TESORO CORPORATION THRIFT PLAN

SUMMARY PLAN DESCRIPTION

As of May 1, 2017

Tesoro Corporation
Thrift Plan
Summary Plan Description

Dated May 1, 2017

- This Summary Plan Description (SPD) outlines the major features of the Tesoro Thrift Plan. If you have questions regarding your benefits under the Thrift Plan, contact the Tesoro Employee Service Center by phone at 866-688-5465 or by email at ESC@tsocorp.com. You may also contact the Tesoro Retirement Benefits Department at SAT-RetirementBenefits@tsocorp.com.
- This summary also constitutes part of a prospectus relating to the Tesoro Corporation common shares, which are offered under the Tesoro Corporation Thrift Plan and which have been registered under the Securities Act of 1933, as amended.
- Neither the Securities and Exchange Commission nor any state securities commission has passed upon the adequacy or accuracy of this prospectus or approved or disapproved of the securities to which it relates. Any representation to the contrary is a criminal offense.
- This document describes the Tesoro Thrift Plan as of May 1, 2017. This Plan is available to eligible Tesoro employees on the U.S. payroll. This information comprises the SPD of this Plan as required by the Employee Retirement Income Security Act of 1974 (ERISA). This description does not 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 is any inconsistency between the information provided here and the official Plan document, the provisions of the official Plan document will prevail.

HIGHLIGHTS OF YOUR TESORO THRIFT PLAN

- You may join the Thrift Plan and begin contributions when you're hired as an employee of the Company.
- You can save regularly by having contributions deducted automatically from your paychecks. You decide how much.
- You can save on a before-tax basis, after-tax basis, Roth after-tax basis or any combination of the three. However, before-tax and Roth after-tax contributions are subject to IRS limits, and for some highly compensated employees, after-tax contributions may be limited.
- Qualifying employees age 50 or over may make catch-up contributions.
- You may choose to contribute between 1% and 50% of Eligible Earnings, on a before-tax, after-tax or Roth after-tax basis. Your combined total election cannot exceed 50% of Eligible Earnings and is subject to limitations prescribed under applicable law.
- For every dollar you contribute on a before-tax and/or Roth after-tax basis, up to 6% of Eligible Earnings, Tesoro contributes another dollar — a 100% match!
- Up to 4% profit-sharing contribution is possible, based on the company's annual earnings.
- Your savings are invested in one or more investment funds that you select according to your individual desires and investment needs.
- Each investment fund has different investment objectives and varying risk factors. You should review and understand those objectives and risks before you invest your money.
- You always have full ownership (vesting) in your own contributions, as well as any earnings related to them. The Company's contributions and any earnings vest after one year of service.
- You may elect to take a distribution from the Plan when you retire, become disabled or terminate employment. You may also withdraw money from the Plan or borrow a portion of your vested balance while you are still an active employee, although certain restrictions apply.
- You can do a direct rollover into the Plan of a distribution from another qualified plan, such as a 401(k) or profit sharing plan. This is one way to avoid paying taxes on a distribution from a previous employer.
- Fidelity Investments provides recordkeeping and administrative services for the Plan. You may obtain additional information on the Plan and your account through Fidelity at netbenefits.com or by calling 877-295-2413.

The Tesoro Corporation Thrift Plan (the Plan) gives you an opportunity to save regularly to accumulate funds for retirement. The Company even pays you to participate because for every dollar you contribute on a before-tax or Roth after-tax basis – up to 6% of your Eligible Earnings – Tesoro will contribute another dollar.

Participation in the Plan is entirely voluntary. This summary describes how the Plan works to help you become financially prepared for the future.

IMPORTANT DEFINITIONS

The Tesoro Thrift Plan is governed by the legal Plan document. In describing the Plan in this summary, every effort was made to use non-legal terms and phrases that all employees can understand. However, it is important for you to know the definitions of the following terms and phrases as they legally apply to the Plan.

Plan Year

The 12-month period beginning on January 1 and ending on December 31.

Eligible Earnings

Eligible Earnings are defined as most W-2 wages earned while in employed status, including any amounts not subject to taxation such as before-tax contributions to this Plan or a cafeteria plan, but excluding certain extraordinary taxable earnings such as moving expenses, insurance premiums, expense allowances, severance payments and nontaxable reimbursements and benefits. For purposes of the matching contribution, however, Eligible Earnings does not include bonuses and unscheduled overtime.

Your Eligible Earnings for only that portion of the plan year during which you actually participate in the Plan will be considered. For example, if you become eligible to participate in the Plan on July 1, only your earnings from July 1 through December 31 of that year will be considered for purposes of determining the amount of any contribution to which you are entitled for that plan year. Furthermore, the amount of Eligible Earnings that may be taken into account under the Plan is subject to an annual legislative dollar limit that is adjusted periodically for cost-of-living increases. For the plan year beginning on January 1, 2017, this limit is $270,000.

Vesting Service

Any period or periods of employment with Tesoro or any affiliated company following the effective date of the Plan. Vesting Service is used to determine your right of entitlement to Company contributions made to your account. For the Thrift Plan, you are immediately 100% vested in your contributions and will become 100% vested in Company contributions, and earnings thereon, following a Year of Service.

Break in Service

A 12-month period of severance. If you incur five or more breaks in service, your Vesting Service and account balance credited prior to such breaks will be disregarded and no longer credited to you upon your subsequent reemployment. You will be notified if these rules apply to you upon your reemployment. If you have any questions about a break in service, contact the Employee Service Center.

Year of Service

The 12-month period beginning on your date of hire (or, if later, the effective date of the Plan). If you are employed on the anniversary of such date, you will be credited with one Year of Service (and will be 100% vested in your entire account balance under the Plan).

WHO CAN JOIN

You may join the Plan upon becoming an employee of Tesoro. Contributions to the Plan may begin as soon as administratively feasible.

If you choose not to join at this time, you may join at the beginning of any pay period thereafter. Participants who terminated employment and are re-employed are eligible to re-enter the Plan upon their re-employment.

✓ **REPRESENTED EMPLOYEES:** Participation by employees whose positions are covered by a collective bargaining agreement is subject to negotiation.

HOW TO ENROLL

You may enroll in the Plan in different ways:

- by calling Fidelity toll-free at 877-295-2413 to speak with a Fidelity representative; or
- by logging on to the website at netbenefits.com.

If accessing your account by telephone, Fidelity representatives are available to assist you from 8:30 a.m. to midnight Eastern time, Monday through Friday (excluding New York Stock Exchange holidays).

During enrollment you will be asked to provide your contribution percentage as well as an investment election. This investment election will be for your contributions and for the Company contributions. You may elect to direct all or any whole percentage of your contributions to any of the investment alternatives available under the Plan, provided that your investment elections total 100%. Once you've enrolled, Fidelity will forward your contribution percentage data to Tesoro. Your contributions will begin as soon as administratively feasible – generally the next pay period. Once you have enrolled in the Plan, any future changes to your contribution percentage or investment election may be made by calling Fidelity or by logging on to the website.

Your initial call or login to Fidelity will require that you establish a username and password. The automated phone line and website guide you through this simple process. You will need this Information each time you access your account. Note: If you already have an account with Fidelity, you will use the same username and password already established.

