



PAID SICK LEAVE PROGRAM

SUMMARY DESCRIPTION

As of January 1, 2018

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This Summary Description outlines the major features of the Andeavor Paid Sick Leave Program. If you have questions regarding your coverage under the Paid Sick Leave Program, contact your HR Business Partner/Manager or the Andeavor Benefits Department.

This document describes the Andeavor Paid Sick Leave Program as of January 1, 2018. This Program is available to eligible Andeavor employees on the U.S. payroll (as described in this Program).

Andeavor reserves the right to interpret and administer the Andeavor Paid Sick Leave Program consistent with its intent and provisions.

OVERVIEW

As part of Andeavor's commitment to wellness, Andeavor's Paid Sick Leave Program ("Program") provides eligible employees with a period of paid time off to provide employees with protection against loss of income if they are ill or injured or need time off from work for necessary or routine health care, or in the event of domestic violence, sexual assault or stalking. Paid Sick Leave also may be used to meet those same needs for qualifying family members and close personal relations, as defined below. Additionally, eligible employees may use Paid Sick Leave when the employee's place of business or employee's child's school or place of care is closed by order of a public official for a health-related reason. The Company pays the entire cost of the paid leave benefits under this Program.

The Andeavor Paid Sick Leave Program contains benefit provisions designed to comply with State and local paid sick leave mandates including, but not limited to, California's Healthy Workplaces, Healthy Families Act of 2014 (AB 1522), Arizona's Fair Wages and Healthy Families Act of 2016 (AZ Proposition 206), Washington Paid Sick Leave (Initiative 1433), District of Columbia's Accrued Sick and Safe Leave Act 2008 (SSLA), as amended, the Los Angeles Minimum Wage Ordinance, as codified in Article 7 of Chapter XVIII of the Los Angeles Municipal Code § 187.00, and the San Diego Earned Sick Leave and Minimum Wage Ordinance, as codified under and Article 9 or Chapter 3 of the San Diego Municipal Code § 39.0101 et seq. Eligible employees receive their state or local mandated paid sick benefits as part of this Program; there shall be no duplication of paid sick leave benefits to Andeavor employees. The Andeavor Paid Sick Leave Program is not an employee benefit plan covered by ERISA.

ELIGIBILITY

This Program is available to all Andeavor employees in the U.S., excluding Retail Store, Hourly Bakery Production and Bakery Driver employees. This includes full-time, part-time and temporary employees, whether exempt or non-exempt. If you are eligible to participate in this Program, you are automatically enrolled as of the date you are first eligible to participate.

If you are in a job covered by a collective bargaining agreement, you will be covered by this Program to the extent consistent with the terms of the applicable collective bargaining agreement and any applicable legal guidelines.

ANNUAL GRANT OF PAID SICK LEAVE BENEFITS

Eligible employees are credited with seven (7) days of Paid Sick Leave upon becoming eligible for participation in this Program and, thereafter, at the beginning of each successive calendar year, provided that they remain eligible. If the amount of paid sick leave credited at the beginning of the calendar year is less than the amount an employee is entitled to accrue that calendar year under state or local law, the employee's Paid Sick Leave bank will be adjusted in accordance with state or local law.

Employees may begin using Paid Sick Leave as they earn it for the purposes specified below in the "Usage" section.

Accrued unused Paid Sick Leave carries over from year to year, up to a maximum of 14 days (unless a greater amount is otherwise required by law), meaning at no point in time can an employee's Paid Sick Leave bank exceed this amount.

COMPENSATION WHILE ON PAID SICK LEAVE

Benefits, while expressed in days, are administered in hours based on your normal work schedule (unless otherwise required by law). Benefits are paid as 100% of your regular base pay or equivalent or rate required by applicable law for the workweek in which the employee takes paid sick time. The benefit hours paid under this Program do not generally count towards hours worked in a day or in a week (unless required by wage and hour laws, labor agreement or local practice).

Benefits under this Program, when aggregated with payments received by you from other sources, may not exceed 100% of your base salary.

USAGE

Eligible employees may use available Paid Sick Leave to be absent from work for the following purposes:

- for the diagnosis, care or treatment of an existing illness, injury, or health condition or to obtain preventive medical care for a Covered Person. Preventive care includes annual physicals and flu shots.
- for specified purposes in the event of domestic violence, sexual assault, or stalking committed against any Covered Person.

- when employee's workplace or the employee's child's school or child care provider is closed by order of a public official for a health-related reason public or to care for a Covered Person who is exposed to a communicable disease when it has been determined by the health authorities having jurisdiction or by a health care provider that the Covered Person's presence in the community may create a health risk to others.

