
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 13, 2018

ANDEAVOR

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-3473

(Commission File Number)

95-0862768

(IRS Employer Identification No.)

**19100 Ridgewood Pkwy
San Antonio, Texas**

(Address of principal executive offices)



78259-1828

(Zip Code)

(210) 626-6000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers: Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

2018 Incentive Compensation Program

On February 13, 2018, the Compensation Committee (the "Compensation Committee") of our Board of Directors approved the terms of the 2018 Incentive Compensation Program (the "2018 Program"). In addition, the Compensation Committee approved the target payouts for our Chief Executive Officer and other named executive officers. Payouts under the 2018 Program are based on a combination of corporate results and individual performance (as further described below).

The performance results may be adjusted to take into account unbudgeted business decisions, unusual or non-recurring items and other factors, as approved by the Compensation Committee, to determine the total amount, if any, available under the 2018 Program and can range from 0% to 200%. The Compensation Committee has discretion to adjust individual awards based on an assessment of each executive officer's overall performance.

Corporate Performance - Corporate performance metrics include the following:

- EBITDA, weighted at 50% - Achievement of earnings before interest, taxes, depreciation and amortization measured on a margin neutral basis;
- Growth, Productivity and Synergies Improvements, weighted at 20% - Targeted improvements from growth initiatives, productivity with existing assets and synergies from acquisitions to create value;
- Cost Management, weighted at 15% - Measurement of operating expenditures versus budget;
- Process Safety Management, weighted at 5% - Targeted improvement in the number of process safety incidents;
- Environmental, weighted at 5% - Targeted improvement in the number of environmental incidents; and
- Personal Safety, weighted at 5% - Targeted improvement in the number of recordable personal safety incidents over the average for the past three years.

An assessment of each executive officer's overall performance, taking into account the performance of his or her respective business unit, successful achievement of goals, business plan execution, and other leadership attributes, will be used as a basis for adjusting the executive officer's payout above or below the amount determined by the overall Corporate Performance.

The target payout amounts for the Chief Executive Officer and named executive officers are as follows:

Named Executive Officers	Total Target Payout Amount*
Gregory J. Goff	160%
Steven M. Sterin	110%
Keith M. Casey	110%
Kim K.W. Rucker	100%
Cynthia J. Warner	100%

*As a percentage of base salary earnings during 2018.

Form Agreement for 2018 Awards Under the Andeavor Amended and Restated 2011 Long-Term Incentive Plan

On February 13, 2018, the Compensation Committee approved (1) the form of 2018 Grant Letter (the "PS Grant Letter") pursuant to which Performance Shares were issued under the Andeavor Amended and Restated 2011 Long-Term Incentive Plan (the "Plan") as well as the related Summary of Key Provisions for Performance Share Awards Granted (the "PS Key Provisions") and (2) the form of 2018 Grant Letter (the "MSU Grant Letter") pursuant to which market stock units were issued under the Plan as well as the related Summary of Key Provisions for Market Stock Unit Award Granted (the "MSU Key Provisions"). These documents set forth the terms of 2018 grants of performance shares and market stock units to certain participants under the Plan, including the Chief Executive Officer and other named executive officers.

The PS Key Provisions contemplate that performance shares of our common stock contingent upon the achievement of certain performance goals will vest at the end of the 36-month performance period, which lasts from February 13, 2018 through February 13, 2021. Upon vesting at the end of the performance period, awards will be adjusted based on achievement of the applicable performance conditions.

The MSU Grant Letter and MSU Key Provisions contemplate that market stock units pursuant to which shares of our common stock will be earned at vesting based on stock price performance will vest at the end of the 36-month performance period, which lasts from February 13, 2018 through February 13, 2021. Upon vesting at the end of the performance period, the number of shares earned will be adjusted by multiplying the factor of the average closing stock price for the 30 days prior to the vesting date over the average closing stock price for the 30 days prior to the grant date.

The foregoing description is qualified in its entirety by reference to the actual terms of the PS Grant Letter, PS Key Provisions, MSU Grant Letter and MSU Key Provisions, which are filed as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively, to this Current Report on Form 8-K.

Grant of Awards to Named Executive Officers

On February 13, 2018, the Compensation Committee approved the following grants of awards to the Chief Executive Officer and other named executive officers:

Named Executive Officers	Number of Performance Shares	Number of Market Stock Units
Gregory J. Goff	42,729	44,570
Steven M. Sterin	9,069	9,460
Keith M. Casey	10,465	10,915
Kim K.W. Rucker	6,977	7,277
Cynthia J. Warner	6,279	6,549

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1*	Andeavor 2018 Performance Share Award Grant Letter
10.2*	Andeavor Performance Share Awards Granted in 2018 Summary of Key Provisions
10.3*	Andeavor 2018 Market Stock Unit Award Grant Letter
10.4*	Andeavor Market Stock Unit Awards Granted in 2018 Summary of Key Provisions

* Filed herewith.



