

## **PRE-APPROVAL OF AUDIT, AUDIT-RELATED, TAX AND PERMISSIBLE NON-AUDIT SERVICES**

### **GENERAL PURPOSE**

To provide procedures for Andeavor Logistics LP (the “Partnership,” and together with its subsidiaries, the “Partnership Group”) to comply with Section 202 of the Sarbanes-Oxley Act of 2002 (“SOX”) regarding pre-approval of all audit, audit-related, tax and permissible non-audit services provided by the Partnership’s independent auditor.

### **POLICY STATEMENT**

In accordance with Section 202 of the Sarbanes-Oxley Act of 2002, all audit, audit-related, tax and permissible non-audit services to be provided to the Partnership by its independent auditor, except as noted under the de minimis exception established in this Policy, require prior approval by the Audit Committee of the Board of Directors of Tesoro Logistics GP, LLC (the “Audit Committee”) before the commencement of such services. The following procedures will be followed for obtaining prior approval of all audit, audit-related, tax and permissible non-audit services. Appendices to this Policy describe the audit (Appendix A), audit-related (Appendix B), tax (Appendix C) and permissible non-audit (Appendix D) services that require prior approval by the Audit Committee.

#### **Procedures**

The Audit Committee may approve any audit, audit-related, tax and permissible non-audit services up to twelve months in advance for the ensuing year.

The Audit Committee may approve in advance services by specific categories pursuant to a forecasted budget.

In April of each year, the Vice President, Finance of the General Partner shall present a forecast of audit, audit-related, tax and permissible non-audit services for the ensuing year to the Audit Committee for approval in advance. Throughout the remainder of the year on an “as needed” basis, the Vice President, Finance of the General Partner shall, in coordination with the independent auditor, provide an updated budget of audit, audit-related, tax and permissible non-audit services to the Audit Committee.

#### **Audit Services**

- a. The annual audit services engagement terms and fees will be subject to the specific prior approval of the Audit Committee. The Audit Committee will approve in advance, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Partnership structure or other matters.
- b. The Audit Committee will consider and approve as a whole the audit services listed in Appendix A. All audit services not listed on Appendix A must be separately approved in advance by the Audit Committee.

### **Audit-Related Services**

Audit-related services are services reasonably related to the performance of the audit or review of the Partnership's financial statements and that are traditionally performed by the independent auditor. The Audit Committee believes that the performance of audit-related services does not impair the independence of the auditor and has expressly approved the audit-related services listed in Appendix B. All other audit-related services not listed on Appendix B must be separately approved in advance by the Audit Committee.

### **Tax Services**

Tax services include services such as tax compliance, tax planning and tax advice. The Audit Committee believes that the performance of tax services does not impair the independence of the auditor and shall pre-approve the tax services listed in Appendix C. All tax services not listed on Appendix C must be separately approved in advance by the Audit Committee.

### **Permissible Non-Audit Services**

Permissible non-audit services are all other services that are not prohibited services as set forth in Appendix E hereto. The Audit Committee believes that the performance of permissible non-audit services does not impair the independence of the auditor and shall pre-approve the services listed in Appendix D. All permissible non-audit services not listed on Appendix D must be separately approved in advance by the Audit Committee.

### **De Minimis Exception**

The requirement for prior approval of permissible non-audit services provided above is waived, provided the following criteria are satisfied as determined by the Vice President, Finance of the General Partner or the Vice President, Accounting and Systems Integration of the General Partner:

- a. the aggregate amount of all such services provided to the Partnership constitutes not more than five percent of the total amount of consideration paid by the Partnership to the independent auditor during the fiscal year in which the permissible non-audit services are provided;
- b. at the time of engagement with the independent auditor such services were not included by the Partnership as non-audit services; and
- c. such services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit by the Audit Committee or by one or more designated members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee.

Notwithstanding this de minimis exception, it is the intent of the Audit Committee to approve in advance all non-audit services.

### **Delegation**

- a. The Audit Committee may delegate to one or more designated members of the Audit Committee, the authority to grant approvals required herein. The decisions of any member to whom authority is delegated to pre-approve an activity hereunder shall be presented to the full Audit Committee at each of its scheduled meetings.
- b. Pursuant to the above authority, the Audit Committee has delegated pre-approval authority of up to \$250,000 to the Chair of the Audit Committee for unbudgeted items. The Chair shall report the items pre-approved under this delegation of authority at the next scheduled Audit Committee meeting.
- c. The Audit Committee has not delegated to the management of Tesoro Logistics GP, LLC (the “General Partner”) any of its responsibilities to approve services performed by the independent auditor for the Partnership.

