

**SHORT-TERM  
DISABILITY  
PROGRAM**

**SUMMARY  
DESCRIPTION**

*As of January 1, 2018*

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This summary description (SPD) outlines the major features of the Andeavor Short-Term Disability Program. If you have questions regarding your coverage under the Andeavor Short-Term Disability Program, contact the Andeavor Benefits Department.

This document describes the Andeavor Short-Term Disability Program (STD Program) as of January 1, 2018. This STD Program is available to Andeavor employees on the U.S. payroll who are not employed in the States of California or Washington and who are otherwise eligible under the terms of the STD Program.

This document comprises the SPD of this STD Program. This SPD doesn't cover every provision of the STD Program. Some complex concepts may have been simplified or omitted in order to present a more understandable description of the STD Program. If this SPD is incomplete, or if there's any inconsistency between the information provided here and the official program document, the provisions of the official program document controls.

## ELIGIBILITY AND PARTICIPATION

You are eligible to participate in the STD Program if you're a regular full-time employee of one of Andeavor's subsidiary companies (Employers) that is not located in the States of California and Washington, and you are not listed as excluded below.

The following employees are not eligible:

- 1) Retail Store, Hourly Bakery Production and Bakery Driver Employees.
- 2) Employees who are absent from work due to a personal leave, a labor dispute, a military leave of absence or due to a family medical leave of absence (FMLA) that that does not relate to a disability.
- 3) Employees who are employed by an Andeavor affiliate that is not participating the STD Program. Please contact the Leave Administrator for a list of the Andeavor affiliates that are not participating in the STD Program.

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 STD Plan unless participation in this STD Plan is provided or is deemed to be provided for in your collective bargaining agreement.

## ENROLLMENT

You are automatically enrolled in the STD Program as of the date you meet the eligibility requirements as described in **Eligibility and Participation** above. You are not required to complete an application to enroll in the STD Program.

## COST

The Company pays the entire cost of benefits under the STD Program.

## WHEN COVERAGE BEGINS

If you are eligible, you are generally covered under the STD Program as of your first day of employment. If you are not actively at work on the day the coverage would otherwise begin, your coverage will begin on the day you start (or return to) active full-time work.

## WHEN COVERAGE ENDS

Your STD coverage ends:

- The date your employment ends for any reason;
- The date you no longer meet the STD Program's eligibility requirements; or
- The date on which the STD Program is terminated.

## DEFINITION OF DISABILITY

### Non-Occupational Disability

Non-occupational disability is a medically determinable injury, illness, or condition (other than an occupational disability) that prevents you from performing, for a temporary period of time, the material duties of your occupation for all Employers. This includes, but is not limited to:

- Absences from employment due to a medically determinable injury, illness, or condition suffered or incurred by a dependent child that prevents them from attending daycare or school or performing services for an employer for a temporary period of time;
- Physician-directed absences from active employment during or in connection with a pregnancy.

### Occupational Disability

Occupational disability is a medically determinable injury, illness or condition that you incur while performing services in active employment with an Employer and which results in your absence from employment.

## WHEN STD BENEFITS BEGIN

STD benefits begin on the next regularly scheduled work day, provided you are still disabled, if:

- you are an eligible employee,
- have been absent from work,
- have met your STD benefit waiting period (for non-occupational disabilities only),
- have notified your supervisor of the disability absence; and
- have filed a claim with the Claims Administrator and that claim was approved.

For all participants, the waiting period is seven (7) continuous calendar days for each non-occupational disability. This seven-day waiting period starts on the first calendar day of your disability. You must use any paid sick leave you have accrued as of the date of your disability towards satisfaction of the waiting period.

If you're absent from work due to vacation, a personal leave, a labor dispute, a military leave of absence or due to a family medical leave of absence (FMLA) on the date you become disabled, your waiting period will not begin until you return to work, unless you are on vacation on the date that you become disabled and you are admitted to a hospital on an inpatient basis as a result of that disability during your vacation period.

## NOTICE OF DISABILITY

In order to be eligible to receive benefits under the STD Program, you must report your disability in accordance with the procedures established by your Employer for reporting absences at your worksite as far in advance as possible. If you can't give prior notice due to the nature of your disability, you must follow the notification procedures as soon as possible, but no later than 24 hours after your first absence from work.

If you incur a disability while at work, you must report it before leaving the worksite. Failure to provide timely notice in accordance with the procedures established for your worksite may result in a delay in the commencement of STD benefits or the loss of eligibility for STD benefits. Because it's so important that notice be provided within 24 hours, you might want to designate another person to provide that notice in the event you're unable to comply with the notice requirement.

