

**ANDEAVOR 401(K) PLAN
SAFE HARBOR NOTICE
and
SUMMARY ANNUAL REPORT
November 20, 2017**

The following Safe Harbor Notice is being provided for the Andeavor 401(k) Plan (the "Plan") in accordance with Internal Revenue Service (IRS) regulations. This notice contains a general description of the Plan provisions as well as your rights and obligations under the Plan. For more detailed information on the 401(k) Plan, you may view or print the latest version of the Summary Plan Description from Andeavor's *HR Connect* website or access it on Fidelity's website at netbenefits.com.

In addition, we have enclosed the most recent Summary Annual Report (SAR) for the Plan. The SAR is a required disclosure used to inform all participants and beneficiaries about the financial information concerning the Plan.

For Plan year 2018, the Plan will continue to comply with the safe harbor nondiscrimination provisions under Sections 401(k)(12) of the Internal Revenue Code. Plan provisions for union represented employees will be determined in accordance with the Plan document and the provisions of the applicable collective bargaining agreement. The safe harbor requirements will continue to apply to the Plan unless Andeavor amends the 401(k) Plan to eliminate them.

Updates for 2018:

- Beginning January 1, 2018, Andeavor will add unscheduled overtime and regular bonus pay to the definition of earnings eligible for company matching contributions (up to 6%). Previously, employees could contribute a percentage of their unscheduled overtime and bonus pay to the 401(k) Plan, but the company did not match those contributions.
 - With this change, employees eligible for the Incentive Compensation Program (ICP) should consider contributing at least 6% of their annual bonus to the 401(k) in order to take advantage of the company match on bonus pay. See **Employee Contributions** for more information.
 - Unscheduled overtime and regular bonus pay will also be considered eligible earnings for the annual discretionary profit sharing contribution. This change will be effective with any 2018 plan year profit sharing contribution paid in early 2019.
- The IRS annual limit on pre-tax and/or Roth employee contributions will increase from \$18,000 to \$18,500.
- The IRS limit on additional catch-up contributions for those age 50 or older in 2018 will remain at \$6,000. The combined limit for this age group will be \$24,500.
- The IRS annual compensation limit for determining company matching contributions will increase from \$270,000 to \$275,000.
- The IRS limit on annual additions (combination of all employee and company contributions except catch-up contributions) will increase from \$54,000 to \$55,000.

Eligibility and Participation

Generally, employees are immediately eligible to enroll in the 401(k) Plan upon hire. If you have not enrolled in the Plan, you can obtain Plan information and enroll by accessing Fidelity NetBenefits online at netbenefits.com or by calling Fidelity at 877-295-2413.

Employee Contributions

You may contribute from 1% to 50% of your eligible pay in any combination of pre-tax, after-tax¹, or Roth after-tax basis through automatic payroll deductions. Pre-tax and/or Roth after-tax contributions

¹ After-tax contributions are subject to nondiscrimination testing and are therefore subject to possible refund, in part or in whole, depending on the results of the test.

to the Plan are limited by the annual IRS limit of \$18,500 in 2018. If your age is at least 50 anytime during 2018, you may contribute \$24,500 (\$18,500 plus an additional \$6,000 catch-up contribution). The IRS limits the maximum annual additions, including pre-tax, after-tax, Roth, and company contributions, to the lesser of 100% of compensation or \$55,000 for 2018, excluding catch-up contributions. (Note that 2018 company contributions include any profit sharing for the 2018 Plan year, which is not contributed to the Plan until early 2019.)

To contribute a portion of your annual bonus pay to the 401(k), you must make a separate bonus contribution election (pre-tax and/or Roth after-tax) at netbenefits.com or by calling Fidelity. Please note that bonus 401(k) contributions apply toward the IRS annual contribution limit.

You may change your contribution percentage at any time by calling Fidelity or accessing your account through Fidelity NetBenefits.