YOUR CONTRIBUTIONS

The Plan allows you to save on a:

- before-tax basis;
- after-tax basis;
- Roth after-tax basis; or
- any combination of the three.

You may elect to contribute to the Plan from 1% to 50% on the basis of any combination of the above. When combined together, your before-tax, after-tax and Roth after-tax contributions cannot exceed 50% of your Eligible Earnings. Additional limitations prescribed by the Internal Revenue Service (IRS) may also apply.

Your contribution percentage may be changed at any time by calling Fidelity at 877-295-2413 or accessing your account online through Fidelity at netbenefits.com. Changes to your contributions will become effective as soon as administratively feasible and will always become effective as of the first day of a payroll period.

Before-Tax Savings

You may contribute from 1% to 50% of your Eligible Earnings on a before-tax basis to the Plan, in 1% increments (whole percentages only). When combined with your after-tax and Roth after-tax elections, your total contribution election cannot exceed 50% of Eligible Earnings.

You may make before-tax contributions through automatic payroll deductions. Before-tax contributions are deducted from your Eligible Earnings before income taxes are withheld, thus reducing your taxable income. Other employment taxes (such as Social Security) continue to be withheld. These contributions and any investment earnings will be taxable income when they are distributed from the Plan.

The IRS sets limits each year as to the maximum amount of combined before-tax and Roth after-tax contributions that may be made. For 2017, the contribution limit is $18,000. If you contribute the maximum allowed amount, your contributions will automatically stop. If you are at least age 50 any time during 2017, your maximum IRS combined before-tax and Roth after-tax contribution limit will be $24,000 ($18,000 plus $6,000 catch-up contributions).

After-Tax (Non-Roth) Savings

You may contribute from 1% to 50% of your Eligible Earnings on an after-tax contribution basis to the Plan, in 1% increments (whole percentages only). When combined with your before-tax and Roth after-tax elections, your total contribution election cannot exceed 50% of Eligible Earnings. After-tax contributions are made after income taxes have been withheld from your salary. In other words, tax withholding will be deducted on total Eligible Earnings including the amount of your contribution. These contributions will not be taxed when distributed from the Plan, but any investment earnings on them will be taxable income.

- ✓ Your after-tax contribution is not eligible for the Company matching contribution.
- ✓ Participants classified as highly compensated employees (HCEs), as defined by the IRS, may be limited as to the percentage of after-tax contributions they may make.

Let's look at a comparison of before- and after-tax savings. We will assume you reside in California, are married with two exemptions, contribute 6% of your pay and have annual eligible earnings of $60,000.

	After-Tax Basis	Before-Tax Basis
Annual Salary	$60,000	$60,000
Before-Tax Contribution	<$0>	<$3,600>
Taxable Pay	$60,000	$56,400
Estimated Income Taxes	<$8,436>	<$7,533>
After-Tax Contribution	<$3,600>	<$0>
Payroll Taxes	<$5,130>	<$5,098>
Take-Home Pay	$46,434	$47,369
Difference		**$936**

Roth After-Tax Savings

You may contribute 1% to 50% of your Eligible Earnings on a Roth basis to the Plan, in 1% increments (whole percentages only). When combined with your before-tax and after-tax elections, your total contribution election cannot exceed 50% of Eligible Earnings. Roth contributions are similar to regular after-tax contributions in that they are made after taxes are withheld, but your earnings on Roth contributions are also tax-free when they are withdrawn if you receive a "qualified distribution." A qualified distribution is one that is taken at least five tax years after the year of your first Roth contribution to the Plan and after you have attained age 59½ (or upon disability or death).

Roth contributions are made after income taxes have been withheld from your salary, so tax withholding will be deducted on total Eligible Earnings including the amount of your contribution. Your contributions and any investment earnings on those contributions will not be taxed when they are withdrawn, as long as you receive a qualified distribution.

The IRS limit applies to the combined total of any before-tax contributions and Roth contributions you make. The IRS limit for 2017 is $18,000. If you are at least age 50 any time during 2017, you are eligible to contribute an additional $6,000 in catch-up contributions, so the maximum IRS combined before-tax and Roth contribution limit for you is $24,000.

Rollover Contributions

Distributions of cash from other qualified retirement plans may be directly rolled over into this Plan; however, certain limitations may apply. For further details, call a Fidelity representative at 877-295-2413 or access Fidelity at netbenefits.com. Rollover contributions can be made any time after you become an employee. Rollover distributions from the following plans are acceptable:

- 401(a) plan (e g, 401(k),pension, profit sharing);
- 403(a) plan (annuities);
- Governmental 457(b) plan;
- 403(b) plan (e.g., plans of tax-exempt organizations); and
- Conduit IRA (rollover IRA).

If you are not sure of the plan type, please contact your previous plan sponsor for verification. An incorrect plan type could invalidate your rollover.

Contribution Limitations

Certain regulations related to qualified plans may limit the contributions you may make in any particular plan year. These include limitations as to:

- the maximum Eligible Earnings ($270,000 in 2017) that can be taken into consideration for benefit purposes;
- the maximum combined before-tax and Roth amounts that can be contributed by you (if you are under age 50 this is $18,000 in 2017 and $24,000 if you are age 50 or over), and
- the maximum total annual contribution amount made by you and on your behalf by your employer (100% of Eligible Earnings or if less, $54,000 in 2017), excluding your catch-up contributions.

New Hires

If you were hired by Tesoro and contributed to the Tesoro Thrift Plan as well as a previous employer's 401(k) plan during the same calendar year, you must review your total 401(k) and Roth contributions for the year to ensure that, when aggregated, your total contributions do not exceed annual IRS limits. Contributions over annual limits may be subject to additional taxation and penalty by the IRS. Visit the IRS website for specifics on 401(k) and Roth contributions.

To determine if you have over contributed, review each of your W-2s to get your total annual contribution amount to each plan. If the total shows you over contributed and you would like a refund from the Tesoro Thrift Plan, contact the Tesoro Retirement Benefits Department at SAT-RetirementBenefits@tsocorp.com by **March 1** of the year immediately following the year in which you over contributed. If you prefer to request a refund from a previous employer's plan, you will need to contact them directly.

Annual Increase Program

The Annual Increase Program allows you to establish a recurring annual increase to your Thrift Plan contribution percentage. You may elect to increase your contributions one percent or more, with these increases taking effect on the date of your choice each year. Access Fidelity's website at netbenefits.com (under the "Contributions" tab) to learn more about this program, including how to make a one-time election to enroll. You may opt out or withdraw from the Annual Increase Program at any time.

TESORO CONTRIBUTIONS

Company Contributions

Tesoro will help your retirement savings grow in two ways:

- 6% dollar-for-dollar match – The Company will match your combined pre-tax and/or Roth contributions dollar-for-dollar (100%) up to 6% of eligible base pay. There is no company match on regular after-tax contributions, bonus pay, or unscheduled overtime pay.
- Up to 4% profit-sharing contribution is possible, based on the company's annual earnings.

That is a potential 10% company contribution each year! Generally you will receive a 6 % match if you participate in at least a 6% level; the profit-sharing contribution is discretionary and will be determined at the end of the calendar year.

