



PAID PARENTAL LEAVE PROGRAM

SUMMARY DESCRIPTION

As of January 1, 2018

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This Summary Description outlines the major provisions of the Andeavor Paid Parental Leave Program (Program). If you have questions regarding the Program, contact the Andeavor Benefits Department.

This document describes the Andeavor Paid Parental 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 Parental Leave Program consistent with its intent and provisions.

OVERVIEW

Andeavor's Paid Parental Leave Program ("Program") provides eligible employees with a period of paid time off for activities related to the birth, care and well-being of their newborn, adopted or foster child in order to aid and support new parent relationships. The purpose of the Program is to give parents additional flexibility and time to bond with their new child, adjust to their new family situation, and balance their professional obligations. Andeavor's Paid Parental Leave Program exceeds any legal requirement as at this time there is no legal requirement to provide any paid parental leave. This document is intended to be a summary of Andeavor's voluntary Program, and is not intended to re-state or supplant any right to leave under the Family and Medical Leave Act or other applicable state and local law.

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.

ELIGIBILITY

This Program is available to all Andeavor regular full-time employees in the U.S., excluding Retail Store, Hourly Bakery Production and Bakery Driver employees. You are considered a regular full-time employee if you are regularly scheduled to work at least 30 hours each week and not employed on a temporary basis.

To qualify for Paid Parental Leave under this program, you must meet the following conditions:

1. You must have been employed by the Company at the time of birth, adoption or foster care placement of the child.
2. You must also meet one of the following criteria:
 - a. Have given birth to a child; or
 - b. Be a mother or father of the birth child or a spouse of a woman who has given birth to a child; or
 - c. Have adopted or become a foster parent to a child who is under the age of 18.

Surrogate mothers and sperm donors are not eligible for Paid Parental Leave. In addition, Paid Parental Leave is not available for the adoption of a stepchild by a stepparent or similar circumstances.

Paid Parental Leave is granted for the sole purpose of recovering from childbirth, caring for or bonding with the child, or providing support to the birth mother recovering from childbirth. The Company may terminate Paid Parental Leave under this Program and take disciplinary action, up to and including termination, against an employee who uses Paid Parental Leave for purposes other than those described in this Program.

LEAVE PROVISIONS

New mothers who have given live birth to a child are eligible for up to eight (8) weeks of Paid Parental Leave per birth. Under the Paid Parental Leave Program, both disability and bonding related to birth will be covered at 100 percent compensation for up to eight weeks. The eight weeks of Paid Parental Leave commences upon birth and covers any period of physician-directed absences from active employment post-birth (for up to eight weeks) with any remaining balance of Paid Parental Leave available for purposes of bonding with the child at any time post-birth, subject to the terms and conditions below regarding timing and usage. In no case will the total amount of Paid Parental Leave exceed eight weeks. Mothers who have given birth to a stillborn child are eligible for up to four (4) weeks of Paid Parental Leave per birth to recover from childbirth. If you are receiving benefits under this Paid Parental Leave Program, you are not eligible for STD benefits under Andeavor's STD Plan; there is no duplication of benefits. However, if your disability related to childbirth continues to exist beyond your eight weeks of Paid Parental Leave benefits, you may be eligible for STD benefits on the date your Paid Parental Leave ends, subject to any applicable waiting periods.

All other eligible employees who qualify for Paid Parental Leave are eligible for up to four (4) weeks of Paid Parental Leave per birth, adoption or foster care placement of a child. The Paid Parental Leave will generally commence immediately following the birth, adoption or placement of a child. However, Paid Parental Leave may occur prior to an adoption when deemed necessary to fulfill the legal requirements for an adoption.

The fact that a multiple birth, adoption or placement occurs (e.g., the birth of twins or adoption of siblings) does not increase the total amount of Paid Parental Leave granted for that event. In addition, in no case will an employee receive more than the designated amount of Paid Parental Leave in a rolling 12-month period, regardless of whether more than one birth, adoption or foster care placement event occurs within that 12-month time frame.

Parents who both work for the Company are eligible for a combined four (4) weeks of Paid Parental Leave, except if the birth mother is one of the parents then the employees are eligible for a combined eight (8) weeks of Paid Parental Leave.