### **Supporting Documentation**

When requested by the Audit Committee, the independent auditor shall provide detailed supporting documentation for each service provided hereunder.

### **POLICY APPLICATION**

This Policy applies to Andeavor Logistics LP. Further, the substance of this Policy, appropriately adapted for the conditions involved, is recommended for adoption by the Partnership’s consolidated subsidiaries and, if permitted and appropriate under applicable agreements, Partnership-operated joint venture entities.

### **POLICY ADMINISTRATION**

The administration of this Policy is the responsibility of the Vice President, Finance of the General Partner.

### **POLICY REVIEW**

This Policy shall be reviewed at least once every five years, or more frequently as stipulated by the approver, or when a significant change occurs, including any change in law, that impacts the content or substance of this Policy.

### **POLICY EXCEPTIONS**

None

### **REFERENCES**

None

## Appendix A

### **Audit Services**

The following audit services are subject to pre-approval by the Audit Committee.

- Financial Statement Audit – Statutory audits or financial audits for the Partnership and the Partnership Group.
- Regulatory Financial Filings – Services related to the Securities Act of 1933 and the Securities Exchange Act of 1934 filings (e.g., registration statements, and current and periodic reports), including issuance of comfort letters, review of documents, consents, and assistance in responding to comment letters from the Securities and Exchange Commission (the “SEC”).
- Attest Services Required by Statute or Regulation – Attestation services required by statute or regulation including, without limitation, the report on the Partnership’s internal controls as specified in Section 404 of the Sarbanes-Oxley Act of 2002.

## Appendix B

### **Audit-Related Services**

The following audit-related services are subject to pre-approval by the Audit Committee.

- Financial Due Diligence – Assistance in financial due diligence with respect to pre- and post-business combinations or acquisitions, including review of financial statements, financial data and records, and discussions with General Partner or Partnership counter-party finance and accounting personnel regarding, among other things, purchase accounting issues.
- Application and General Control Reviews – Review of information technology and general controls related to specific applications, including overall general computer controls, excluding those that are a part of the financial statement audit.
- Consultations Regarding GAAP – Consultations by General Partner management as to the accounting or disclosure treatment of transactions or events and/or the actual impact of final or proposed rules, standards or interpretations by the SEC, PCAOB, FASB or other regulatory or standard setting bodies.
- Attestation – Attestation and agreed-upon procedures engagements.
- Other Audits – Subsidiary, equity investee or other related entity audits or audits of pools of assets not required by statute or regulation that are incremental to the audit of the consolidated financial statements.

## Appendix C

### **Tax Services**

The following tax services are subject to pre-approval by the Audit Committee.

- Federal and State Tax Compliance – Preparation and/or review of tax returns, including sales and use tax, excise tax, income tax, and property tax. Consultation regarding applicable handling of items for tax returns, required disclosures, elections and filing positions available to the Partnership.
- International Tax Compliance – Preparation and review of income and local tax returns. Consultation regarding appropriate handling of items on the returns, required disclosures, elections and filing positions available to the Partnership. Preparation or review of U.S. filing requirements for foreign corporations.
- Federal and State Tax Consulting – Assistance with tax audits. Responding to requests from the Tax organization regarding technical interpretations, applicable laws and regulations and tax accounting. Tax advice on mergers, acquisitions, and restructurings.
- International Tax Consulting – Assistance with tax examinations. Advice on various matters including foreign tax credit, foreign income tax, tax accounting, foreign earnings and profits, U.S. treatment of foreign subsidiary income, excise tax or equivalent taxes in each applicable jurisdiction. Tax advice on restructurings, mergers and acquisitions.
- Transfer Pricing – Advice and assistance with respect to transfer pricing matters, including preparation of reports used by the Partnership to comply with taxing authority documentation requirements regarding inter-company pricing and assistance with tax exemptions.
- Customs and Duties – Compliance reviews and advice on compliance in the areas of tariffs and classification, origin, pricing and documentation. Assistance with customs audits.

## Appendix D

### **Permissible Non-Audit Services**

The following permissible non-audit services are subject to pre-approval by the Audit Committee.

- Assistance with preparation of statutory financial statements.
- Assistance with filing of statistical information with governmental agencies.
- Accounting research software license.

## Appendix E

### **Prohibited Services**

The independent auditor shall be prohibited from performing the following services for the Partnership:

- Bookkeeping or other services related to the accounting records or financial statements of the Partnership;
- Financial information systems design and implementation;
- Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- Actuarial services;
- Internal audit outsourcing services;
- Management functions or human resources functions;
- Broker or dealer, investment adviser, or investment banking services;
- Legal services and expert services unrelated to the audit; and
- Any other service that is prohibited by applicable law or regulation or that the Audit Committee determines is impermissible.