For example, assume you have Base Pay of $60,000. The following illustrates your matching contribution if you elect to contribute 3%, 6% or 10% of Eligible Earnings, with a profit sharing contribution of 2%.

If your combined before-tax and/or Roth contribution % is…	Your annual Plan contribution is…	The Tesoro match will add…	Profit-sharing contribution of 2% is…	For a total savings of…
3%	$1,800	$1,800	$1,200	$4,800
6%	$3,600	$3,600	$1,200	$8,400
10%	$6,000	$3,600	$1,200	$10,800

✓ Company contributions do not apply to any annual bonuses or compensation for unscheduled overtime. However, you may still contribute a percentage of any bonus pay, up to 50%, on a before- tax and/or Roth basis, to the Plan by making a separate bonus election on netbenefits.com.

✓ If you want to contribute the IRS maximum pre-tax and/or Roth amount for the year, be sure to choose a percentage that allows you to contribute at least 6% during each of the 26 pay periods. The Company match is paid on the amount you contribute each pay period. If you reach the IRS contribution limit before your last pay check of the year, you will not be able to make pre-tax/Roth contributions nor receive Company match for the remaining pay periods. A Match Maximizer Tool is available at www.tesoromatchmaximizer.com to model your plan contribution percentages throughout the calendar year and help you maximize your own contributions and Company matching contributions.

Vesting

Your contributions to the Plan are always 100% vested. This means that you will not forfeit your right to receive any portion of your contributions credited to your account under any circumstances.

Your Company contributions will become 100% vested upon your completion of one Year of Service. However, if you are involuntarily terminated, die, or become disabled before you complete one Year of Service, then you will be automatically 100% vested in your Company contribution at the time of death or disability. For these purposes, you are disabled if you develop a physical or mental condition that permanently prevents you from performing the work for which you are employed (or similar work), as evidenced by your eligibility for, and receipt of, Social Security disability benefits or benefits under the Tesoro Long-Term Disability Plan.

If you terminate employment without being 100% vested, the portion of your account in which you are not vested will be forfeited and may be used to restore accounts of reemployed participants, reduce future matching contributions made under the Plan, or pay reasonable administrative expenses of the Plan.

If you receive a distribution of your entire vested benefit following your termination of employment, you will forfeit that portion of your account to which you are not entitled in the plan year in which the cash-out distribution occurs. However, if you are subsequently rehired prior to incurring five consecutive Breaks-In-Service, you will be entitled to repay the Plan the amount of your prior distribution at any time before the five-year period beginning on the date of your reemployment or the date on which you have five consecutive Breaks-in-Service, whichever is earlier. If you elect to repay the amount of the distribution back to the Plan, then your account will again be credited with the exact amount that was not vested at the time of termination. You may then apply Years of Service credited after your reemployment to your reinstated balance. If you do not repay such distribution within the five-year period, then the amount in your account that was not vested at the time of your prior termination of employment will remain forfeited.

If you are partially vested in your account and you have not received a distribution of your vested benefit, you will forfeit the portion of your account to which you are not entitled in the plan year in which you incur five consecutive Breaks-In-Service. In that event, the portion of your account that was not vested at your termination of employment will remain forfeited.

INVESTMENT EARNINGS AND OPTIONS

All contributions to the Plan are invested at your direction in one or more investment options, which experience investment gains (or losses) over time. Your before-tax contributions and Tesoro's contributions grow in the Plan with taxes deferred until they are paid out to you – at time of distribution taxes will be due on your before-tax contributions, Company contributions and any related investment earnings. Your after-tax contributions also grow with taxes deferred until paid out – at time of distribution taxes will be due on related investment earnings but not on the original after-tax contributions. A prorated amount of the related earnings will be taxed with any after-tax withdrawals you make. Your Roth contributions are also after-tax and, at the time of distribution, no taxes will be due on your original Roth contributions or their related investment earnings, as long as you receive a qualified distribution (a distribution at least five tax years after the year of your first Roth contribution and after you have attained age 59½, or upon disability or death).

This Plan is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 C.F.R. §2550.404c-1, and the fiduciaries of the Plan may be relieved of liability for any losses that are the direct and necessary result of investment instructions given by you or, upon your death, your beneficiary. That is, to the extent you direct the investment of your individual account, and the Plan fiduciaries follow your directions, then none of the fiduciaries of the Plan will be liable for any loss or damage, by reason of any breach that arises from your exercise of the right to control the investment of your account, as provided under Section 404(c) of ERISA.

Notwithstanding the above, the Plan fiduciaries may decline to implement your investment instructions if your instructions would be inconsistent with the documents and instruments governing the Plan (to the extent such documents are consistent with Title I of ERISA) or would otherwise violate any provision of Title I of ERISA or the Internal Revenue Code.

To help meet your investment goals, the Plan offers you a range of options. You can select a mix of Investment options that best suit your goals, time horizon and risk tolerance. The investment choices are organized into three tiers:

- **Tier 1 – Target Date Funds (Fidelity Freedom^{SM} Index Funds**). Tier 1 is designed for employees who want a simplified, single fund approach to investing, but still want a professionally managed portfolio with a diversified mix of stocks, bonds and short-term investments. Just choose the fund that most closely matches the year you expect to retire.
- **Tier 2 – Core Funds.** Tier 2 includes a mix of actively managed and index funds across a wide spectrum of asset, risk and reward categories. Consider funds in this tier if you are comfortable choosing your own mix of stocks, bonds and short-term investments.
- **Tier 3 – Company Stock (Tesoro Common Stock Fund).** Tier 3 includes one fund, the Tesoro Common Stock Fund, which is a unitized stock fund consisting of Tesoro Common Stock and cash. Consider this option if you want the potential for long-term growth from the performance of Tesoro Stock, but are willing to ride out stock market ups and downs. *Note: Concentrating your Plan investments in any individual stock may be risky because a significant portion of your long-term savings is tied to the performance of one company.*

A complete description of the Plan's investment options, performance and expense ratios, as well as planning tools to help you choose an appropriate mix, are available online through Fidelity at netbenefits.com or by calling a Fidelity representative at 877-295-2413.

Default Investment Election

If you enroll in the Plan without giving Fidelity direction on how to invest your contributions, the contributions will be invested in the age-appropriate Fidelity Freedom Index Fund, as identified in the following chart. **This applies only to those participants who have not made an investment election for their contributions.** Your contributions and any Company contributions will be invested in one of the Fidelity Freedom Index Funds listed below, based on your date of birth and assuming a retirement age of 65.