Dear {First Name Last Name}:

I am pleased to inform you that, effective **February 13, 2018** (the "**Award Date**"), the Compensation Committee of the Board of Directors of Andeavor (the "**Company**"), pursuant to its authority under the Amended and Restated Andeavor Corporation 2011 Long-Term Incentive Plan (the "**Plan**"), has approved the following long-term incentive award (the "**Award**") to you. The following is a summary of the terms and conditions associated with this Award. Capitalized terms not defined in this letter will have the definitions provided for such terms in the Plan.

Award: # Performance Shares of the Company's common stock with a targeted value of \$XXX,XXX is contingent upon the achievement of relative Total Shareholder Return against a Median Index of our Performance Peer Group, XLE Energy Index and S&P 500 Index. This Award will become eligible for vesting, subject to actual performance and continued employment, at the end of the 36 month performance period (February 13, 2018 through February 13, 2021).

Upon vesting at the end of the performance period, the Award will be adjusted based on the Company's relative Total Shareholder Return against a Median Index of the Performance Peer Group, XLE Energy Index and S&P 500 Index to calculate the number of Shares that will be issued to you. Shares will be withheld by the Company to cover your applicable income and employment tax withholding(s) (at the minimum statutory level or such other rate that will not cause an adverse accounting consequence or cost) and the net Shares will be credited to your account with Fidelity Stock Plan Services. The Award may be further adjusted by the Committee if the Company's Total Shareholder Return is negative over the performance period.

If you terminate employment due to Retirement or involuntary termination without Cause (other than within the two years following a Change in Control), you will be issued a pro-rated payout of Shares based on the number of full months worked (minimum of 12 months required for an involuntary termination without Cause) within the performance period based on the achievement of actual performance. In addition, if you are terminated pursuant to a severance or separation agreement under any circumstance, the Compensation Committee may, at its discretion, further reduce the award payout percentage beyond the pro-rated reduction described above. Shares will be issued as soon as administratively practical, but in any event within calendar year 2021. If you terminate employment due to death or disability, as defined under Section 409A of the Internal Revenue Code of 1986, as amended to date and the Treasury Regulations issued thereunder ("**Disability**"), you will be issued a pro-rated payout of Shares based on the number of full months worked within the performance period based on the achievement of target performance. Shares will be issued as soon as administratively practical upon termination due to death or Disability. If you terminate employment due to a voluntary termination (except as set forth below) or termination for Cause prior to the vesting of the Performance Shares Award, your Award will be forfeited. In the event of a Change in Control of the Company, the Performance Shares Award will either be assumed or continued by the surviving or acquiring corporation or paid out at the greater of the achievement of target performance or the achievement of actual performance at the time of the Change in Control. If your Award is assumed or continued following a Change in Control, the award

will be converted into a time-based award with the number of shares subject to the award equal to the greater of the achievement of target performance or the achievement of actual performance at the time of the Change in Control. The assumed and converted Award will vest based upon continued employment through the end of the performance period. If you terminate employment due to an involuntary termination without Cause or resignation for Good Reason within two years following a Change in Control, any such assumed and converted Award will immediately vest upon such termination of employment.

Covenants: Your services to the Company are unique, extraordinary and essential to the business of the Company and its affiliates, particularly in view of your access to the Company's or its affiliates' confidential information and trade secrets. Accordingly, in consideration of this Award and by accepting this Award, you agree as follows:

(i) You agree that you will not, without the prior written approval of the Board, at any time during the term of your employment with the Company or its affiliates and for a period of one (1) year following the date on which your employment with the Company and its affiliates terminates (the "**Restricted Period**"), directly or indirectly, serve as an officer, director, owner, contractor, consultant, or employee of any the following organizations (or any of their respective subsidiaries or divisions): HollyFrontier Corporation; Marathon Petroleum Corporation; PBF Energy Inc.; Phillips 66; Valero Energy Corporation; Magellan Midstream Partners, L.P.; Enbridge Energy Partners, L.P.; Western Gas Partners, L.P.; Buckeye Partners, L.P.; EnLink Midstream Partners, L.P.; DCP Midstream Partners, L.P.; NuStar Energy L.P.; Genesis Energy, L.P.; Holly Energy Partners, L.P.; and MPLX L.P., or otherwise engage in any business activity directly or indirectly competitive with the business of the Company or its affiliates (or their respective subsidiaries or divisions) as in effect from time to time.

