



**RETAIL
EDUCATIONAL
ASSISTANCE
PLAN**

**SUMMARY PLAN
DESCRIPTION**

As of January 1, 2018

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This Summary Plan Description (SPD) outlines the major features of the Andeavor Retail Educational Assistance Plan. If you have questions regarding your coverage under the Retail Educational Assistance Plan, contact your HR Business Partner/Manager or the Benefits Department.

This document describes the Andeavor Retail Educational Assistance Plan as of January 1, 2018. This Plan is available to eligible Andeavor employees on the U.S. payrolls.

This description doesn't cover every provision of the Plan. Some complex concepts may have been simplified or omitted in order to present a more understandable plan description. If this plan description is incomplete or if there's any inconsistency between the information provided here and the official plan texts, the provisions of the official plan texts will prevail. The Company reserves the right to interpret and administer the Andeavor Retail Educational Assistance Plan, consistent with its intent and provisions.

ELIGIBILITY AND PARTICIPATION

You are eligible to participate in the Retail Educational Assistance Plan (the Plan) if you are a regular full-time employee of one of Andeavor's participating subsidiary companies and classified as a Retail Store, Hourly Bakery Production or Bakery Driver employee. Eligible employees must have completed at least twelve (12) months of continuous service as of the first day of the educational course for which reimbursement is requested.

Employees participating in a performance improvement plan in accordance with Andeavor's policies and procedures are not eligible for participation until the successful completion of the performance improvement plan.

Continuous service performed as a part-time employee or intern of the company will be counted toward the service requirement. You will be considered a full-time employee if you are regularly scheduled to work at least thirty (30) hours each week.

If you are in a job covered by a collective bargaining agreement, you are not eligible for participation in this Retail Educational Assistance Plan unless the provisions are included or incorporated in your collective bargaining agreement.

ENROLLMENT

If you are eligible to participate in the Plan, you are automatically eligible as of the date you meet the eligibility requirements as described in Eligibility and Participation, above.

COST

The Company pays the entire cost of benefits under the Plan.

BENEFIT AMOUNT

You may be reimbursed up to a maximum of \$5,250 in benefits per calendar year for an approved undergraduate program or professional certification program. If you are enrolled in an approved master's degree program, you are eligible to receive up to a maximum of \$9,000 in benefits per calendar year. The maximum reimbursement you can receive under any combination of approved undergraduate or master's degree programs in one year is \$9,000.

Eligible expenses are covered at 100%, up to the annual benefit maximums.

ELIGIBLE EXPENSES

Eligible expenses must be qualified as defined by the Internal Revenue Code (IRC) Section 127b. Eligible expenses include costs incurred by the participant for educational courses. Typical expenses incurred by the participant for educational courses include:

- Tuition and required fees incident to normal registration;
- Cost of required books and course materials (including shipping and tax);
- Laboratory fees;
- CLEP fees;
- Graduation diploma fees; and
- Mandatory fees.

EXCLUSIONS AND LIMITATIONS

The Plan will not cover the following expenses:

- Costs of any tools or supplies (other than textbooks) that a participant may retain after the completion of the educational course;
- Technical hardware;
- Cost of meals, lodging, or transportation;
- Parking fees;
- Late fees or add/drop fees;

- Field trips (unless required by the course);
- Recreation and athletic facility fees (unless mandatory);
- Laboratory breakage fees;
- Deposit fees;
- Charges related to payment options such as loan fees or late fees, unless approved in advance by the plan administration;
- Similar fees determined by the plan administrator as inappropriate; and
- Expenses that are not qualified under IRC Section 127b.

RECOUPMENT OF BENEFITS

Employees must satisfy a period of employment with Andeavor after receiving educational assistance benefits. This is called a recoupment period. Reimbursements for undergraduate and professional certification coursework are subject to a one (1) year recoupment period. Reimbursements for master's degrees and other graduate coursework are subject to a two (2) year recoupment period. Employees who fail to satisfy the recoupment period are required to repay the amount of reimbursement(s) to which such failure relates, where not otherwise prohibited by law. Andeavor may offset wages or other payments to recoup such benefits, subject to applicable law. Recoupment provisions shall not apply to any employee whose employment is involuntarily terminated during the recoupment period due to a reduction in force.

TENTATIVE APPROVAL

Application for Tentative Approval

An employee who desires to receive a benefit under the Plan must apply for tentative approval of covered costs to be incurred in connection with a qualified educational program by completing the Educational Assistance Application and Reimbursement Request. Such request shall be submitted to the HR Business Partner/Manager and shall state:

- the educational institution the employee wishes to attend;
- the educational program in which the employee wishes to enroll;
- the educational course(s) the employee wishes to take;
- the tuition of the educational program;
- a description of costs (other than tuition) that are expected to be incurred in connection with the educational program;
- a description of how the educational program relates to the employee's current/future position with the company; and
- a disclosure as to whether the employee is receiving or expects to receive any other public or private financial assistance for such educational course(s).

In addition, the employee shall be required to acknowledge and agree to the company's right to recoup benefits for reimbursement of covered costs received with respect to the amounts paid to the employee within the designated one (1) year or two (2) year recoupment period.