Company Contributions

Generally, Andeavor will contribute \$1.00 for each \$1.00 that you contribute on a pre-tax and/or Roth basis, up to 6% of eligible pay². This match is called the Safe Harbor Company Match. Please note that Andeavor does not provide a company match on after-tax contributions to the plan. Matching contributions, along with your own contributions, are generally contributed to your Fidelity account bi-weekly on each pay date.

For 2018, the IRS annual compensation limit for qualified plans is \$275,000. Your own contributions are not impacted by this limit; however, the company match is limited to a maximum of \$16,500 (IRS limit of \$275,000 x 6% Plan match = \$16,500).

Employees active at year end are eligible to receive a profit-sharing contribution of up to 4% of eligible pay. The profit-sharing contribution is in addition to the 6% matching contribution. Payment of the profit-sharing contribution is discretionary and is based on the company's annual earnings.

Vesting

Vesting is a term used to describe the portion of your account balance to which you are entitled under the Plan. You are always vested in your own contributions to the 401(k) Plan. Company contributions and any related earnings made are 100% vested after one year of service.

Withdrawals

Limited in-service withdrawals are available, including hardship withdrawals (\$500 minimum per hardship withdrawal), but may be subject to income taxes and possible an early withdrawal penalty. Matching contributions and earnings in the Safe Harbor Company Match source may only be withdrawn in the event of death, disability, retirement, termination of employment or attaining the age of 59-1/2. Forms of payment for those terminating or retiring include lump sum, installment payments, or partial withdrawals. Please review the Summary Plan Description for further details on these and any other withdrawals available to you as a participant.

Loans

Generally, the 401(k) Plan allows you to borrow up to 50% of your vested account balance. The minimum loan amount is \$1,000 and total of all loans must not exceed \$50,000. You may have two outstanding loans at any one time.

Investments

The 401(k) Plan has a wide range of mutual funds available for investment, including the Andeavor Stock Fund. You may reference current fund information, including strategy, performance, fees and applicable restrictions on Fidelity's NetBenefits website.

If you have any questions about the Plan or this notice, please call Fidelity at 877-295-2413 or email the Andeavor Retirement Benefits team at SAT-RetirementBenefits@andeavor.com.

² Subject to applicable collective bargaining agreements for union represented employees.

SUMMARY ANNUAL REPORT FOR TESORO CORPORATION THRIFT PLAN*

This is a summary of the annual report for the Tesoro Corporation Thrift Plan* (Employer Identification Number 95-0862768, Plan Number 002) for the plan year 01/01/2016 through 12/31/2016. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided by a trust fund. Plan expenses were \$91,943,463. These expenses included \$1,179,359 in administrative expenses and \$90,692,485 in benefits paid to participants and beneficiaries, and \$71,619 in corrective distributions and deemed distributions of participant loans. A total of 7,621 persons were participants in or beneficiaries of the plan at the end of the plan year.

The value of plan assets, after subtracting liabilities of the plan, was \$1,180,658,273 as of the end of the plan year, compared to \$1,132,690,210 as of the beginning of the plan year. During the plan year the plan experienced an increase in its net assets of \$47,968,063. This change includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$137,643,261, including employer contributions of \$36,058,811, employee contributions of \$72,175,516, rollover contributions of \$9,918,247, losses of \$11,220,403 from the sale of assets, and earnings from investments of \$30,711,090.

Assets of \$2,268,265 were transferred into this Plan during the year.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report.
2. Financial information and information on payments to service providers.
3. Assets held for investment.
4. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write or call the plan administrator, at 19100 Ridgewood Parkway, San Antonio, TX 78259 and phone number, 210-626-6000.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report.

You also have the legally protected right to examine the annual report at the main office of the plan: 19100 Ridgewood Parkway, San Antonio, TX 78259, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

**Effective August 1, 2017, the name of the Plan was changed to the "Andeavor 401(k) Plan."*