(ii) You agree that during the Restricted Period, you will not, alone or in conjunction with another party, hire, solicit for hire, aid in or facilitate the hire, or cause to be hired, either as an employee, contractor or consultant, any individual who is currently engaged, or was engaged at any time during the six (6) month period prior such event, as an employee, contractor or consultant of the Company or any of its affiliates (or their respective subsidiaries or divisions).

(iii) You agree and understand that the Company and its affiliates own and/or control information and material which is not generally available to third parties and which the Company or its affiliates consider confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to its business and that it may from time to time acquire, improve or produce additional methods, products, processes, customers lists, trade secrets and other information (collectively, the "**Confidential Information**"). You acknowledge that each element of the Confidential Information constitutes a unique and valuable asset of the Company and its affiliates, and that certain items of the Confidential Information have been acquired from third parties upon the express condition that such items would not be disclosed to the Company and its officers and agents other than in the ordinary course of business. You acknowledge that disclosure of the Confidential Information to and/or use by anyone other than in the Company's or its affiliates' ordinary course of business would result in irreparable and continuing damage to the Company and its affiliates. Accordingly, you agree to hold the Confidential Information in the strictest secrecy, and covenant that, during the term of your employment with the Company and its affiliates or at any time thereafter, you will not, without the prior written consent of the Board, directly or indirectly, allow any element of the Confidential Information to be disclosed, published or used, nor permit the Confidential Information to be discussed, published or used, either by himself or

by any third parties, except in effecting your duties for the Company and its affiliates in the ordinary course of business.

(iv) You agree that in addition to the forfeiture provisions described above, this Award and all other equity-based compensation awards granted to you by the Company or any affiliate, in each case, to the extent outstanding and unvested at the time of any such breach, shall be subject to immediate forfeiture and recoupment (in full) by the Company upon your breach, in any respect, of any of the covenants described in clauses (i), (ii) or (iii) above.

The Award has been granted under and is subject to the terms of the Plan unless specified within this Grant Agreement. No portion of the Award will be eligible to vest unless the Company achieves positive net income (as determined in accordance with US GAAP) over any calendar year during the performance period. In addition, further information concerning your Awards will be communicated at a later date.

You are required to accept this Award on-line with Fidelity at netbenefits.fidelity.com. This Award must be accepted prior to the vesting date; otherwise, the Award will forfeit. If you don't accept your Award prior to your termination of employment and your termination is due to death or Disability, your Award will be considered accepted and will follow the terms for these specified terminations as noted above.

If this is the first time you are receiving this type of Award, you will receive a "Welcome Kit" from Fidelity Stock Plan Services with additional information.

We value your contribution and commitment to the Company's success and believe that this Award provides you a financial incentive that aligns your interests with the Company's shareholders.

Sincerely,

Gregory J. Goff

Chairman, President and Chief Executive Officer

{Acceptance Date}

{Electronic Signature}



Performance Share Award Granted in 2018

Summary of Key Provisions

Purpose	<ul style="list-style-type: none"> To advance the interests of Andeavor (“the Company”) by motivating plan participants to contribute to the long-term success and progress of the Company.
Eligibility	<ul style="list-style-type: none"> All senior executives and employees in the Company as approved by the Compensation Committee (“Committee”) of Andeavor’s Board of Directors.
Plan	<ul style="list-style-type: none"> These awards are granted under the general terms and conditions of the Andeavor Amended and Restated 2011 Long-Term Incentive Plan.
Performance Shares	<ul style="list-style-type: none"> A Performance Share Award is a grant of shares where the final payout upon vesting is contingent upon achieving specific performance goals during a specified performance period.
Performance Period	<ul style="list-style-type: none"> The performance period for the Performance Share Award granted in 2018 is 36 months (February 13, 2018 through February 13, 2021).
Vesting	<ul style="list-style-type: none"> The Performance Share Award will vest at the end of the Performance Period, subject to achievement of the “Plan within a Plan” goal described below.
Dividend Equivalents	<ul style="list-style-type: none"> Dividend equivalents will be earned on the Performance Share Award to the extent that the Company pays dividends to shareholders. The dividend equivalents will be accrued over the performance period and paid in cash at the same time that the Performance Share Award is distributed. The dividend equivalents will be calculated and accrued based on the actual number of performance shares earned based on the actual performance results at the end of the performance period; provided, that for a terminated employee, the dividend equivalents will be pro-rated based upon the adjusted number of performance shares earned by such employee (as described below). In no event will dividend equivalents be paid with respect to unearned performance shares.
Form and Timing of Payout	<ul style="list-style-type: none"> The Performance Share Award will be settled in common stock of the Company as soon as practical, but in any event within calendar year 2021.
Payout Range	<ul style="list-style-type: none"> The payout for the Performance Share Award can range from 0% to 200% as reflected in the Performance Payout Table. If the Company’s TSR over the performance period is negative, the Committee has the authority to reduce the actual payout percentage below that is reflected in the Performance Payout Table.