For purposes of this Program, a Covered Person includes you and your "family members" and "close personal relations," as defined below:

- Your child, including biological, adopted, foster, stepchild, legal ward, child of a domestic partner, or a child to whom the employee stands in loco parentis or stood in loco parentis when the individual was a minor. The definition of child is applicable regardless of age or dependency status;
- Your spouse;
- Your parent, including biological, adoptive, de facto, or foster parent, stepparent, or parents of your spouse, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;
- Your registered domestic partner;
- Your grandparent;
- Your grandchild, including a step-grandchild, and a biological, adopted, and foster grandchild;
- Your sibling;
- Spouse of your children and siblings;
- Any other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship; or
- A person with whom the employee shares or has shared, for not less than the preceding 12 months, a mutual residence and with whom the employee maintains a committed relationship.

Use of Paid Sick Leave benefits under this Program must meet the usage requirements specified above. The Company may take disciplinary action, up to and including termination, against an employee who uses Paid Sick Leave for purposes other than those authorized under this Program or who provides false or misleading information in connection with Paid Sick Leave benefits.

APPLYING FOR BENEFITS

Requests for leave under this Program are made through your normal time/absence reporting processes, upon your oral or written request, as required by your worksite. It is your responsibility to provide reasonable advance notification if your need for sick leave is foreseeable. If your need for sick leave is unforeseeable, you should report your sick leave as soon as practicable, but in no event later than required by your worksite's requirements.

When requesting Paid Sick Leave benefits, you should specifically report your absence as Paid Sick Leave under this Program, in order to distinguish the absence from other available paid leaves. You must use any sick pay benefits available to you under this Program to satisfy any applicable waiting period required for benefits under Andeavor's short-term disability programs. You may not request benefits for sick leave under this Program and short-term disability or Paid Parental Leave benefits for the same period and receive double pay. If you are eligible and qualify for leave under the Family and Medical Leave Act (FMLA) or similar state laws, Paid Sick Leave will run concurrently with leave taken pursuant to the FMLA or similar state law leave.

Paid Sick Leave under this Program can be requested for any increment of hours, subject to a minimum absence of one (1) hour of leave (unless otherwise required by law). Once your absence has been properly reported and recorded, you will receive Paid Sick Leave benefits as part of your regular payroll process.

As referenced above, employees entitled to paid sick leave benefits under state or local mandates will receive their state or local mandated paid sick benefits as part of this Program such that there is no duplication of benefits. Employees will be required to use that portion of their sick leave bank first before accessing the rest of their sick leave bank. For example, the seven (7) day grant under the Program is more generous than the three (3) days of paid sick leave provided under California's Healthy Workplaces, Healthy Families Act of 2014. Employees entitled to paid sick leave under California law will be required to use their three-day entitlement to paid sick leave under California law before accessing the four additional days of paid sick leave that are provided under this Program.

Employees may be asked to provide documentation supporting their use of Paid Sick Leave for absences exceeding three (3) consecutive days an employee is scheduled to work. To protect employee (and family member) privacy, employees need not disclose the underlying reason for a medical or dental appointment or any specific diagnosis information related to a medical condition.

The Company may use a third party administrator (“TPA”) to administer Paid Sick Leave. If this is the case, Andeavor will notify you of this delegation and, thereafter, it will be your responsibility to report your absence to the TPA and to provide any necessary documentation requested.

BENEFITS WHILE ON PAID SICK LEAVE

Benefit eligibility and participation will continue while on Paid Sick Leave just as if you were taking any other company paid leave such as paid vacation leave or Paid Parental Leave. Any required deductions will be made from your regular paycheck.

OTHER EMPLOYMENT WHILE ON PAID SICK LEAVE

You are not permitted to perform work in any position of employment with another employer while on Paid Sick Leave, whether paid or unpaid.

PROTECTION FROM RETALIATION

Company policy prohibits discrimination and/or retaliation against employees who request or use Paid Sick Leave benefits for which they are otherwise entitled to under federal, state or local laws.

EVENTS AFFECTING COVERAGE

Change in Work Schedule

If your normal work schedule changes during the year, your sick pay benefit may change to reflect the daily hours in your new work schedule, if required by law.

Layoff or Termination of Employment

Your participation and any sick leave benefits end when your employment terminates. No payout of unused benefits is available to you at separation. To the extent required by applicable law, accrued unused paid sick leave will be reinstated if you are rehired by the Company at a later date.

Death

Your participation ends as of the date of your death.

AMENDMENT OR TERMINATION

Andeavor expects to continue providing paid leave benefits as described in this Program, but reserves the right to amend or discontinue any or all parts of this Program, at any time and for any reason, in a manner that meets or exceeds the requirements of applicable State or local paid sick leave legislation.

QUESTIONS

If you have questions about Paid Sick Leave, contact the Andeavor Benefits Department:

Legacy Tesoro Employees:

Corporate Benefits Department
(866) 688-5465
leavemanagement@andeavor.com

Legacy Western Employees:

Benefits Department
(844) 224-4996
benefits.department@andeavor.com