

## **ANDEAVOR**

### **ENVIRONMENTAL, HEALTH, SAFETY AND SECURITY COMMITTEE CHARTER**

**Adopted by the Board of Directors July 27, 2017**

#### **PURPOSE**

The Environmental, Health, Safety, and Security 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 fulfilling its oversight responsibilities with respect to matters relating to the environmental, health, safety and the security of personnel and physical assets.

#### **MEMBERSHIP**

- The Committee will be composed of no fewer than two members of the Board.
- The Chair and members of the Committee will be 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 and Corporate Governance Guidelines.
- 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 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 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 Committee shall have the following principal responsibilities:

### ***Policies and Procedures***

1. Review and approve at least annually the Company's environmental, health, safety and security policies.
2. Review assessments of the effectiveness of management's environmental, health, safety and security programs, including but not limited to periodic performance metrics and audits.
3. Review assessments of the effectiveness of information technology controls relating to business continuity, data privacy and cyber security associated with the operation of physical refining and logistics assets.
4. Conduct an annual visit to one of the Company's operating sites to assess operational environmental, health, safety and security programs, practices and projects.

### ***Compliance and Disclosure***

5. Review management's programs for compliance with the Company's environmental, health, safety and security policies, as well as applicable laws and regulations.
6. Review periodically with management its environmental, health, safety and security activity with respect to significant legal matters, emerging or proposed laws or regulations that may have a material impact on the Company's financial results or operations.
7. Review and assess periodically the Company's significant environmental, health, safety and security liabilities reported in the Company's annual, quarterly and periodic reports, including the Company's financial statements.

### ***Risks and Liabilities***

8. Review at least annually, management's report on contingency planning and emergency response activities.
9. Review periodically management's report concerning significant capital expenditures that may have a material environmental, health, safety or security impact or risk exposure.
10. Review management's assessment of the environmental, health, safety or security impacts or risk exposure, if any, associated with projects for which management is seeking Board approval and advise the Board as appropriate.

### ***Social Responsibilities***

11. Review at least annually, the Company's year over year performance and public reporting on social responsibility issues, related to health, safety, and environmental matters that may affect the Company's reputation.
12. Review the methods used to communicate the Company's environmental, health, safety and security core values to employees.
13. Annually provide input to the Compensation Committee or the Chief Executive Officer of the Company, as appropriate, regarding the performance of the head of the Company's Environmental, Health, Safety and Security function.
14. Report to the Board regularly regarding the Committee's activities, findings and recommendations.

### ***Annual Evaluations***

15. Annually evaluate the Committee's performance consistent with the responsibilities set forth in this Charter, and report its findings to the Board.
16. Assess and report to the Board, on an annual basis, regarding the adequacy of this charter.