor for, from and against all claims, demands, losses, damages, liabilities, costs and

expenses, including, but not limited to, reasonable attorneys' fees, arising out of or in connection with (i) Assignee's failure to observe, perform and discharge each and every one of the obligations and liabilities under the Agreement expressly assumed by Assignee under Section 1 of this Assignment, or (ii) any default by Assignee under the Agreement occurring from and after the Effective Date.

3. Acknowledgement and Consent of Counterparties. The Counterparty hereby joins in this Assignment solely for the limited purpose of indicating its acknowledgement of and, if required by the terms of the Agreement, its consent to the foregoing assignment and assumption of the Agreement.

4. Notice Address. The address for notice (i) between Assignor and Assignee in connection with this Assignment and (ii) to Assignee as successor to Assignor under the Agreement shall be as follows:

If to Assignor: Lion Oil Trading & Transportation, LLC
c/o Delek US Holdings, Inc. 7102 Commerce Way
Brentwood, Tennessee 37027 Attn: General Counsel
Email: legalnotices@delekus.com

If to Assignee: DK Trading & Supply, LLC
c/o Delek US Holdings, Inc. 7102 Commerce Way
Brentwood, Tennessee 37027 Attn: General Counsel
Email: legalnotices@delekus.com

5. Status. Assignor hereby represents and warrants to Assignee that: (i) the Agreement has not been amended, modified or supplemented; (ii) Assignor is the sole owner and holder of its interest in the Agreement and the same have not been previously assigned, pledged, collaterally assigned, hypothecated or encumbered; (iii) Assignor has the right, power and authority necessary to validly assign its right, title and interest in the Agreement to Assignee, without obtaining the consent of any third party whose consent has not been obtained; (iv) Assignor's right, title and interest in the Agreement is not subject to any lien or other encumbrance; (v) the Agreement are in full force and effect; (vi) Assignor is not in default under the Agreement and no circumstance or matter exists that with the giving of notice, the passage of time, or both would constitute such a default; and (vii) to the best of Assignor's knowledge, no counterparty is in default under the Agreement and no circumstance or matter exists that with the giving of notice, the passage of time or both would constitute such a default.

6. Successors and Assigns. The Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. Entire Agreement. This Assignment constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof.

8. Severability. In the event any provision of this Assignment shall be prohibited by or invalidated under applicable laws, the remaining provisions of this Assignment shall remain fully effective.

9. No Waiver. No waiver of any provision of this Assignment shall be deemed to have been made unless expressed in writing and signed by the party charged therewith. The failure of any party to insist in any one or more instances upon the strict performance of any provision of this Assignment or to take advantage of any of its rights under this Assignment shall not be construed as a waiver of such provision or

the relinquishment of such rights. No delay or omission in the exercise of any remedy accruing upon the breach of this Assignment shall impair such remedy or be construed as a waiver of such breach. The waiver of any breach of this Assignment shall not be deemed a waiver of any other breach of the same or any other provision hereof.

10. Construction. Whenever the context may require, any pronoun used in this Assignment shall include the masculine, feminine and neuter forms. All references to articles, sections and paragraphs shall be deemed references to the articles, sections and paragraphs of this Assignment, unless the context shall indicate otherwise. The terms “hereof”, “hereunder” and similar expressions refer to this Assignment as a whole and not to any particular article, section or paragraph contained herein. The titles of the articles, sections and paragraphs of this Assignment are for convenience only and shall not affect the meaning of any provision hereof. The parties have agreed to the particular language of this Assignment, and any question regarding the meaning of this Assignment shall not be resolved by a rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. FOR PURPOSES OF THIS ASSIGNMENT, TIME SHALL BE CONSIDERED OF THE ESSENCE.

11. Attorneys’ Fees. In the event any legal proceeding is commenced related to this Assignment, the prevailing party in such proceeding shall be entitled to recover its reasonable attorneys’ fees, court costs and litigation expenses from the non-prevailing party therein.

12. Waiver of Jury Trial. EACH OF THE PARTIES TO THIS ASSIGNMENT HEREBY EXPRESSLY WAIVES ITS RIGHT TO A TRIAL BY JURY OF ANY CLAIM ARISING UNDER OR RELATED TO THIS ASSIGNMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING.

13. Governing Law. This Assignment shall be governed by the laws of the State of Tennessee.

14. Miscellaneous. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Electronic signatures shall be valid and sufficient to bind any party to this Assignment. Signatures to this Assignment transmitted by facsimile, email or other electronic transmission (for example, through the use of a Portable Document Format or “PDF” file) shall be valid and effective to bind the party so signing. The exchange of copies of this Assignment and of signature pages by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution and delivery of this Assignment as to the parties. Signatures of the parties to this Assignment transmitted by electronic mail or other means of electronic transmission (including, without limitation, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will be deemed to be their original signatures for all purposes. This Assignment may only be modified by a written instrument executed by Assignor and Assignee. The parties acknowledge that all exhibits referenced in this Assignment are attached hereto and are incorporated herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

ASSIGNOR:

Lion Oil Trading & Transportation, LLC

By: /s/ Todd O'Malley
Name: Todd O'Malley
Title: Executive Vice President, COO

ASSIGNEE:

DK Trading & Supply, LLC

By: /s/ Todd O'Malley
Name: Todd O'Malley
Title: Executive Vice President, COO

Schedule 1

Acknowledgement and Consent of Counterparty to the Agreement

As set forth in Section 3 of the Assignment, the Counterparty to the Agreement hereby joins in this Assignment solely for the limited purpose of indicating its acknowledgement of and, if required by the terms of the Agreement, its consent to the foregoing assignment and assumption of the Agreement.

Delek Marketing & Supply, LP

By: Delek Marketing GP, LLC General Partner

By: /s/ Odely Sakazi

Name: Odely Sakazi

Title: Senior Vice President

Exhibit A
AGREEMENT

1. Throughput and Deficiency Agreement, dated March 31, 2020, by and between Lion Oil Trading & Transportation, LLC and Delek Marketing & Supply, LP (Big Spring Gathering), as amended.

**Certification by Chief Executive Officer pursuant to
Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Avigal Soreq, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delek US Holdings, Inc.;
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.

By: /s/ Avigal Soreq

Avigal Soreq,

President and Chief Executive Officer
(Principal Executive Officer)

Dated: November 8, 2022

**Certification by Chief Financial Officer pursuant to
Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Reuven Spiegel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delek US Holdings, Inc.;
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.

By: /s/ Reuven Spiegel

Reuven Spiegel,
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: November 8, 2022

**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 Delek US Holdings, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Avigal Soreq, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, and to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Avigal Soreq

Avigal Soreq,

President and Chief Executive Officer
(Principal Executive Officer)

Dated: November 8, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained and furnished to the Securities and Exchange Commission or its staff upon request.

**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 Delek US Holdings, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Reuven Spiegel, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, and to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Reuven Spiegel
Reuven Spiegel,
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: November 8, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained and furnished to the Securities and Exchange Commission or its staff upon request.