

Tesoro Corporation
FINANCE COMMITTEE
Of the Board of Directors

CHARTER

I PURPOSE

The Finance Committee (the “Committee”) of the Board of Directors (the “Board”) of Tesoro Petroleum Corporation (the “Company”) shall take a leadership role in and provide assistance to the Board in fulfilling its oversight responsibilities with respect to the Company’s capital structure, capital investments and other related matters assigned to the Committee by the Board.

II PRINCIPAL RESPONSIBILITIES

The Committee has the authority to:

- Consider management’s capital structure objectives and plans prior to their presentation to the Board of Directors.
- Consider specific financing, dividend and share repurchase actions, recommended by management, prior to their presentation for Board approval, and to appoint any pricing committee necessary for any specific financing approved by the Board.
- Recommend Board action with respect to major unbudgeted capital investments (including acquisitions and dispositions).
- Review capital project post audits and management’s planned actions regarding material variances from project pro formas.
- Review tax strategies and implications of actual or pending tax law changes.

III COMPOSITION AND PROCEDURES

- The Board of Directors shall elect a chairman of the Committee and the Committee will be composed of no fewer than three directors.
- Each member of the Committee is intended to be an independent, non-employee director.

- The Committee will meet as often as the members shall determine to be necessary or appropriate, but at least one time during each fiscal year.
- The Committee will report regularly to the Board.
- The presence of a majority of the Committee members will constitute a quorum for the transaction of business.
- The Committee will determine its own rules of procedure, consistent with applicable regulations.
- The Committee will have access to the Company's senior management and may request a Company senior officer or the Company's outside counsel to attend a meeting of the Committee or to meet with any member of, or consultant to, the Committee.
- From time to time, as deemed required by the Committee, the Committee may retain independent advice regarding finance issues.

IV ANNUAL EVALUATION

At least annually, and as circumstances dictate, the Committee shall conduct a performance evaluation of the Committee, review the Committee's Charter and report the results to the Board.