Process for Tentative Approval

Following receipt of the Educational Assistance Application and Reimbursement Request, the HR Business Partner shall determine whether the employee has satisfied the conditions for eligibility. If the HR Business Partner determines that such conditions are satisfied, the HR Business Partner and the employee will consult with the employee's supervisor to determine the relevance of such an educational program in the employee's current and potential future positions at the company. The HR Business Partner shall notify the employee of the determination within thirty (30) days after receipt of the employee's request for tentative approval. Tentative approval of the employee's application shall not entitle the employee to any benefits under the Plan. Payment of benefits shall be subject to the participant's satisfaction of the conditions and applicable limitations prescribed hereunder.

Subsequent Applications

After the initial approval is obtained for a specific educational program, the employee is only required to obtain approval signatures for each new semester, term, or set of courses. If the employee decides to change their educational program, the employee must resubmit a program application and is subject to the full tentative approval process for the new program.

APPLYING FOR REIMBURSEMENT

Reimbursement Requirements

All educational assistance expenses submitted for reimbursement must meet the following requirements:

- The expenses must be qualified, as defined by the IRC Section 127b.
- Covered expenses are accompanied by the completed application showing the required tentative approval signatures obtained prior to the start of the course(s).
- No benefit shall be payable to the participant, with respect to the educational course that issues a grade, unless the participant attains a grade of "C" or better (or the numerical equivalent, or with respect to an educational course that does not issue a grade, unless the participant provides evidence of the successful completion of such course.)

Substantiation for Reimbursement

To receive benefits, the participant must submit to the plan administrator the following information within sixty (60) days after the last day of the semester, trimester, or other period of coursework during which the educational assistance course is completed:

- Receipts or other written statements of independent third parties describing the amounts, dates, and nature of the expenses for which benefits are requested;
- Evidence of the participant's successful completion of the educational course; and
- Statements of financial assistance received with respect to the educational course.

In addition, the participant may be required to submit such additional information as is determined necessary by the plan administrator, in its sole and absolute discretion, to calculate benefits under this Educational Assistance Plan. Unless an extension has been granted by the plan administrator, such additional information must be submitted within thirty (30) days of the plan administrator's request.

Reimbursement of Expenses

When you incur qualifying educational reimbursement expenses, a reimbursement request must be submitted to the Benefits Department using the Educational Assistance Application and Reimbursement Request previously completed during the Application for Tentative Approval step.

Subject to the grade and documentation requirements for reimbursement, an employee who has received tentative approval of covered costs shall be entitled to the reimbursement within thirty (30) days following receipt of the reimbursement request.

Your qualified expenses, up to the maximum eligible benefit amount, will be reimbursed through payroll after your application has been processed and approved.

At the end of each calendar year, the plan administrator may establish an administrative deadline for reimbursement requests to ensure that reimbursements are processed and paid within the applicable tax year. It is your responsibility to submit your reimbursement request with all supporting documentation no later than the administrative deadline set each year. Reimbursement requests received after the deadline will be processed and applied to the next tax year.

Termination of Participation

Except to the extent otherwise provided, no benefits shall be paid to a participant whose participation ceases on the earliest of (a) the date on which the participant ceases to be an employee for any reason; and (b) the date on which the Plan terminates, unless the educational course(s) are completed prior to such termination.

Notwithstanding the forgoing, a participant whose employment is terminated due to a reduction in force or an involuntary change to an ineligible class of employees shall, subject to the plan provisions, be entitled to benefits with respect to educational courses completed during the semester, trimester or other period of coursework during which such termination or change in employment occurs. In no event, however, shall benefits be paid to an employee whose participation in the plan ceases as a result of a termination for cause.

TAX TREATMENT

The Plan will reimburse employees for qualified tuition and fees up to a yearly maximum of \$5,250 for undergraduate and professional certification courses; and \$9,000 for graduate courses, of which \$5,250 is non-taxable per the current IRS non-taxable limit. Reimbursement amounts above \$5,250 will be taxed at the supplemental income tax rate. Taxability is based upon the tax year in which the reimbursement is paid to the employee.

If you have questions regarding tax implications related to plan reimbursements, contact your tax advisor.

EVENTS AFFECTING COVERAGE

Leave of Absence

If you are on a Company approved leave of absence, you may continue participation in the Plan up to a maximum of twenty-four (24) months. Such coverage may be continued for a leave of absence taken under the Family and Medical Leave Act of 1993 (as amended).

Reduction in Number of Hours Worked

If your regularly scheduled hours are reduced to less than thirty (30) hours per week, your participation in the Plan will end as of the date the schedule change is effective. If your regularly scheduled hours later increase to at least thirty (30) hours per week, you'll once again be eligible to participate in the Plan.

Layoff or Termination of Employment

Your participation ends when your employment terminates.

Death

Your participation ends as of the date of your death.

PLAN AMENDMENT OR TERMINATION

Andeavor expects to continue the employee benefits described in this section, but reserves the right to amend or discontinue any or all parts at any time and for any reason. In no event will you become entitled to any vested rights under this Plan.

ADDITIONAL INFORMATION

The Andeavor Retail Educational Assistance Plan contains benefit provisions designed to comply with IRC Section 127b. The Plan is not an employee benefit plan covered by ERISA.

QUESTIONS

If you have questions about Educational Assistance, contact your HR Business Partner/Manager or the Benefits Department:

Legacy Tesoro Employees:

Corporate Benefits Department
(866) 688-5465
SatBenefits@andeavor.com

Legacy Western Employees:

Benefits Department
(844) 224-4996
Benefits.department@andeavor.com