Date of Birth	Retirement Date Range	Fidelity Freedom℠ Index
1937 or before	Retired before 2003	Fidelity Freedom ℠ Index Income Fund
1/1/1938 -12/31/1942	2003 – 2007	Fidelity Freedom ℠ Index 2005 Fund
1/1/1943 -12/31/1947	2008 – 2012	Fidelity Freedom ℠ Index 2010 Fund
1/1/1948 -12/31/1952	2013 – 2017	Fidelity Freedom ℠ Index 2015 Fund
1/1/1953 -12/31/1957	2018 – 2022	Fidelity Freedom ℠ Index 2020 Fund
1/1/1958 -12/31/1962	2023 – 2027	Fidelity Freedom ℠ Index 2025 Fund
1/1/1963 -12/31/1967	2028 – 2032	Fidelity Freedom ℠ Index 2030 Fund
1/1/1968 -12/31/1972	2033 – 2037	Fidelity Freedom ℠ Index 2035 Fund
1/1/1973 -12/31/1977	2038 – 2042	Fidelity Freedom ℠ Index 2040 Fund
1/1/1978 -12/31/1982	2043 – 2047	Fidelity Freedom ℠ Index 2045 Fund
1/1/1983 -12/31/1987	2048 – 2052	Fidelity Freedom ℠ Index 2050 Fund
1/1/1988 -12/31/1992	2053 – 2057	Fidelity Freedom ℠ Index 2055 Fund
1/1/1993 and later	2058 and later	Fidelity Freedom ℠ Index 2060 Fund

If you have not made an investment allocation and do not want future contributions to default to the investment options shown above, or you wish to change how your current balance(s) are invested, call a Fidelity representative at 877-295-2413 or access Fidelity at netbenefits.com.

Mutual Fund Information

More complete descriptions of the mutual funds' objectives, style, holdings, fees and other information may be obtained from Fidelity as noted below. Prospectuses issued by mutual funds contain important information about a fund's investment objective, historical performance and expenses, as well as the portfolio manager's investment outlook. You have the option to review these shareholder reports for the Plan's funds you own online at netbenefits.com or to receive paper copies by mail. To request an individual report or prospectus, please call Fidelity at 877-295-2413.

Changing Your Investments

To allow participating employees as much flexibility as possible, the Plan allows you to change the fund(s) in which your past contributions are invested or the way your future contributions will be invested, or both. Investment changes to your past or future contributions may be made online through Fidelity at netbenefits.com at any time or by calling a Fidelity representative at 877-295-2413 any business day that the New York Stock Exchange is open, between 8:30 a.m. and 12:00 a.m. (midnight), Eastern time. Unless otherwise noted, transaction requests confirmed after the close of the stock market, normally 4:00 p.m. Eastern time, or on weekends or holidays, will receive the next available business day's closing prices.

Tesoro has partnered with Financial Engines, an independent and unbiased firm who can provide you with investment advice for the Thrift Plan, as well as retirement planning help. The free Online Advice tool for self-managing investment strategy can be accessed through Fidelity at netbenefits.com and click on the “Get Personalized Help from Financial Engines” link for the Online Advice tool. Participants can also enroll in Professional Management service through Financial Engines, for a small fee.

✓ Exchanges between certain investment options may be subject to restrictions or short-term trading fees. Please speak to a Fidelity representative or read the fund prospectus for further details.

In addition, most of the mutual funds have certain limitations related to transfers in and out (round-trips) of the same fund within a short period of time. An exchange will be considered a "round-trip" if you transfer money into the mutual fund and then make a transfer out of that fund within 30 days. If you make a "round-trip" within a 30-day period, you will be sent a notice from Fidelity related to this activity. If you then make one more "round-trip" related to that fund in a rolling 90-day period, you will be restricted from making any purchases (exchanges) into that fund for the next 85 days. Further, if you execute four “round-trips" in one or more funds during a rolling 12-month period, you will be limited to one exchange per quarter. You may always sell (exchange out) your position in any fund investment (restrictions may apply for the Tesoro Common Stock Fund if you are designated as an Insider or 16b officer).

ACCOUNTING AND STATEMENTS

The market value of your Thrift Plan account is determined by Fidelity after the close of each business day. This is called "daily valuation". You may access your account daily through Fidelity at netbenefits.com or by using Fidelity's automated voice response system at 877-295-2413.

Participants will receive notice of availability for quarterly online statements, which are based on the value of the accounts as of the last day of each calendar quarter.

Online statements serve as reminders to check your balances and personal rates of return and to review your investment mix. The online service also provides quarterly email messages, which link to timely information and other tools and resources.

Employees may switch to quarterly paper statements at any time. Mail preferences can be updated by logging onto Fidelity at netbenefits.com and selecting “Profile," then “Communication.”

You should always review your statement carefully. Any discrepancies must be identified to Fidelity within 90 days after the end of the quarter.

The amount of money that accumulates in your account will depend on 1) how much and how long you save, 2) the amount the Company contributes for you, and 3) the investment gains and losses of the funds. Although no one can predict future investment results, Fidelity provides you with several different tools to make some planning assumptions. Take advantage of these online at netbenefits.com by accessing the Fidelity Planning and Guidance Center under the "Tools" tab. The Planning and Guidance Center provides interactive planning tools that help you create a retirement planning and savings strategy.

RECEIVING BENEFITS FROM THE PLAN

When Benefits Are Payable

Benefits from the Plan are payable at any of the following times. Details on withdrawals while you are an employee can be found under **Withdrawals from the Plan While Actively Employed**.

- **If You Are Disabled –** If you become disabled, you become 100% vested in your Company account and will be entitled to receive the full value of your account. You are considered disabled if you develop a physical or mental condition that permanently prevents you from performing the work for which you are employed (or similar work), as evidenced by your eligibility for, and receipt of, Social Security disability benefits or benefits under the Tesoro Long-Term Disability Plan.
- **If You Die –** If you should die before you terminate employment, your Company account automatically vests 100%, and the full value of your account will be paid to your named beneficiary. You may name the beneficiary or beneficiaries of your choice. See "Beneficiary Changes" for instructions on naming a beneficiary.
- **If You Leave –** If your Tesoro employment ends for any other reason, including retirement, you will be entitled to the full value of your own contribution account. You will have full (vested) ownership in all Company match contributions based on the following schedule:
  - Company matching contributions are 100% vested after one year of service; or
  - according to the vesting schedule applicable under any agreements reached through collective bargaining.

  If you leave employment in the year you turn age 55 or later, you may be entitled to avoid tax penalties for early withdrawal. Please see your tax advisor for further information and advice.

A minimum required distribution will begin on your "Required Beginning Date," which is the April 1st following the year in which you reach age 70½ if either of the following is true:

- you are a 5% owner, as defined under 416(i) of the Internal Revenue Code; or
- your employment with Tesoro has terminated.

How Benefits Are Paid

Generally, you have several options for how to receive your payments from the Plan:

1. **Lump Sum Distribution.** You may elect to have your total vested account balance or a portion of your vested account balance paid out in a lump sum as either a direct payment to you, or as a direct rollover to an Individual Retirement Account (IRA) or another employer-sponsored plan that accepts rollovers. Federal income taxes must be withheld from the taxable portion of Plan distributions paid directly to you (or your beneficiary).

   Payments are based on the value of the accounts on the day the funds are liquidated for distribution. Benefits are paid in cash, except those amounts held in the Tesoro Common Stock Fund, which could be paid in-kind. A participant who wishes to receive Tesoro Common Stock may elect to receive an in-kind distribution from the Tesoro Common Stock Fund.
2. **Cash Installment Payments.** You may receive your vested benefits as a series of payments made over time. Installments may be paid monthly, quarterly, semi-annually, or annually. If you wish to take the payments over the life expectancies of you and/or your designated beneficiary, please discuss with your tax advisor. There may be tax advantages and consequences to this type of payment, so always discuss with a tax advisor.