Paid Parental Leave must conclude no later than six months after the birth, adoption or placement of a child with the employee, and may be requested on a continuous, intermittent (separate blocks of time), or reduced schedule (reduces number of work hours per day or per week) basis. Intermittent or reduced schedule Paid Parental Leave requires a set schedule and must be taken in increments of one hour or more. If you want to take intermittent or reduced schedule leave or leave for a consecutive period of time longer than one week, you must consult with the Program Administrator (or its designee). Employees in roles critical to operations (as determined by the Program Administrator or its designee) may be required to schedule Paid Parental Leave so as not to unduly disrupt business operations. If you are certified to take FMLA leave on an intermittent or reduced schedule basis or on a continuous basis for a period of time longer than one week, you must advise the Program Administrator (or its designee) at the time of your request for Paid Parental Leave.

While leave is expressed in weeks, it will be administered in hours based on the employee's normal work schedule.

APPLYING FOR BENEFITS

Inform your Manager and HR Business Partner regarding the dates you plan to take Parental Leave for coverage planning purposes. Complete and submit the Paid Parental Leave Request Form and submit it to Corporate Benefits-Leave Management team via mail, email or fax as provided on the form. Provide a copy of the child's birth certificate (or hospital announcement) or proof of adoption/placement (documentation from a Court, Agency and/or Attorney) to the Leave Management department as soon as practicable to generate the Parental Leave quota of hours. You will receive a notification by regular mail or email that your leave has been approved or not approved. Employees or local timekeepers should enter your time for leave under this Program through your normal time/absences reporting process.

It is your responsibility to provide at least 30 days' notice if your need for leave is foreseeable. If your need for leave is not foreseeable, you should provide notice as soon as practicable.

The Company may use a third party administrator ("TPA") to administer Paid Parental 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.

COMPENSATION WHILE ON PAID PARENTAL LEAVE

An eligible employee on Paid Parental Leave will generally receive their regular base pay determined by regularly scheduled hours of work during such leave. Once your absence has been properly reported and recorded, you will receive Paid Parental Leave benefits as part of your regular payroll process.

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

General increases in wages (such as those provided under union contracts) will be applied to employees on a Paid Parental Leave just as they are applied to similarly-situated active employees. A salary increase intended to reflect individual performance (for example, a merit increase) will be granted while an employee is on a Paid Parental Leave if there is reasonable certainty that the employee would have been granted a merit increase had he or she not been on Paid Parental Leave. Such an increase will not be deferred until the employee returns from Paid Parental Leave. The increase will be granted at the time that the employee would otherwise be eligible.

Your participation and any Paid Parental Leave benefits end when your employment terminates. No payout of unused Paid Parental Leave benefits is available to you upon separation.

BENEFITS WHILE ON PAID PARENTAL LEAVE

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

COORDINATION WITH OTHER PROGRAMS

If you are receiving benefits under this Paid Parental Leave program and you are eligible for leave under the FMLA (and/or other comparable state and local laws) due to the birth or placement of a child due to adoption or foster care, your qualified FMLA leave period (and/or other comparable state and local leave period) will run concurrently

with your Paid Parental Leave. In no case will the total amount of leave—whether paid or unpaid—granted to the employee under the FMLA exceed 12 weeks during the rolling 12-month FMLA period. When concurrent, and only when concurrent, all other requirements and provisions under the FMLA (and/or other comparable state and local laws) will apply. This Program supplements your FMLA (and other comparable state and local laws) benefits, if available, but does not supersede FMLA (and other comparable state and local laws) notice requirements. Please refer to the Family and Medical Leave Policy for further guidance on the FMLA.

Please refer to the Adoption Assistance Program for additional information about other employee benefits related to the adoption process.

OTHER EMPLOYMENT WHILE ON PAID PARENTAL LEAVE

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

AMENDMENT OR TERMINATION

The Company expects to maintain this Paid Parental Leave Program indefinitely, but reserves the right to amend or discontinue all or any portion of this Program at any time and for any reason, provided it does not result in a violation of FMLA, as amended, any regulations issued by the Department of Labor, and any applicable state or local laws.

ADDITIONAL INFORMATION

The Paid Parental Leave Program is not an “employee benefit program” covered under ERISA. However, this Program addresses certain benefits available while on Paid Parental Leave that are actually provided under the terms and conditions of Andeavor benefit plans that are covered under ERISA. Please refer to each benefit plan’s summary plan description (SPD) for more information.

QUESTIONS

If you have questions about Paid Parental 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