## NON-OCCUPATIONAL BENEFITS

Your short-term disability benefit for a qualifying non-occupational disability will be calculated based upon a percentage of your base salary. For these purposes, your base salary generally refers to wages payable for the performance of services in accordance with your normal work schedule, as in effect prior to the disability. The applicable percentage will be 50% or 100%, depending on the length of your absence and your length of service with the Employers at the time of the disability. If you are eligible for benefits at both the 100% and 50% levels, your benefits are paid based upon 100% of your base salary (full pay) until that benefit is exhausted, with the remainder of your accumulated benefit calculated based upon 50% of your base salary (half pay).

The maximum period of your short-term disability benefit for a non-occupational benefit is 26 weeks. Accordingly, your benefits for a subsequent qualifying non-occupational disability will be reduced by benefits previously paid under the STD Program with respect to a non-occupational disability, unless you have satisfied a restoration period, as described below. Although the benefit amount is expressed in weeks in the following Schedule of Benefits, your accrued benefit and use of benefits may be administered in hours. The number of hours in a "week" is defined as the number of hours in your regular annual work schedule divided by 52.

Benefits are not available for any period you are eligible for Andeavor sick pay benefits, paid parental leave, or any other mandated sick pay. Further, your period of disability benefits under this STD Program will be reduced by any period of absence covered by Andeavor sick pay benefits, or other mandated sick pay.

## Non-Occupational Benefit Schedule

<b><i>Length of Service</i></b>	<b><i>Full Pay</i></b>	<b><i>Half Pay</i></b>
Less than year	3 Weeks	0 Weeks
1 to 2 Years	3 Weeks	23 Weeks
2 to 3 Years	4 Weeks	22 Weeks
3 to 4 Years	6 Weeks	20 Weeks
4 to 5 Years	8 Weeks	18 Weeks
5 to 6 Years	10 Weeks	16 Weeks
6 to 7 Years	12 Weeks	14 Weeks
7 to 8 Years	14 Weeks	12 Weeks
8 to 9 Years	16 Weeks	10 Weeks
9 to 10 Years	18 Weeks	8 Weeks
10 to 11 Years	20 Weeks	6 Weeks
11 to 12 Years	22 Weeks	4 Weeks
12 to 13 Years	24 Weeks	2 Weeks
13 or more Years	26 Weeks	0 Weeks

If you are receiving STD benefits at the time that you become entitled to move from one benefit level to another due to your length of service, you will not be eligible to receive benefits at the new level until you have returned to work for at least one full day.

### Benefit Payment Schedule

Except as provided herein, your short-term disability benefit payments start on the first regularly scheduled work day following your completion of the waiting period and end on the earlier of (a) when you return to work, (b) your termination of employment, (c) when you have used up all weeks of STD benefits according to the Schedule above, (d) when you fail or refuse to comply with the procedural requirements of the STD Plan, or (e) your death. You must use any paid leave to which you are entitled as of the date of your disability towards satisfaction of the waiting period.

### Care for a Dependent Child

The provisions of the STD Program related to non-occupational disability are applicable to your absences resulting from the disability of a dependent child. A dependent child means your child under the age of 18, whether related by blood, marriage, domestic partnership (provided such domestic partnership has been established in accordance with Andeavor's policies and procedures), or guardianship to the participant, provided such child constitutes a "qualifying dependent" or "qualifying relative" of the participant (or, if applicable, his or her domestic partner).

## OCCUPATIONAL BENEFITS

Your short-term disability benefit for a qualifying occupational disability will be calculated based upon a percentage of your base salary. For these purposes, your base salary generally refers to wages payable for the performance of services in accordance with your normal work schedule, as in effect prior to the disability. The applicable percentage will be 100% or 50%, depending on the length of your disability.

The maximum period of your short-term disability benefit for an occupational benefit is 52 weeks. If you suffer an occupational disability, benefits are first paid as 100% of your base salary for up to 26 weeks and then 50% of your base salary for up to an additional 26 weeks, regardless of your length of service.

Although the benefit amount is expressed in weeks, your benefit and use of benefits may be administered in hours. The number of hours in a “week” is defined as the number of hours in your regular annual work schedule divided by 52.

Benefits start on the first regularly scheduled work day following the first calendar day of your occupational disability and end on the earlier of (a) when you return to work, (b) your termination of employment, (c) when you have used up all weeks of STD, or (d) when you fail or refuse to comply with the procedural requirements of the STD Program.

## BENEFIT BANKS

Occupational and non-occupational benefit banks are independent of each other. Benefits for qualifying non-occupational disabilities are available exclusively from your non-occupational benefit bank. Similarly, benefits for qualifying occupational disabilities are only available from your occupational benefit bank.

