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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material under §240.14a-12

WESTERN REFINING, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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JOINT LETTER TO STOCKHOLDERS OF TESORO CORPORATION AND STOCKHOLDERS OF WESTERN REFINING

Dear Stockholders:

Tesoro Corporation, Western Refining, Inc., Tahoe Merger Sub 1, Inc. and Tahoe Merger Sub 2, LLC have entered into a merger agreement providing for the acquisition of Western Refining by Tesoro. Tesoro stockholders as of the close of business on February 10, 2017, the record date, are invited to attend a special meeting of Tesoro stockholders on March 24, 2017, at 12:00 p.m., Central Time, to consider and vote upon a proposal to approve the issuance of Tesoro common stock in connection with the merger and certain other matters related to the merger, as well as a proposal to increase the number of authorized shares of Tesoro common stock. Western Refining stockholders as of the close of business on the record date are invited to attend a special meeting of Western Refining stockholders on March 24, 2017, at 10:00 a.m., Mountain Standard Time, to consider and vote upon a proposal to adopt the merger agreement and certain other matters related to the merger.

For Western Refining stockholders, if the merger contemplated by the merger agreement is completed, you will be entitled to receive, for each issued and outstanding share of Western Refining common stock owned by you immediately prior to the effective time of the merger, either 0.4350 of a share of Tesoro common stock, which is referred to as the stock consideration, or $37.30 in cash, which is referred to as the cash consideration, at your election, as further described in the joint proxy statement/prospectus accompanying this notice. If you make no election or an untimely election, or are otherwise deemed not to have submitted an effective form of election, you will receive the stock consideration. Your right to elect to receive the cash consideration is subject to the adjustment and proration procedures set forth in the merger agreement. The precise consideration that you will receive if you elect to receive cash consideration will not be known at the time that you vote on the adoption of the merger agreement or make an election because it is dependent upon the aggregate number of shares of Western Refining common stock in respect of which elections to receive the cash consideration are made. For a description of the consideration that Western Refining stockholders will receive upon completion of the merger if they elect to receive the cash consideration, and the potential adjustments to this consideration, see the section entitled "*The Merger—Consideration to Western Refining Stockholders*" beginning on page 71 of the accompanying joint proxy statement/prospectus.

The market value of the stock consideration, but not the cash consideration, will fluctuate with the price of Tesoro common stock. Based on the closing price of Tesoro common stock on November 16, 2016, the last trading day before the public announcement of the signing of the merger agreement, the value of the stock consideration payable to holders of Western Refining common stock upon completion of the merger was approximately $37.30. Based on the closing price of Tesoro common stock on February 8, 2017, the last practicable date before the date of filing of the joint proxy statement/prospectus accompanying this notice, the value of the stock consideration payable to holders of Western Refining common stock upon completion of the merger was approximately $37.11. Western Refining stockholders should obtain current stock price quotations for Tesoro common stock and Western Refining common stock. Tesoro common stock is traded on the New York Stock Exchange, which is referred to as the NYSE, under the symbol "TSO," and Western Refining common stock is traded on the NYSE under the symbol "WNR."

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to as the Internal Revenue Code. Assuming the merger qualifies as a reorganization, a stockholder of Western Refining generally will not recognize any gain or loss upon receipt of Tesoro common stock in exchange for Western Refining common stock in the merger, except that gain (but not loss) will be recognized in an amount not to exceed any cash received as part of the cash consideration (other than cash received in lieu of a fractional share) and gain or loss will be recognized with respect to any cash received in lieu of a fractional share of Tesoro common stock, as discussed in the section entitled "*Material U.S. Federal Income Tax Consequences of the Merger*" beginning on page 172 of the accompanying joint proxy statement/prospectus.

Tesoro and Western Refining will each hold a special meeting of its stockholders to consider certain matters relating to the proposed merger, as well as certain other matters. Tesoro and Western Refining cannot complete the proposed merger unless, among other things, Tesoro stockholders approve the issuance of shares of Tesoro common stock in connection with the merger, and Western Refining stockholders adopt the merger agreement.

Your vote is very important. To ensure your representation at your company's special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or via the Internet. Please vote promptly whether or not you expect to attend your company's special meeting. Submitting a proxy now will not prevent you from being able to vote in person at your company's special meeting.

