

**ANDEAVOR
COMPENSATION COMMITTEE CHARTER**

**Adopted by the Board of Directors
November 11, 2016**

Purpose

The Compensation Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of Andeavor (the “Company”). The purpose of the Committee is to assist the Board in discharging its responsibilities with respect to compensation of: the Company’s Chief Executive Officer (“CEO”), other members of senior management generally designated as Executive Vice President or Senior Vice President, and other persons identified as an “executive officer” under Rule 3b-7 of the Securities Exchange Act of 1934, as amended (collectively, “Senior Officers”), and related matters.

Membership

- The Committee will be composed of no fewer than three members of the Board, each of whom is: (1) determined by the Board to be “independent” under the rules of the New York Stock Exchange (“NYSE”) for directors and compensation committee members; (2) a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended; and (3) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.
- The Chair and members of the Committee will be recommended by the Governance Committee and appointed by the Board and shall serve until their successors are duly elected and qualified, or until their earlier death, resignation or removal.

Meetings

- The Committee will meet as often as the members shall determine to be necessary or appropriate, but at least twice per year.
- The Chair of the Committee or a majority of the Committee members may call a meeting of the Committee at any time.

- The presence of a majority of the Committee members will constitute a quorum for the transaction of business.
- Meeting agendas will be prepared by or under the supervision of the Chair of the Committee, taking into consideration input from other members of the Committee, and provided in advance to members, along with appropriate briefing materials. Any Committee member may submit items for consideration to be included on the agenda.
- The Chair of the Committee will supervise the conduct of the meetings and will have other responsibilities as the Committee may specify from time to time. Should the Chair of the Committee be absent or unavailable, the members of the Committee may designate an Acting Chair of the Committee by majority vote of the Committee membership.
- The Committee will determine its own rules of procedure, consistent with the Company's Amended and Restated Bylaws, Corporate Governance Guidelines, and the rules of the NYSE and applicable regulations.
- The Committee will have the authority to request any officer, employee or advisor of the Company to attend meetings of the Committee or to meet with any advisors engaged by the Committee.
- Minutes of each Committee meeting will be prepared, and the Chair of the Committee will report regularly to the Board regarding such meetings.

Authority

- The Committee will have the authority, in its sole discretion, to retain or obtain the advice of a compensation consultant, outside legal counsel or other advisor (an "Advisor"), including the authority to approve the fees and other terms of engagement of any Advisor retained by the Committee, to assist the Committee, in the full performance of its functions.
 - The Committee may retain these Advisors without seeking Board approval.
 - The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such Advisor retained by the Committee.

- The Committee will only retain or obtain the advice of an Advisor (whether retained by the Committee or management) after assessing the consultant's, counsel's or advisor's independence, taking into consideration the independence factors prescribed by the NYSE.
- The Company will provide appropriate funding, as determined by the Committee, for payment of the compensation of any Advisor engaged by the Committee.
- The Committee may delegate its duties and responsibilities to the Chair of the Committee or one or more subcommittees, consisting of not less than two members of the Committee, as it deems appropriate. However, the Chair of the Committee and any subcommittees shall not have the authority to engage Advisors unless expressly granted such authority by the Committee. Each subcommittee shall keep minutes of meetings and report them to the Committee.

Responsibilities

The following shall be the principal duties and responsibilities of the Committee:

Compensation Philosophy

1. Oversee the Company's overall compensation philosophy, supporting procedures and policies, and assess whether such philosophy is appropriate.
2. Review industry pay practices, including governmental and regulatory developments with respect to executive compensation and the Company's competitive pay philosophy with respect to the CEO and other Senior Officers.

Senior Officer Compensation

3. Together with all other independent directors of the Board and led by the non-executive chairman of the Board or independent lead director, as applicable, annually review and approve goals and objectives relevant to the compensation of the CEO, and evaluate the CEO's performance in light of those goals and objectives.
4. Determine and approve all aspects of direct and indirect compensation for the CEO, taking into consideration the independent directors' annual evaluation of

the CEO's performance, market data, input from the Committee's advisors and corporate goals and objectives.

5. Annually review the performance of the Company's Chief Human Resources Officer, or if no such officer exists, the senior officer of the Company most directly responsible for the human resources functions of the Company and provide input to the CEO of the Company regarding such performance, if appropriate.
6. Review the CEO's evaluation, and recommendation regarding the compensation, of all other Senior Officers and approve all aspects of direct and indirect compensation for such Senior Officers.
7. Review and approve all aspects of direct and indirect compensation for new Senior Officers, including internal promotions and external hires.
8. Review and approve employment and severance arrangements for Senior Officers, including change-in-control provisions, plans or agreements.

Incentive Compensation and Benefit Programs

9. Approve in aggregate the bonus payout funding for all employees below the Senior Officer level.
10. Review and make recommendations to the Board with respect to the Company's equity-based compensation plans or other benefit plans that are subject to Board approval.
11. Approve and oversee (a) the Company's annual incentive compensation program, (b) all equity-based incentive programs and (c) any other incentive compensation programs in which any Senior Officer is eligible to participate.
12. Oversee and approve changes to the Company's tax-qualified and non-qualified retirement plans and post-retirement health and welfare benefit programs with the ability to delegate authority to Senior Officers or designated subcommittees.
13. Review and approve the design of benefit programs for the Company's active employees, including Senior Officers.

SEC Compliance and Risk Assessment

14. Review and discuss with management the Compensation Discussion and Analysis Section proposed for inclusion in the Company's annual proxy statement and recommend to the Board whether it should be included. The Committee shall also review other disclosures relating to executive compensation recommended by management for inclusion in the annual proxy statement and oversee the preparation of a Compensation Committee Report for inclusion in the Company's annual proxy statement.
15. Oversee the assessment of the risks related to the Company's compensation policies and programs applicable to Senior Officers and non-executive employees.
16. At least annually, assess whether the work of compensation consultants involved in determining or recommending executive or director compensation has raised any conflict of interest that is required to be disclosed in the Company's annual report and proxy statement.

Stockholder Engagement and Advisory Vote

17. Oversee the Company's engagement efforts with stockholders on the subject of executive compensation.
18. Review and assess the results of the Company's most recent advisory vote on executive compensation.

Additional Duties

19. Coordinate with the Committee's compensation consultant or advisor to provide competitive market data and other information requested by the Governance Committee for its annual review of the non-employee directors' compensation program.
20. Review and approve the selection of companies to be utilized as a peer group for comparative purposes for benchmarking compensation, equity and benefit decisions.
21. Review and approve changes to the Company's Stock Ownership Guidelines for Senior Officers and monitor ownership compliance.

Annual Evaluations

22. Annually review the adequacy of the Committee Charter and recommend any proposed changes to the Board of Directors for its approval.
23. Annually evaluate the Committee's performance consistent with the responsibilities set forth in this Charter, and report its findings to the Board.