   For more information regarding installment payments or changing the distribution of installment payments, please contact a Fidelity representative at 1-877-295-2413.

✓ Because Tesoro cannot give you tax advice, you should discuss your situation with a financial consultant or tax advisor before you receive a distribution from your Tesoro Thrift Plan. The application of income tax laws may be subject to individual circumstances and other conditions or restrictions, such as additional state and local taxes.

Direct Rollovers

Generally, a distribution of your Plan account is eligible to be rolled over to another qualifying plan or account. You (or, in the event of your death, your spouse or other beneficiary) may request that your benefit be paid directly to another plan that is qualified to accept rollover contributions, instead of receiving payment as described above. There are some exceptions, however. For example, you may not roll over required minimum distributions, distributions made over your life expectancy or hardship withdrawals.

You will receive more information concerning this form of payment when you become entitled to a distribution from the Plan.

The types of plans that may be authorized to accept rollover contributions include qualified plans, 457(b) plans, 403(a) plans, 403(b) plans and IRAs. However, if your account consists of after-tax contributions, such amounts may only be rolled over to another qualified plan, 403(b) plan or IRA if made pursuant to a direct rollover and the recipient plan separately tracks such contributions and the related earnings.

In addition, you or, in the event of your death, your spouse or other beneficiary, may request a direct rollover to a Roth Individual Retirement Account (IRA). Special rules apply to the maintenance of Roth IRAs and the taxation of amounts transferred to such accounts. You should consult with your tax or financial advisor to determine whether a direct rollover to a Roth IRA is appropriate for you.

To request that your distribution be directly rolled over to another qualified plan, 457(b) plan, 403(a) plan, 403(b) plan or IRA, be sure to speak with a Fidelity representative. You will receive a Special Tax Notice that will describe tax consequences on direct distributions to you as opposed to a rollover. Should you decide on a rollover, the check will be made payable to the rollover institution, with a notation of FBO (For Benefit Of) and your name. Once you receive the rollover check at your home address, you must forward it to the rollover institution. If applicable, after-tax contributions will be paid to you directly in a separate check.

Small Account Balance Distributions

If you leave Tesoro and your account balance is $5,000 or less, the Plan requires that a lump sum distribution be made to you. Fidelity will send election forms to you where you may elect to have the balance of your account paid to you or rolled over to another qualified plan or an IRA. If your account is $5,000 or less but more than $1,000, and you do not provide an election, your account will automatically be rolled over to a Fidelity IRA that will be established in your name. Accounts subject to this automatic rollover provision, for which a participant election has not been received, will be rolled to Fidelity IRAs approximately once each year. If your account is $1,000 or less and you don't provide an election, a lump sum distribution will be made by check payable to you.

Withdrawals from the Plan While Actively Employed

Since the Plan is designed to help you build wealth for the future, withdrawals from the Plan while you are actively employed are discouraged. Even so, the Plan recognizes that there are times when you may need access to these funds. Subject to the Plan provisions and Federal government regulations, you may withdraw money from the Plan under the following options. Special tax regulations will determine the taxable portion of your withdrawal. When calling Fidelity to make a withdrawal, you should request information regarding taxation and penalties. Your withdrawal will be covered under the tax law in effect at the time of distribution.

Various in-service withdrawals as well as hardship withdrawals may be requested. Simply call a Fidelity representative at 877-295-2413 to receive information or access your account online at netbenefits.com to request a withdrawal. Fidelity will mail the check, along with any required documents and agreements, to your home address within two to three business days. Generally, your endorsement on the check will serve as your acknowledgement and agreement with the provisions of the withdrawal.

In-Service Withdrawals

The following types of in-service withdrawals are available from the Plan:

1. **After-Tax Withdrawal** – You may withdraw all or a part of your after-tax contributions and investment earnings thereon.
2. **Rollover Withdrawal** – You may withdraw all or a part of funds rolled over from other qualified plans, as well as any investment earnings thereon (excluding amounts attributable to Roth contributions).
3. **Prior Match Withdrawal** – You may withdraw any Company matching contributions made prior to January 1, 2000, including any investment earnings thereon. Note: Company matching contributions made by the Company after January 1, 2000 (Safe Harbor Company matching contributions) are not eligible for withdrawal unless you become disabled or attain the age of 59½.
4. **Non-Elective Withdrawal** – If you received any qualified non-elective contributions, you are eligible to withdraw up to 100% of the non-elective contribution account, if applicable.
5. **Age 59½ Withdrawal** – If you are at least age 59½ and have completed one (1) year of service, you may withdraw up to 100% of all account balances, regardless of their after-tax or before-tax status.
6. **Military Leave Withdrawal** – If you are on a qualified military leave of absence, you may withdraw up to 100% of all vested account balances, regardless of their after-tax or before-tax status. If you take this type of distribution, you will not be eligible to contribute to the Plan for a 6-month period following the date of distribution.

Hardship Withdrawals

This type of withdrawal is only available upon the occurrence of a financial hardship due to an immediate and heavy financial need, as defined by the Internal Revenue Code. Such hardships include:

- costs directly related to the purchase of your primary residence (other than mortgage payments);
- payment of tuition and related educational fees, room and board for the next 12 months of post-secondary education for you, your spouse or your children;
- pending eviction or foreclosure on your primary residence;
- large uninsured medical expenses for you, your spouse or your children;
- burial or funeral expenses for certain family members; or
- repairing damage to your primary residence (if the damage meets the requirement for a casualty deduction).

Documentation must be provided to support the hardship withdrawal, and the amount of your withdrawal request may not exceed the amount of your financial need. Fidelity will mail hardship withdrawal forms to your home address for your signature. (If you submit the request online at netbenefits.com, you may print the forms for your signature.) You then forward the signed forms, with the required documentation, to the Plan Administrator in the Tesoro Retirement Benefits Department, who will review and approve the forms upon receipt of all required documentation. The check will be mailed to your home address within two to three business days after approval. (If you set up your bank account information with Fidelity, your payment may be made with direct deposit.)

✓ Note: Upon approval of a hardship request, you will be suspended from making further contributions to the Plan for a six-month period. After the six-month suspension, you will need to contact Fidelity at 877-295-2413 or online at netbenefits.com to resume your contributions.

Taxes

The time and manner in which you take your payments has important tax consequences that are not described in this Plan summary. Certain states may also have tax laws that could cover distributions from this Plan and are not covered here. Prior to receiving a distribution from the Plan, you should consult your tax or financial advisor to determine the payment method that is best suited for your particular situation. The Trustee and members of the Committee cannot adequately advise you as to the best method of payment in your particular situation. There is no substitute for the advice of a competent tax or financial advisor on this subject.

LOANS

As an employee with an account balance, you may obtain a loan upon application and approval, subject to certain restrictions and limitations. You should keep in mind that you will be borrowing your own money and your investment in other funds will be sold to provide the money needed for the loan. It is your responsibility to ensure the loan payments are deducted from your paycheck.

Application and Authorization

You may apply for a loan by telephone at 877-295-2413, or through online access at netbenefits.com. With the application, you must indicate the amount of the loan desired, the requested repayment period and other information as may be required. Your loan application will be processed by Fidelity. The loan documents and check for the amount of the loan will be forwarded to your home address. Your endorsement on the check will serve as your acknowledgement and agreement with the provisions of the loan. (If you set up your bank account information with Fidelity, your payment may be made with direct deposit and you will acknowledge and agree with the provisions of the loan electronically.)

