



TESORO CORPORATION

ADOPTION ASSISTANCE
PLAN

SUMMARY PLAN
DESCRIPTION

As of January 1, 2017

This Summary Plan Description (SPD) outlines the major features of the Tesoro Adoption Assistance Plan. If you have questions regarding your coverage under the Adoption Assistance Plan, contact the Tesoro Employee Service Center at (866) 688-5465 or the Corporate Benefits Department at satbenefits@tsocorp.com.

This document describes the Tesoro Adoption Assistance Plan as of January 1, 2017. This Plan is available to eligible Tesoro employees on the U.S. payrolls.

This description doesn't cover every provision of the Plan. Some complex concepts may have been simplified or omitted in order to present a more understandable plan description. If this plan description is incomplete or if there's any inconsistency between the information provided here and the official plan texts, the provisions of the official plan texts will prevail. The Company reserves the right to interpret and administer the Tesoro Adoption Assistance Plan, consistent with its intent and provisions.

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The Tesoro Adoption Assistance Plan provides a financial benefit that reimburses qualified adoption-related expenses for employees who are building families through adoption.

PARTICIPATION

You are eligible to participate in the Adoption Assistance Plan if you're a regular full-time employee of one of Tesoro Corporation's participating subsidiary companies and have completed one (1) year of service. You will be considered a full-time employee if you are regularly scheduled to work at least thirty (30) hours each week.

If you are in a job covered by a collective bargaining agreement, you are not eligible for participation in this Plan unless the provisions are included or incorporated in your collective bargaining agreement.

ENROLLMENT

If you are eligible to participate in the Adoption Assistance Plan, you are automatically enrolled as of the date you are first eligible to participate.

COST

The Company pays the entire cost of benefits under the Adoption Assistance Plan.

BENEFIT AMOUNT

You may be reimbursed up to a maximum of \$5,000 for qualified adoption expenses incurred for the adoption of a child. The maximum total reimbursement you may receive under the Plan for all adoptions is \$10,000.

Where both adoptive parents are Tesoro employees and participants in the Plan, benefits are limited to \$5,000 per adopted child and \$10,000 for all adoptions, for both parents combined. Duplication of benefits is not permitted.

ELIGIBLE EXPENSES

Adoption expenses must be qualified as defined by the Internal Revenue Code (IRC) Section 137. Typical expenses include:

- Public and private adoption agency and placement fees permitted or required under the law of the state having jurisdiction over the adoption;
- Court costs related to the adoption;
- Attorney fees related to the adoption;
- Travel expenses (including amounts spent for meals and lodging while away from home) that are related to the adoption;
- Re-adoption¹ expenses to adopt a foreign child;
- Medical expenses for the adopted child (related to the adoption and not otherwise covered by insurance);
- Temporary foster care provided before placement of the child in the employee's home;
- Immigration, immunization, and translation fees for foreign adoptions.

EXCLUSIONS AND LIMITATIONS

The Adoption Assistance Plan will not cover the following expenses:

- Expenses incurred prior to the date of coverage under the Plan;
- Fees and expenses for an adoption that is not finalized;
- Expenses for the adoption of a spouse's child;
- Expenses for carrying out any surrogate parenting arrangements;

¹ Re-adoption is a process in which international adopters adopt their children a second time, in front of a U.S. judge after the initial adoption in the country of the child's birth.

- Expenses for establishing legal guardianship;
- Expenses paid using funds received under another federal, state, or local program, or from another employer or other party;
- Expenses allowed as a credit or deduction under any other federal income tax rule;
- Expenses that are not qualified under IRC Section 137.

APPLYING FOR REIMBURSEMENT

Reimbursement Requirements

All adoption expenses submitted for reimbursement must meet the following requirements:

- The expenses must be qualified, as defined by the IRC Section 137;
- The adoption expenses must have been incurred while the participant was covered by the Plan;
- The adoption must be finalized;
- Qualifying expenses must be submitted no later than 90 days after the date the adoption is finalized.

Reimbursement Procedure

When you incur qualifying adoption expenses, a reimbursement request must be submitted to the Corporate Benefits Department using the Adoption Assistance Plan Reimbursement Request Form. The reimbursement request must be completed in full and have the following support documentation attached:

- A copy of the legal adoption order or decree signed by a judge;
- Original copies of itemized invoices (in US dollars) for qualified adoption expenses for which reimbursement is being requested;
- A copy of the adopted child's birth certificate.

Completed reimbursement requests, with all required support documentation, will be processed within thirty (30) days of receipt. Your qualified expenses, up to the maximum eligible benefit amount, will be reimbursed through payroll after your claim has been approved and processed.

TAX TREATMENT

Adoption assistance benefits are generally designed to be excludable from gross income. However, benefits are subject to both Social Security and Medicare.

The IRS does impose certain limits on adoption assistance benefits based on employee earnings. In the event that any portion of your adoption benefit is taxable, the tax payment will be your responsibility. Tesoro will reimburse qualified expenses only and will not make any direct tax payments on your behalf. If you have questions regarding tax implications related to adoption expenses, contact your tax advisor.

EVENTS AFFECTING COVERAGE

Leave of Absence

If you are on a Company approved leave of absence, you may continue participation in the Adoption Assistance Plan up to a maximum of six months. Such coverage may be continued for a leave of absence taken under the Family and Medical Leave Act of 1993 (as amended).

Reduction in Number of Hours Worked

If your regularly scheduled hours are reduced to less than thirty (30) hours per week, your coverage will end as of the date the schedule change is effective. If your regularly scheduled hours later increase to at least thirty (30) hours per week, you'll once again be eligible to participate in the Adoption Assistance Plan.

Layoff or Termination of Employment

Your participation ends when your employment terminates.

Death

Your participation ends as of the date of your death.

PLAN AMENDMENT OR TERMINATION

Tesoro expects to continue the employee benefits described in this section, but reserves the right to amend or discontinue any or all parts at any time and for any reason. In no event will you become entitled to any vested rights under this Plan.

ADDITIONAL INFORMATION

The Tesoro Adoption Assistance plan contains benefit provisions designed to comply with IRC Section 137. The Tesoro Adoption Assistance Plan is not an employee benefit plan covered by ERISA.

QUESTIONS

If you have questions about your Tesoro employee benefits, contact the Tesoro Employee Service Center at (866) 688-5465 or email the Corporate Benefits Department at satbenefits@tsocorp.com.