Performance Measures	<ul style="list-style-type: none"> ● The Performance Share Award will be measured using relative Total Shareholder Return (TSR) benchmarked against an index of the median TSR of the Performance Peer Group defined below. ● For purposes of calculating TSR for the Company and our Performance Peer Group: <ul style="list-style-type: none"> ○ An average of the stock prices for the 30 business days preceding the beginning and end of the performance period will be used to calculate TSR. Normal dividends will be assumed to be reinvested in stock on the date the dividend is paid to shareholders. Any special dividends will not be included in the calculation. ○ At the end of the performance period, a TSR will be calculated for the Company and for each of the individual peers. The three-year TSR calculations for each of the peer group companies will be used to determine a benchmark index by taking the median (50% percentile) of these results. This benchmark index will be referred to as the Median Index TSR. ○ The difference between the Company's TSR over the performance period and the Median Index TSR will be used to determine the payout percentage as shown in the payout table below. The payout percentage in the payout table below will be applied to the performance shares granted to the employee at time of grant, subject to the Committee's discretion described above in the event the Company's TSR over the performance period is negative. <table border="1" data-bbox="375 653 1511 919"> <thead> <tr> <th data-bbox="375 653 1078 684">Andeavor Performance Relative to the Median ¹</th> <th data-bbox="1078 653 1511 684">Payout %²</th> </tr> </thead> <tbody> <tr> <td data-bbox="375 684 1078 716">25%+</td> <td data-bbox="1078 684 1511 716">200%</td> </tr> <tr> <td data-bbox="375 716 1078 747">20%</td> <td data-bbox="1078 716 1511 747">180%</td> </tr> <tr> <td data-bbox="375 747 1078 779">10%</td> <td data-bbox="1078 747 1511 779">140%</td> </tr> <tr> <td data-bbox="375 779 1078 810">0%</td> <td data-bbox="1078 779 1511 810">100%</td> </tr> <tr> <td data-bbox="375 810 1078 842">-10%</td> <td data-bbox="1078 810 1511 842">60%</td> </tr> <tr> <td data-bbox="375 842 1078 873">-20%</td> <td data-bbox="1078 842 1511 873">20%</td> </tr> <tr> <td data-bbox="375 873 1078 905">-25%</td> <td data-bbox="1078 873 1511 905">0%</td> </tr> </tbody> </table> <p data-bbox="375 940 1511 972">¹ Median of Peer TSR (excluding Andeavor) minus Andeavor TSR in percentage points difference</p> <p data-bbox="375 993 1511 1024">² Payouts between points will be interpolated using a straight-line interpolation</p>	Andeavor Performance Relative to the Median ¹	Payout %²	25%+	200%	20%	180%	10%	140%	0%	100%	-10%	60%	-20%	20%	-25%	0%
Andeavor Performance Relative to the Median ¹	Payout %²																
25%+	200%																
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10%	140%																
0%	100%																
-10%	60%																
-20%	20%																
-25%	0%																
Performance Peer Group	<ul style="list-style-type: none"> ● The Performance Peer Group are the following companies: <ul style="list-style-type: none"> ○ HollyFrontier, Marathon Petroleum, Phillips 66, Valero Energy, PBF Energy, Inc., XLE Energy Index and S&P 500 Index ● If any peer company drops out during the performance period, their performance will be included as long as they are in place for at least half of the performance period. 																