A participant who is a "Party in Interest" (as defined by ERISA) and no longer an employee may also apply. The special conditions and repayment provisions that apply may be obtained from the Retirement Benefits Department.

Loan Limitations

The minimum loan amount is $1,000. The maximum that may be borrowed on a loan is the lesser of (a) $50,000 or (b) 50% of the value of your vested account, reduced by the highest unpaid amount of prior loans outstanding during the 12-month period ending on the date of the loan. Above the minimum loan amount, loans shall be made in $100 increments. You may have no more than two loans outstanding at any time. There is a 20 day waiting period on new loans when paying off a previous loan.

Interest Rate and Fees

Interest on the loan will be a fixed rate, calculated as Prime interest (as specified in Reuters on the loan application date) plus one percent (1%). A loan origination fee of $35.00 will be charged by Fidelity. In addition, a quarterly fee of $3.75 will be charged for each outstanding loan. The loan fees will be charged to your Thrift Plan account.

Evidence of Loan

The loan documents specifying the amount and terms of the loan, and a check for the amount of the loan, will be forwarded to your home address. Your endorsement on the check will serve as your acknowledgement and agreement with the provisions of the loan. If you have any questions on the loan documents or the terms included in the documents, you should contact Fidelity before you endorse the check and deposit it.

Source of Loan Funds

Upon approval, Fidelity will fund the loan by selling portions of your holdings in the various funds on a pro rata basis sufficient to meet the face value of the loan. The loan proceeds will be distributed first from your before-tax, after-tax, your rollover accounts, your vested Company matching contribution, and finally your Roth accounts and any other contribution accounts.

Loan Repayment

All loans must be repaid in equal, regular payments through payroll deductions. The first repayment will commence as soon as administratively feasible, usually within one or two pay periods after disbursement of the loan check. The loan is to be repaid over a period no less than six months and no more than five years (in six-month increments). Amounts repaid on the loan will be invested in the funds based on your election in place at the time of each repayment. All repayments will be made by payroll deduction, except if you are paying off the balance of the loan in full. Payment for the pay-off of a loan balance will be accepted only in the form of a certified check, cashier's check, money order, or ACH payments.

Leave of Absence

If you take an official/approved leave of absence (LOA), and your rate of pay while on leave is not enough to satisfy the loan payments, the loan payments can be suspended for up to one year. However, the loan must still be repaid by the original payoff date. Generally, this means that the loan payments following the LOA will need to increase in order to amortize the remaining balance over a shorter period. Therefore, in the event of an unpaid LOA, you must contact the Plan Administrator in the Retirement Benefits Department at SAT-RetirementBenefits@tsocorp.com to request in writing the suspension of your loan payments, and notify Retirement Benefits again when you return to work to have the loan re-amortized. An exception to the one-year limit for suspension of loan repayments is made for those whose LOA is related to military duty. Military personnel may postpone loan repayments for as long as they are performing military service and may extend the term of their loan by the period of such military service.

If you terminate employment, the loan repayment may be continued in order for the loan to be repaid in full. Following your separation from service, Fidelity will mail you a payment notification regarding the balance of your loan. You have the option of continuing to repay your loan through the Electronic Loan Payment Service. This service allows you the opportunity, in certain situations, to make loan repayments directly from your bank account.

If a required payment is not made by the last day of the calendar quarter following the calendar quarter in which the required payment was due, the loan shall be considered in default. This will result in taxable income to you for the unpaid balance of the loan and may also be subject to the early withdrawal penalty.

ADDITIONAL INFORMATION

Beneficiary Changes

You may designate or change your beneficiary under the Plan using Fidelity's Online Beneficiaries Service, available on NetBenefits. Simply log on to netbenefits.com and click on "Profile," then "Beneficiaries." You can designate or change your beneficiaries, receive instant online confirmation and check your beneficiary information virtually any time.

Please be aware that if you are married and naming someone other than your spouse as the primary beneficiary, your spouse must sign the consent portion of the form in the presence of a Notary Public. If you get divorced after you file a designation that names your spouse as your beneficiary, that designation will be automatically revoked, but only if the Committee, or its authorized designee, receives written notice of such divorce before payment has been made.

Anti-Assignment

Generally, you may not assign your benefits in the trust, nor may they be pledged against your indebtedness to anyone; however, you may pledge your vested interest in the trust as security for any loans to you from the Plan. Benefits under the Plan cannot be attached in a lawsuit against you. However, the IRS may levy upon your account for delinquent federal income taxes. In addition, your account may be assigned pursuant to a Qualified Domestic Relations Order (QDRO).

Domestic Relations Orders

A Domestic Relations Order is an order signed by a Judge relating to the provision of child support, alimony payments or marital property rights for a spouse, former spouse, child or other dependent ("Alternate Payee") made pursuant to a State domestic relations law. The Domestic Relations Order (DRO), creates or recognizes the existence of an Alternate Payee's right to receive all or a portion of an employee's benefits payable under a Plan. Employees and their beneficiaries are entitled to receive a free copy of the Plan's Procedures for Qualified Domestic Relations Orders (QDROs) by calling the QDRO Administrator at 800-349-5123. Copies may also be obtained by calling the Tesoro Employee Service Center or printing them directly from the Tesoro Intranet site on the Retirement and Savings page found on HR Connect. Your account may be charged reasonable costs for reviewing and processing the order.

Return from Military Service

If you return to employment with the Company following a period of qualified military service within the period of time required to qualify for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), and you otherwise satisfy the notice and other requirements of USERRA, you will receive credit for service during your absence that will be used to calculate your Years of Service for vesting purposes under the Plan. Furthermore, if you satisfy the conditions set forth above, you will be entitled to make any before-tax and/or after-tax contributions that you would have been entitled to make if you had not been in qualified military service.

During your continued employment with the Company, you have a period of time equal to three times the length of your qualified military service (but not more than five years) in which to make up these contributions. If you elect to contribute these "make-up" contributions to the Plan, the Company will make a matching contribution on your behalf in the amount made for other eligible Plan participants during your period of absence. The compensation that will be used to determine the contributions that you are entitled to make, as well as the amount of the corresponding Company matching contribution, will be the Eligible Earnings you would have received during your period of absence if you were not in qualified military service. This is calculated based on the rate of pay you would have received if you had not been absent, or, if that amount is not reasonably certain, then your average compensation during the 12-month period immediately preceding your absence (or, if shorter, the full period of your employment).

The term "qualified military service" means the performance of duty with the US Armed Services (including the Coast Guard, the Army National Guard and the Air National Guard (when engaged in full-time National Guard duty), and the commissioned corps of the Public Health Service) on a voluntary or involuntary basis for all types of military training or service. This specifically includes active duty, active duty for training, initial active duty for training, inactive duty training and any time necessary to be absent from employment for an examination to determine fitness to perform any of these duties.