## MAXIMUM BENEFIT DURATION

The STD Program provides for benefits for a maximum number of hours, and benefits will not be paid after your maximum number of hours has been reached even if you’re still disabled. If your disability lasts longer than the maximum hours, you may be eligible for benefits under the Company’s Long-Term Disability (LTD) Plan. See the Summary Plan Description for the Long-Term Disability (LTD) Plan for more information.

## MULTIPLE DISABILITIES

### Waiting Period

The waiting period described on page 4 is imposed with respect to the first covered disability of each calendar year.

If you receive STD benefits, recover from disability, return to work, and then subsequently become disabled:

- You will be required to satisfy a new waiting period for the subsequent disability if your subsequent disability occurs in the same calendar year and is not caused by the same illness or injury as your previous disability.
- If your subsequent disability occurs in the same calendar year as your previous disability, begins within 90 days after you return to work from your previous disability and is caused by the same illness or injury as your previous disability (a “recurrent disability”), your recurrent disability will be treated as a continuation of your previous disability and you will not have to satisfy a new waiting period for the recurrent disability (assuming that you satisfied the waiting period for your previous disability).
- If your subsequent disability occurs in the same calendar year as your previous disability, begins 90 or more days after you return to work from your previous disability, your disability will be considered a new disability (even if it is caused by the same illness or injury as your previous disability), and you will be required to satisfy a new waiting period for the subsequent disability.

### If You Become Disabled Again in the Same Calendar Year

If you receive STD benefits, recover from disability, return to work, and then subsequently become disabled in the same calendar year, the maximum STD benefits payable to you for the balance of the calendar year will be reduced by the STD benefits you received with respect to your previous disability, even if your subsequent disability is not caused by the same illness or injury as your previous disability.

### If Your Disability Continues into the Next Calendar Year

If you are receiving STD benefits on January 1 of a calendar year based on a disability that started in the prior calendar year, your STD benefits will be based on the STD benefit schedule in effect when your disability began, unless you return to your full-time work schedule for a period of at least four (4) consecutive workweeks. If you

return to your full-time work schedule for a period of at least four (4) consecutive workweeks, the STD benefits paid to you in the new calendar year will be based on the new calendar year's STD benefit schedule. When new calendar year STD benefits are awarded after a disability that continued into the new calendar year, the new calendar year benefits will be reduced by any benefits already paid in the new calendar year.

If you are absent from your full-time work schedule during the four (4) consecutive workweeks following your return to employment, the four-week return to work requirement will start over. Periods of vacation, sick leave or other paid time off will be counted as absences. A holiday will not count as an absence unless you were scheduled to work on that holiday.

If you are on an unpaid leave of absence on January 1 of a calendar year that started in a prior calendar year, your STD benefits will be based on the STD benefit schedule in effect when your leave of absence began, unless you return to your full-time work schedule for a period of at least one work day. If you return to your full-time work schedule for a period of at least one work day, the STD benefits paid to you in the new calendar year will be based on the new calendar year's STD benefit schedule.

## **ADMINISTRATIVE PROCEDURES**

In order to qualify for benefits under the STD Program, you must report your disability in accordance with the procedures established by your Employer for reporting absences at your worksite as far in advance as possible. If you can't give prior notice due to the nature of your disability, you must follow the notification procedures as soon as possible, but no later than 24 hours after your first absence from work.

If you incur a disability while at work, you must report it before leaving the worksite. Once your absence has been properly reported, your supervisor or timekeeper will ensure that your STD absences are reported in the time reporting system. You will receive STD benefits either as part of your regular payroll check process or by a separate check from an outside administrator, depending on your Employer.

You must also, if requested, present evidence satisfactory to the Program Administrator that your absence results from a covered disability and submit to a medical examination and/or obtain reasonable and customary care and treatment from a physician designated by the Program Administrator. You are also required to obtain the prior written permission of the Program Administrator before becoming self-employed or providing services to a third party in an income-producing capacity while receiving benefits under the STD Program.

You are required to obtain a release from a physician before returning to active employment, with respect to any absence of four (4) work days or more. If your Employer offers you work duties that will allow you to return to active employment, on a full or reduced work schedule that meets your medical restrictions, you are required to accept such position as a condition to continued benefits under this STD Program. Your benefits under the STD Program will be reduced based on such new work schedule.

It is also your responsibility to provide, when requested, notices and reports that may be required by workers' compensation, state disability or similar laws.

Failure to follow these administrative procedures can result in immediate termination of your benefits under this STD Program.