Termination of Employment

- Death/Disability - The payout of the award will be pro-rated based on the number of full months worked within the performance period divided by 36 and issued assuming target performance. Shares and any dividend equivalents will be issued as soon as administratively practical.
 - Retirement - The payout of the award will be pro-rated based on the number of full months worked within the performance period divided by 36 and adjusted for actual performance results at the end of the performance period. Shares and any dividend equivalents will be issued as soon as administratively practical within calendar year 2021.
 - Voluntary Termination (except as set forth below), Termination for Cause including a violation of Andeavor's Code of Business Conduct, or involuntary termination without eligibility for severance under a Company sponsored severance plan - Award will be forfeited.
 - Involuntary Termination under circumstance qualifying for severance compensation under any severance plan sponsored by the Company (not in connection with a Change in Control) - The payout of the award will be pro-rated based on the number of full months worked (minimum of 12 months required) within the performance period divided by 36 and adjusted for actual performance results at the end of the period. Shares and any dividend equivalents associated with your shares will be issued as soon as administratively practical within calendar year 2021.
 - Involuntary Termination or Voluntary Termination for Good Reason within two years following a Change in Control - The full award (as converted as described below) and any associated dividend equivalents will be paid out as soon as administratively practical.
 - Separation Under Severance/Separation Agreement - If an employee is terminated pursuant to a severance or separation agreement under any circumstance, the Committee may, at its discretion, further reduce the award payout percentage beyond the pro-rated reduction described above.
-

Good Reason (under Change in Control only)	<p>Good Reason means the occurrence of any of the following:</p> <ul style="list-style-type: none"> ● without Participant's express written consent, the assignment to Participant of any duties inconsistent with the employment of Participant immediately prior to the Change in Control, or a significant diminution of Participant's positions, duties, responsibilities and status with the Company from those immediately prior to a Change in Control or a diminution in Participant's titles or offices as in effect immediately prior to a Change in Control, or any removal of Participant from, or any failure to reelect Participant to, any of such positions; ● a material reduction by the Company in Participant's Base Salary, as in effect immediately prior to a Change in Control; ● the failure by the Company to continue benefits, including but not limited to, thrift, pension, life insurance, and health plans, substantially equal in value, in the aggregate, to those in which Participant is participating or is eligible to participate at the time of the Change in Control except as otherwise required by the terms of such plans as in effect at the time of any Change in Control; ● the failure by the Company to continue in effect any incentive plan or arrangement in which Participant is participating at the time of a Change in Control (or to substitute and continue other plans or arrangements providing the Participant with substantially similar benefits), except as otherwise required by the terms of such plans as in effect at the time of any Change in Control; ● the occurrence of an event that meets the criteria set forth under the Company's relocation policy, as in effect from time to time, with respect to which either (i) the Participant fails to provide express written consent to the relocation or (ii) the Company fails to provide the relocation benefit set forth in such policy; or ● any failure by the Company to obtain the assumption of this Agreement by any successor or assign of the Company.
Change in Control	<ul style="list-style-type: none"> ● In the event of a Change in Control of the Company, the Performance Share Award will either be (i) assumed and continued by the acquirer or surviving corporation in the transaction, or (ii) paid out upon consummation of the Change in Control at the greater of the target amount or the actual performance at the time of the Change in Control. ● If the Performance Share Award is assumed and continued in connection with a Change in Control, the award will be converted into a time-based restricted stock unit award upon consummation of the Change in Control with the number of shares subject to the award equal to the number of shares that would have been issued under the award using the greater of the target amount or the actual performance at the time of the Change in Control. Following such conversion, the award (including any dividend equivalents accrued on the shares subject to the converted award) will vest based on continued employment through the end of the performance period.
Plan within a Plan Performance Goals	<ul style="list-style-type: none"> ● In addition to the performance criteria described above, the Performance Share Award will only be eligible to vest if the Company has positive net income (as determined under US GAAP) over at least one of the calendar years during the performance period.

Nothing herein is intended to modify any referenced Plan. The applicable Plan is the legally governing document and is the final authority on the terms of such Plan unless the Compensation Committee of the Board of Directors (or in the absence of the Compensation Committee, the Board itself) specifies otherwise (either in an Award Agreement or otherwise).



Dear {Participant Name}:

I am pleased to inform you that, effective **February 13, 2018** (the "**Award Date**"), the Compensation Committee of the Board of Directors of Andeavor (the "**Company**"), pursuant to its authority under the Amended and Restated Andeavor Corporation 2011 Long-Term Incentive Plan (the "**Plan**"), has approved the following long-term incentive award (the "**Award**") to you. The following is a summary of the terms and conditions associated with this Award. Capitalized terms not defined in this letter will have the definitions provided for such terms in the Plan.

Award: # Market Stock Units ("MSUs") with a targeted value of \$XXX,XXX in which the number of Company's common stock earned at vesting is based on the stock price performance. This Award will become eligible for vesting, based on actual stock price performance and continued employment, at the end of the 36 month performance period (February 13, 2018 through February 13, 2021). Upon vesting at the end of the performance period, the number of Shares earned from your Award will be adjusted by the multiplying factor of the average closing stock price for the 30 days prior to the Vesting Date over the average closing stock price for the 30 days prior to the Grant Date. Shares will be withheld by the Company to cover your applicable income and employment tax withholding(s) (at the minimum statutory level or such other rate that will not cause an adverse consequence or cost) and the net Shares will be credited to your account with Fidelity Stock Plan Services.