Administrative Fees

Plan administrative fees include legal, accounting, trustee, recordkeeping and other administrative fees and expenses associated with maintaining the Plan. If you are not actively employed by Tesoro, a $14.25 fee will be deducted from your Plan account on a quarterly basis and will be listed on your statement. If you take a full distribution and close your account prior to satisfying the full $57.00 annual fee, the remaining fee will be deducted at the time of the distribution.

Interpretation of the Plan

Only the Plan Administrator is authorized to make administrative interpretations of the Plan and will do so only in writing. You may not rely on any representation, whether oral or in writing, that another person may make concerning provisions of the Plan and your entitlements under them.

Amendment or Termination of the Plan

While Tesoro expects to continue the Plan indefinitely, it reserves the right to amend or terminate the Plan at any time and for any reason. No change will deprive you of any rights to your accounts under the Plan. Any amendment will be in writing and adopted by Tesoro.

Tesoro has designed this Plan as a voluntary savings plan for eligible employees of the Company. Termination of the Plan is unlikely. However, should the Plan be terminated, payments from the trust fund will be made in a manner prescribed by law. None of the money in the fund will be returned to the Company until all benefits under the Plan have been paid. If the Plan is terminated, the interest of each participant will become 100% vested and nonforfeitable.

Fully Funded Benefit

This Plan is a defined contribution plan. As a result, this Plan is always fully funded. Therefore, it is not eligible for insurance coverage by the Pension Benefit Guaranty Corporation, which was established by law to provide benefits for certain types of pension plans that are terminated without sufficient assets to pay benefits.

Use of Trust Fund

Tesoro is not entitled to use the money in the Trust Fund. The money in the Trust Fund can be used only for payments to you or to beneficiaries designated by you and to other participants and their beneficiaries in accordance with the terms of the Plan and for payment of certain administrative expenses of the Plan.

Claims Procedures

A participant or beneficiary who feels he or she is being denied any benefit or right provided under the Plan shall have the right to file a written claim with the Plan Administrator. The participant or beneficiary may designate a personal representative to act on his or her behalf, provided such designation is made in accordance with reasonable procedures adopted by the Plan Administrator. All such claims shall be submitted on a form provided by the Plan Administrator, which shall be signed by the claimant and shall be considered filed on the date the claim is received by the Plan Administrator.

Upon the receipt of such a claim and in the event the claim is denied, the Plan Administrator shall, within a reasonable period of time, provide such claimant a written statement that shall be personally delivered or mailed to the claimant by certified or registered mail to the claimant's last known address and shall contain the following:

- the specific reason or reasons for the denial of benefits;
- a specific reference to the pertinent provisions of the Plan upon which the denial is based;
- a description of any additional material or information that is necessary;
- an explanation of the review procedures, the time limits that apply and the claimant's right to file suit following exhaustion of these claims procedures; and
- in the case of a plan providing disability benefits, a copy of the internal rules, guidelines, other protocols or similar criteria will be provided free on request following an adverse benefit determination.

Within 90 days after receipt of notice of denial of benefits as provided above, the claimant or authorized representative may request, in writing, a review of the claim. The claimant (or his or her authorized representative) shall have an opportunity to submit written comments, documents, records and other information relating to the claim. In conducting its review, the Plan Administrator shall consider any written statement or other evidence presented by the claimant or authorized representative in support of the claim without regard to whether such information was submitted or considered in the initial benefit determination. The Plan Administrator will give the claimant and/or authorized representative reasonable access, free of charge, to all documents related to the claim.

Within 60 days after receipt by the Plan Administrator of a written request for review of the claim, unless special circumstances require an extension of time for processing such request for review, the Plan Administrator shall notify the claimant of its decision by personal delivery or by certified or registered mail to the claimant's last known address. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the expiration of the initial 60-day period. In no event shall such extension exceed a period of 60 days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render the decision.

The decision of the Plan Administrator shall be in writing and, in the event of a denial, shall include the specific reasons for the decision presented in a manner calculated to be understood by the claimant and shall contain references to all relevant Plan provisions on which the decision was based. The notice shall also include a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits and a statement of the claimant's right to bring an action under ERISA. The decision of the Plan Administrator shall be final and conclusive.

Your ERISA Rights

In addition to informing you about your employee benefits, this Summary Plan Description (SPD) is designed to meet disclosure requirements of a Federal law called the Employee Retirement Income Security Act of 1974 (ERISA). This SPD was prepared from the documents that legally govern the operations of the Plan. Although every attempt has been made to ensure that the SPD is accurate, the official documents will rule in case of any conflict in meaning. As a participant in this Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

Receive Information About Your Plan and Benefits

ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge ,at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the US Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and an updated Summary Plan Description. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you the amount of your account balance and the amount of your vested benefit under the Plan. If you do not have a right to a vested benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every quarter. The statement will be provided free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plans. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a State or Federal court following your exhaustion of the Plan's claims procedures. In addition, if you disagree with a Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the US Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, US Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, US Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Certain Information

The Company has filed with the SEC a Form S-8 under the Securities Act, with respect to the shares of Common Stock issuable pursuant to the Plan (the "Registration Statement"). The Registration Statement may be inspected without charge at the public reference facilities maintained by the SEC at the address set forth below. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits thereto. In addition, this Prospectus incorporates by reference certain of the Company's filings with the SEC (see "Documents Incorporated by Reference"). Prior to making any decision to purchase or sell Common Stock under the Plan, Participants should refer to and review such information.

The Plan contains important information and should be read in its entirety. While this Summary Plan Description and Prospectus sets forth certain information about the Plan, statements contained in this Prospectus may not fully describe all aspects of the Plan. Accordingly, the description of the Plan contained in this document is qualified in its entirety by reference to the text of the Plan.

The Company intends to maintain this Registration but has no obligation to do so. If the Registration ceases to be effective, you may not be able to transfer shares distributed from the Plan without an exemption from Registration. Exceptions from Registration are limited and might not be available.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained herein and, if given or made, such information or representation must not be relied upon as having been authorized by the Company. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby, nor shall there be any sale of the securities by anyone, in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state, or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer, solicitation or sale.

Certain Restrictions on the Resale of Shares

Certain Participants in the Plan may be subject to restrictions on resale, assignment or other disposal of the shares received under the Plan, for example, pursuant to the restrictions under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). However, purchasers of shares issued under the Plan, other than persons who are "affiliates" of the Company within the meaning of the Securities Act, may resell the shares in any way permitted by law and the Plan. Affiliates of the Company may sell or transfer such shares only in accordance with either the provisions of Rule 144 promulgated under the Securities Act (without regard to the 6-month holding requirement); pursuant to an effective registration statement covering such re-sales; or pursuant to an effective exemption from the registration requirement of the Securities Act. This Prospectus may not be used by affiliates for the re-offer or resale of shares obtained pursuant to the Plan.