## **EXCLUSIONS AND LIMITATIONS**

An illness, injury or condition is not a covered disability under this STD Program if it occurs under any of the following conditions:

- while participating in an insurrection, a war or act of war;
- your professional participation in a hazardous sport;
- while committing an unlawful act, including a riot or fight (unless you are defending yourself against an unprovoked assault);
- as a direct or indirect result of willful disregard of health or safety regulations of an Employer;
- while under the influence of unprescribed drugs, prescribed drugs that are used for reasons other than those for which they are prescribed or in a manner other than that prescribed, or alcohol (other than with respect to an absence from active employment during which you are receiving professional treatment for alcohol or drug abuse);

- while performing services for a third party or while self-employed; or
- as a result of cosmetic surgery or other procedures that are not medically necessary (except breast reconstructive surgery following a mastectomy or a cesarean section delivery) other than with respect to an absence from active employment that is the direct result of a complication that arises from such surgery or procedure and which extends the period of absence beyond the standard period of recovery, as determined by the Program Administrator in its sole and absolute discretion.

## **BENEFIT REDUCTIONS**

Your STD benefits will be reduced by any income you are eligible for or entitled to under:

- Any applicable Workers Compensation law (or similar coverage); and/or
- Social Security and other federal or state disability income program.

These benefits are taken into account regardless of whether you actually receive, or have timely enrolled or applied for, such benefits or payments. Nonetheless, with respect to non-occupational disability benefits, this reduction shall apply only to full pay benefits.

Additionally, all benefits will be reduced by any award or settlement that you receive from a third party to compensate for lost wages resulting from such disability for which such third party (including an insurer) is responsible, as well as any amount of income you receive from self-employment or from providing services to a third party. Benefits under this STD Program, when aggregated with payments received by you from other sources may not exceed 100% of your base salary.

## **EVENTS AFFECTING COVERAGE**

### **Unpaid Leave Of Absence**

You are not entitled to benefits for any disability that occurs while you are on an unapproved leave, personal leave, sabbatical leave, or suspension. If your disability continues to exist on the day you return to work, you may be eligible for STD benefits on the date of your scheduled return, subject to any appropriate waiting periods. However, benefits will be reduced by the number of days of such prior leave.

If you are receiving benefits under this STD Program and you are eligible for leave under the Family and Medical Leave Act of 1993 (as amended), your qualified FMLA leave period will run concurrently with your STD leave of absence. Leave under the FMLA is unpaid and based on a rolling 12-month period.

### **Paid Leave of Absence**

You are not entitled to benefits for any disability that occurs while you are on a paid leave of absence, such as vacation, holidays, bereavement leave, jury duty, and paid sick leave. If your disability continues to exist on the day you return to work, you may be eligible for STD benefits on the date of your scheduled return, subject to any appropriate waiting periods.

## **GENERAL CLAIMS PROCEDURE**

A participant who feels he or she is being denied any benefit or right provided under the STD Program shall have the right to file a written claim with the Program Administrator. All such claims shall be submitted on a form provided by the Program Administrator, which shall be signed by the claimant and shall be considered filed on the date the claim is received by the Program Administrator.

The notification of the Program Administrator's decision shall generally be made not later than 90 days after receipt of the claim, unless special circumstances require an extension of time for processing such request for review. In the event the claim is denied, the Program Administrator shall, within a reasonable period of time, provide such claimant a statement which will contain the specific reason or reasons for the denial of benefits.

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. In conducting its review, the Program Administrator shall consider any written statement or other evidence presented by the claimant or authorized representative in support of the claim.

Within 90 days after receipt by the Program 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 Program Administrator shall

notify the claimant of its decision. If the appeal is denied, the appeal denial notice shall contain the specific reason or reasons for the denial of benefits. The decision of the Program Administrator shall be final and conclusive.

### **Future of the Program**

Andeavor expects and intends to continue the employee benefits described in this SPD indefinitely, but reserves the right to amend or discontinue any or all parts at any time. Upon termination of the STD Program, your participation will cease.

### **Interpretation of the Program**

Only the Program Administrator is authorized to make administrative interpretations of the STD Program. You should not rely on any representation, whether oral or in writing, which another person may make concerning provisions of the STD Program and your entitlements under them.

## **IMPORTANT FACTS ABOUT THE PROGRAM**

### **Program Name**

The Andeavor Short-Term Disability Program.

### **Program Sponsor**

Andeavor  
19100 Ridgewood Parkway  
San Antonio, TX 78259  
(210) 828-8484

### **Program Administrator**

Andeavor Employee Benefits Committee  
19100 Ridgewood Parkway  
San Antonio, TX 78259

### **Program Funding**

Benefits are paid solely from general assets of the Company.

## **QUESTIONS**

If you have questions about your Andeavor employee benefits, contact the Andeavor Benefits Department.

Legacy Tesoro Employees:

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

Legacy Western Employees:

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