If you terminate employment due to Retirement or involuntary termination without Cause under circumstances qualifying for severance compensation under any severance plan sponsored by the Company (other than within the two years following a Change in Control), you will be issued a pro-rated payout of Shares based on the number of full months worked (minimum of 12 months required for an involuntary termination without Cause) within the performance period based on the achievement of actual performance. Shares will be issued within 2½ months after the end of the performance period. In addition, if you are terminated pursuant to a severance or separation agreement under any circumstance, the Committee may, at its discretion, further reduce the award payout percentage beyond the pro-rated reduction described above. If you terminate employment due to death or disability, as defined under Section 409A of the Internal Revenue Code of 1986, as amended to date and the Treasury Regulations issued thereunder ("**Disability**"), you will be issued a pro-rated payout of Shares based on the number of full months worked within the performance period based on the achievement of target performance. Shares will be issued as soon as administratively practical upon termination due to death or Disability. If you terminate employment due to a voluntary termination (except as set forth below), termination for Cause including a violation of Andeavor's Code of Business Conduct, or involuntary termination without eligibility for severance under a Company sponsored severance plan prior to the vesting of the MSUs, your Award will be forfeited. In the event of a Change in Control of the Company, your Award will either be assumed or continued by the surviving or acquiring corporation or immediately paid out upon consummation of the Change in Control with the number of Shares earned from your Award based on the greater of the target number of MSUs or actual performance at the time of the Change in Control. Actual performance will be adjusted by the multiplying factor of the average closing stock price for the 30 days prior to the Change in Control over the average closing stock price for the 30 days prior to the Grant Date,

capped at 200%. If your Award is assumed or continued following a Change in Control, the Award will be converted into a time-based award with the number of shares subject to the award determined as set forth in the preceding two sentences. The assumed and converted award will vest based upon continued employment through the end of the performance period. If you terminate employment due to an involuntary termination without Cause or resignation for Good Reason within two years following a Change in Control, any such assumed and converted award will immediately vest upon such termination of employment.

Covenants: Your services to the Company are unique, extraordinary and essential to the business of the Company and its affiliates, particularly in view of your access to the Company's or its affiliates' confidential information and trade secrets. Accordingly, in consideration of this Award and by accepting this Award, you agree as follows:

(i) You agree that you will not, without the prior written approval of the Board, at any time during the term of your employment with the Company or its affiliates and for a period of one year following the date on which your employment with the Company and its affiliates terminates (the "**Restricted Period**"), directly or indirectly, serve as an officer, director, owner, contractor, consultant, or employee of any the following organizations (or any of their respective subsidiaries or divisions): HollyFrontier Corporation; Marathon Petroleum Corporation; PBF Energy Inc.; Phillips 66; Valero Energy Corporation; Magellan Midstream Partners, L.P.; Enbridge Energy Partners, L.P.; Western Gas Partners, L.P.; Buckeye Partners, L.P.; EnLink Midstream Partners, L.P.; DCP Midstream Partners, L.P.; NuStar Energy L.P.; Genesis Energy, L.P.; Holly Energy Partners, L.P., and MPLX LP, or otherwise engage in any business activity directly or indirectly competitive with the business of the Company or its affiliates (or their respective subsidiaries or divisions) as in effect from time to time.

(ii) You agree that during the term of your employment with the Company or its affiliates and for a period of one year following the date on which your employment with the Company and its affiliates terminates, you will not, alone or in conjunction with another party, hire, solicit for hire, aid in or facilitate the hire, or cause to be hired, either as an employee, contractor or consultant, any individual who is currently engaged, or was engaged at any time during the six (6) month period prior such event, as an employee, contractor or consultant of the Company or any of its affiliates (or their respective subsidiaries or divisions).