Certain Restriction on Purchase and Sale of Shares Within the Plan

Executive officers, directors and 10 percent shareholders who are subject to Section 16 of the Exchange Act ("a Section 16 Participant") generally must report the acquisition or disposition of Company stock through intra-fund transfers, or sales needed to fund cash for loans, withdrawals, and/or cash distributions from the Plan on a Form 4 filed with the SEC and the Company under Section 16(a) of the Exchange Act, within two business days of the date on which the reportable transaction occurs. However, this reporting requirement does not apply to the acquisition of Company stock through the allocation of future contributions to the Plan (including loan repayments). In addition, pursuant to Rule 16b-3 promulgated under Section 16(b) of the Exchange Act, Section 16 Participants may not effect opposite way "discretionary transactions" in the Company Stock Fund that would violate the "short swing" restrictions. "Short swing" restrictions are the prohibition against any combination of a purchase and sale of Company stock, or a sale and purchase of Company stock, within 6 months of each other. A "discretionary transaction" is a transaction made at the election of the Plan Participant that results in a transfer into or out of the Tesoro Common Stock Fund (including a cash distribution to fund a loan or in-service withdrawal request), but does not include distributions required under the Code or made in connection with death, disability, retirement or termination of employment. A Section 16 Participant's election to effect a discretionary transaction within 6 months after the last election to effect an "opposite way" discretionary transaction will not be honored. For these purposes, a transfer into the Tesoro Common Stock Fund is an "opposite way" transaction from a transaction out of the Tesoro Common Stock Fund, and vice versa. These rules only apply to intra-Plan investment fund transfers and not to ongoing contributions of money made through regular payroll deductions. Section 16 Participants should consult their counsel regarding the application and consequences of Sections 16(a) and 16(b) before engaging in any transaction in Company stock.

Additionally, the Company's Insider Trading Policy, which is incorporated herein by reference, applies to all purchases and sales of Common Stock under the Plan, specifically within the Tesoro Common Stock Fund. This includes changes in the amount of regular payroll deduction contributions allocated to the Tesoro Common Stock Fund and transfers of amounts into or out of the Company Stock Fund. Thus, for example, members of the Insider Group (as identified in the Insider Trading Policy) generally may only purchase or sell Common Stock (including transferring amounts into or out of the Tesoro Common Stock Fund) during certain designated trading window periods (typically the 10 business day period beginning on the third business day following the release of the Company's quarterly or annual financial results) and only after complying with the pre-clearance procedures set forth in the Insider Trading Policy. Subject to the limitations set forth in the Insider Trading Policy, automatic purchases of Common Stock pursuant to ongoing payroll deduction contributions (and Company matching funds) under the Plan are permitted, as long as these elections are not changed outside of a designated trading window period. Other restrictions could also apply from time to time in order to comply with applicable federal or state securities laws or stock exchange rules or regulations, or with other Company restrictions regarding block trades, blackout periods, etc. You may request at any time the latest version of the Company's Insider Trading Policy, and any other communications we have issued on how the Insider Trading Policy affects the ability of members of the Insider Group to conduct transactions within the Tesoro Common Stock Fund, by contacting Corporate Secretary, Tesoro Corporation, 19100 Ridgewood Pkwy, San Antonio, Texas; telephone number (210 626-6000).

Documents Incorporated By Reference

Tesoro Corporation incorporates herein by this reference the following documents (the "'34 Act Reports") filed pursuant to the Securities Exchange Act of 1934, as amended, which also have been filed with the Securities and Exchange Commission:

- Tesoro Corporation's latest Annual Report on Form 10-K (File No. 001-03473) filed with the SEC on February 21, 2017 (including portions incorporated by reference to the Company's proxy statement on Schedule 14A);
- The Company's Current Reports on Form 8-K and Form 8-K/A filed with the SEC (File Nos. 001-03473) on January 12, February 13, February 21 and March 24, 2017, to the extent they are filed, not furnished;
- The description of the Company's Common Stock contained in the Company's Registration Statement on Form 8-A, filed with the SEC under Section 12(b) of the Exchange Act on April 21, 1969 and amended by a Form 8 dated April 23, 1969, including any amendments or reports filed for the purpose of updating such description.

All documents filed by Tesoro Corporation pursuant to Sections 13(a), 13(c), 14, and 15(d) of the Exchange Act after the date hereof and prior to the termination of the offering of the securities offered hereby shall be deemed to be incorporated by reference herein and to be part hereof from the date of filing of such documents.

Available Information

Tesoro Corporation will provide without charge to each person to whom this summary is delivered, upon the written or oral request of such person, a copy of any or all of the '34 Act Reports incorporated by reference in this summary (excluding exhibits to the '34 Act Reports, unless they are specifically identified in this summary as incorporated by reference into (a) the Registration Statement on Form S-8 to which this summary relates, or (b) another '34 Act Report). Requests for copies of these documents should be directed in writing to Corporate Secretary, Tesoro Corporation, 19100 Ridgewood Pkwy, San Antonio, Texas; telephone number (210 626-6000).

- Neither the delivery of the summary plan description nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the Tesoro Corporation Thrift Plan or the affairs of the Company since the date as of which information has been given herein.
- The Company has not authorized anyone to give you any information that differs from the information in this summary plan description. If you receive any different information, you should not rely on it.
- This prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the securities to which it relates in any circumstances in which such offer or solicitation is unlawful.

FACTS ABOUT THE PLAN

Plan Name

The Tesoro Corporation Thrift Plan

Plan Sponsor

Tesoro Corporation
19100 Ridgewood Parkway
San Antonio, TX 78259
(210) 626-6000

Plan Administrator

Employee Benefits Committee
Tesoro Corporation
19100 Ridgewood Parkway
San Antonio, TX 78259

Type of Administration

The Committee has delegated its responsibility for the daily administration of the Plan to:

Fidelity Management Trust Company
82 Devonshire Street
Boston, MA 02109

Plan Funding

The plan is funded by employer and employee contributions.

Plan Trustee

Fidelity Management Trust Company
82 Devonshire Street
Boston, MA 02109

Other Employers Whose Employees Are Covered By The Plan

Upon written request to the Plan Administrator, a complete list of the employers participating in the Plan will be provided.

Collective Bargaining Agreements

The plan is maintained in accordance with the terms of certain collective bargaining agreements. A copy of the collective bargaining agreements may be obtained by participants and beneficiaries upon request and is available for inspection at the Plan Administrator's office.

Agent For Service Of Legal Process

General Counsel
Tesoro Corporation
19100 Ridgewood Parkway
San Antonio, TX 78259

Note: Legal process may also be served upon the Plan Trustee or Plan Administrator.

Plan Type

Defined contribution plan with 401(k) feature. This plan is also intended to be an ERISA section 404(c)plan.

Plan Number

The plan number is 002.

Employer Identification Number (EIN)

The EIN under which the documents and reports for this plan are filed with the U.S. Department of Labor is 95-0862768.

Plan Year

The plan year is a calendar year beginning January 1 and ending December 31.

IMPORTANT CONTACTS

Fidelity

If you have any questions about your Tesoro Thrift Plan benefits, you may call toll-free to speak to a Fidelity representative Monday through Friday (excluding New York Exchange holidays) between 8:30 a.m. and midnight, Eastern time.

- United States: 877-295-2413
- TDD for hearing impaired: 800-847-0348
- International: Visit att.com/traveler to obtain your country's toll-free direct access number, then enter 877-295-2413

San Antonio Employee Benefits Department

If you have questions about your Tesoro employee benefits, contact the Tesoro Employee Service Center at 866-688-5465 or esc@tsocorp.com. You may also contact the Retirement Benefits Department at SAT-RetirementBenefits@tsocorp.com.