(iii) You agree and understand that the Company and its affiliates own and/or control information and material which is not generally available to third parties and which the Company or its affiliates consider confidential, including, without limitation, methods, products, processes, customer lists, trade secrets and other information applicable to its business and that it may from time to time acquire, improve or produce additional methods, products, processes, customers lists, trade secrets and other information (collectively, the "**Confidential Information**"). You acknowledge that each element of the Confidential Information constitutes a unique and valuable asset of the Company and its affiliates, and that certain items of the Confidential Information have been acquired from third parties upon the express condition that such items would not be disclosed to the Company and its officers and agents other than in the ordinary course of business. You acknowledge that disclosure of the Confidential Information to and/or use by anyone other than in the Company's or its affiliates' ordinary course of business would result in irreparable and continuing damage to the Company and its affiliates. Accordingly, you agree to hold the Confidential Information in the strictest secrecy, and covenant that, during the term of your employment with the Company and its affiliates or at any time thereafter, you will not, without the prior written consent of the Board, directly or indirectly, allow any element of the Confidential Information to be disclosed, published

or used, nor permit the Confidential Information to be discussed, published or used, either by himself or by any third parties, except in effecting your duties for the Company and its affiliates in the ordinary course of business.

(iv) You agree that in addition to the forfeiture provisions described above, this Award and all other equity-based compensation awards granted to you by the Company or any affiliate, in each case, to the extent outstanding and unvested at the time of any such breach, shall be subject to immediate forfeiture and recoupment (in full) by the Company upon your breach, in any respect, of any of the covenants described in clauses (i), (ii) or (iii) above.

The Award has been granted under and is subject to the terms of the Plan unless specified within this Grant Agreement. In addition, further information concerning your Award will be communicated at a later date.

You are required to accept this Award on-line with Fidelity at netbenefits.fidelity.com. This Award must be accepted prior to the vesting date; otherwise, the Award will forfeit. If you don't accept your Award prior to your termination of employment and your termination is due to death or Disability, your Award will be considered accepted and will follow the terms for these specified terminations as noted above.

If this is the first time you are receiving this type of Award, you will receive a "Welcome Kit" from Fidelity Stock Plan Services with additional information.

We value your contribution and commitment to the Company's success and believe that this Award provides you a financial incentive that aligns your interests with the Company's shareholders.

Sincerely,

Gregory J. Goff

Chairman, President and Chief Executive Officer

{Acceptance Date}

{Electronic Signature}



Market Stock Unit Award Granted in 2018

Summary of Key Provisions

Purpose	<ul style="list-style-type: none"> To advance the interests of Andeavor (the "Company") by motivating plan participants to contribute to the long-term success and progress of the Company. 								
Eligibility	<ul style="list-style-type: none"> All senior executives and employees in the Company as approved by the Compensation Committee of Andeavor's Board of Directors. 								
Plan	<ul style="list-style-type: none"> These awards are granted under the general terms and conditions of the Andeavor Amended and Restated 2011 Long-Term Incentive Plan. 								
Market Stock Unit	<ul style="list-style-type: none"> A Market Stock Unit Award is a grant of stock units in which the number of shares of the Company's common stock earned at vesting is based on the stock price performance. 								
Performance Period	<ul style="list-style-type: none"> The performance period for the Market Stock Unit Award granted in 2018 is 36 months (February 13, 2018 through February 13, 2021). 								
Vesting	<ul style="list-style-type: none"> The Market Stock Unit Award will vest at the end of the 36 month performance period. 								
Timing of Payout	<ul style="list-style-type: none"> The Market Stock Unit Award will be settled in common stock of the Company within 2½ months after the end of the performance period. 								
Calculation of Market Stock Unit Award at Vesting	<ul style="list-style-type: none"> The number of shares earned at time of vesting will be calculated as follows: <div style="text-align: center;"> $\text{Shares Earned at Vesting}^* = A \text{ times } (C/B)$ <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Symbol</th> <th style="text-align: center;">Description</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">A</td> <td># of Targeted Market Stock Units at Grant</td> </tr> <tr> <td style="text-align: center;">B</td> <td>Average closing stock price for the 30 trading days** prior to the Grant Date</td> </tr> <tr> <td style="text-align: center;">C</td> <td>Average closing stock price for the 30 trading days** prior to the Vesting Date</td> </tr> </tbody> </table> </div> * Shares Earned at Vesting is capped at 200% of number of Targeted Market Stock Units at Grant. ** Normal dividends are assumed to have been reinvested on the date they are paid in order to calculate the average 30-trading day stock price. 	Symbol	Description	A	# of Targeted Market Stock Units at Grant	B	Average closing stock price for the 30 trading days** prior to the Grant Date	C	Average closing stock price for the 30 trading days** prior to the Vesting Date
Symbol	Description								
A	# of Targeted Market Stock Units at Grant								
B	Average closing stock price for the 30 trading days** prior to the Grant Date								
C	Average closing stock price for the 30 trading days** prior to the Vesting Date								
Payout Range	<ul style="list-style-type: none"> The payout for the Market Stock Unit Award can range from 50% to 200% based on stock price appreciation. However, there is no payout if the average closing stock price for the 30 trading days prior to the Vesting Date (or Change in Control) has decreased by more than 50% from the average closing stock price for the 30 trading days prior to the Grant Date. 								

<p>Termination of Employment</p>	<ul style="list-style-type: none"> ♦ Death/Disability - The payout of the award will be pro-rated based on the number of full months worked within the performance period divided by 36 and issued assuming target performance. Shares will be issued as soon as administratively practical. ♦ Retirement - The payout of the award will be pro-rated based on the number of full months worked within the performance period divided by 36 and adjusted for actual performance results at the end of the performance period. Shares will be issued within 2½ months after the end of the performance period. ♦ Voluntary Termination (except as set forth below), Termination for Cause including a violation of Andeavor's Code of Business Conduct, or involuntary termination without eligibility for severance under a Company sponsored severance plan - Award will be forfeited. ♦ Involuntary Termination under circumstances qualifying for severance compensation under any severance plan sponsored by the Company (not in connection with a Change in Control) - The payout of the award will be pro-rated based on the number of full months worked (minimum of 12 months required) within the performance period divided by 36 and adjusted for actual performance results at the end of the period. Shares will be issued within 2½ months after the end of the performance period. ♦ Involuntary Termination or Voluntary Termination for Good Reason within two years following a Change in Control - The full award (as converted as described below) will be paid out as soon administratively practical. ♦ Separation Under Severance/Separation Agreement - If an employee is terminated pursuant to a severance or separation agreement under any circumstance, the Committee may, at its discretion, further reduce the award payout percentage beyond the pro-rated reduction described above.
<p>Good Reason (under Change in Control only)</p>	<p>Good Reason means the occurrence of any of the following:</p> <ul style="list-style-type: none"> ♦ without Participant's express written consent, the assignment to Participant of any duties inconsistent with the employment of Participant immediately prior to the Change in Control, or a significant diminution of Participant's positions, duties, responsibilities and status with the Company from those immediately prior to a Change in Control or a diminution in Participant's titles or offices as in effect immediately prior to a Change in Control, or any removal of Participant from, or any failure to reelect Participant to, any of such positions; ♦ a material reduction by the Company in Participant's Base Salary, as in effect immediately prior to a Change in Control; ♦ the failure by the Company to continue benefits, including but not limited to, thrift, pension, life insurance, and health plans, substantially equal in value, in the aggregate, to those in which Participant is participating or is eligible to participate at the time of the Change in Control except as otherwise required by the terms of such plans as in effect at the time of any Change in Control; ♦ the failure by the Company to continue in effect any incentive plan or arrangement in which Participant is participating at the time of a Change in Control (or to substitute and continue other plans or arrangements providing the Participant with substantially similar benefits), except as otherwise required by the terms of such plans as in effect at the time of any Change in Control; ♦ the occurrence of an event that meets the criteria set forth under the Company's relocation policy, as in effect from time to time, with respect to which either (i) the Participant fails to provide express written consent to the relocation or (ii) the Company fails to provide the relocation benefit set forth in such policy; or ♦ any failure by the Company to obtain the assumption of this Agreement by any successor or assign of the Company.

Change in Control

♦ In the event of a Change in Control of the Company, the award will either be (i) assumed and continued by the acquirer or surviving corporation in the transaction, or (ii) will be immediately paid out with the number of shares earned equal to the greater of the Targeted number of Market Stock Units at Grant or the amount calculated as follows:

Shares Earned at Vesting* = A times (C/B)

Symbol	Description
A	# of Targeted Market Stock Units at Grant
B	Average closing stock price for the 30 trading days** prior to the Grant Date
C	Average closing stock price for the 30 trading days** prior to the Change in Control

* Shares Earned at Vesting is capped at 200% of number of Targeted Market Stock Units at Grant.

** Normal dividends are assumed to have been reinvested on the date they are paid in order to calculate the average 30-trading day stock price.

♦ If the award is assumed and continued in connection with a Change in Control, the award will be converted into a time-based restricted stock unit award upon consummation of the Change in Control with the number of shares subject to the award determined as set forth above. Following such conversion, the award will vest based on continued employment through the end of the performance period.

Nothing herein is intended to modify any referenced Plan. The applicable Plan is the legally governing document and is the final authority on the terms of such Plan unless the Compensation Committee of the Board of Directors (or in the absence of the Compensation Committee, the Board itself) specifies otherwise (either in an Award Agreement or otherwise).