The Tesoro board of directors has determined that the merger agreement, the voting agreements, the merger and the other transactions contemplated by the merger agreement and the voting agreements are

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fair to, and in the best interests of, Tesoro and its stockholders; has unanimously approved the merger agreement, the voting agreements, the merger and the other transactions contemplated by the merger agreement and the voting agreements, including the issuance of shares of Tesoro common stock in connection with the merger; and unanimously recommends that Tesoro stockholders vote "FOR" the issuance of Tesoro common stock in connection with the merger and "FOR" each of the other proposals described in the accompanying joint proxy statement/prospectus.

The Western Refining board of directors has determined that the merger and the other transactions contemplated by the merger agreement are fair to, and in the best interests of Western Refining and its stockholders, and has unanimously approved and declared advisable the merger agreement and the transactions contemplated thereby, including the merger, and unanimously recommends that Western Refining stockholders vote "FOR" the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger and "FOR" each of the other proposals described in the accompanying joint proxy statement/prospectus. Paul L. Foster, Franklin Mountain Investments, LP, Jeff A. Stevens and Scott D. Weaver, the Chairman, CEO and Vice President, Assistant Treasurer and Assistant Secretary of Western Refining, respectively, have entered into voting agreements with Tesoro and Western Refining pursuant to which they have agreed, among other things, to vote all of the shares of Western Refining common stock beneficially owned by them (constituting approximately 22.5% of the issued and outstanding shares of Western Refining common stock as of February 8, 2017) in favor of the adoption of the merger agreement, on the terms and subject to the conditions set forth in the voting agreements.

The joint proxy statement/prospectus accompanying this notice is also being delivered to Western Refining stockholders as Tesoro's prospectus for its offering of shares of Tesoro common stock in connection with the merger.

The obligations of Tesoro and Western Refining to complete the merger are subject to the satisfaction or waiver of the conditions set forth in the merger agreement, a copy of which is included as part of the accompanying joint proxy statement/prospectus. The joint proxy statement/prospectus provides you with detailed information about the proposed merger. It also contains or references information about Tesoro and Western Refining and certain related matters. You are encouraged to read the joint proxy statement/prospectus carefully and in its entirety. In particular, you should carefully read the section entitled "*Risk Factors*" beginning on page 44 of the joint proxy statement/prospectus for a discussion of risks you should consider in evaluating the proposed merger and the issuance of shares of Tesoro common stock in connection with the merger and how they will affect you.

Sincerely,

Gregory J. Goff
Chairman, President and Chief Executive Officer Tesoro Corporation

Paul L. Foster
Executive Chairman and Chairman of the Board
Western Refining, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger, the adoption of the merger agreement, the issuance of Tesoro common stock in connection with the merger, the proposed amendments to the Tesoro certificate of incorporation or any other transactions described in the accompanying joint proxy statement/prospectus, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

This document is dated February 17, 2017, and is first being mailed to stockholders of Tesoro and Western Refining on or about February 17, 2017.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON MARCH 24, 2017
AT TESORO CORPORATION
19100 RIDGEWOOD PARKWAY
SAN ANTONIO, TX 78259

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Tesoro Corporation, which is referred to as Tesoro, will be held on March 24, 2017, at 12:00 p.m., Central Time, at 19100 Ridgewood Parkway, San Antonio, Texas 78259, for the following purposes:

- to consider and vote on a proposal to approve the issuance of shares of Tesoro common stock in connection with the merger as contemplated by the Agreement and Plan of Merger, dated as of November 16, 2016, as such agreement may be amended from time to time, which is referred to as the merger agreement, among Western Refining, Inc., Tesoro, Tahoe Merger Sub 1, Inc. and Tahoe Merger Sub 2, LLC, which is referred to as the Tesoro issuance proposal;
- to consider and vote on a proposal to adopt an amendment to the restated certificate of incorporation of Tesoro, which is referred to as the Tesoro certificate of incorporation, to increase the number of authorized shares of Tesoro common stock from 200 million to 300 million, which is referred to as the Tesoro certificate of incorporation amendment proposal; and
- to consider and vote on a proposal to adjourn the Tesoro special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the Tesoro issuance proposal, which is referred to as the Tesoro adjournment proposal.

Tesoro stockholder approval of the Tesoro issuance proposal is required to complete the merger. Tesoro stockholders will also be asked to approve the Tesoro certificate of incorporation amendment proposal and the Tesoro adjournment proposal. Tesoro will transact no other business at the Tesoro special meeting. The record date for the Tesoro special meeting has been set as February 10, 2017. Only Tesoro stockholders of record as of the close of business on such record date are entitled to notice of, and to vote at, the Tesoro special meeting or any adjournments and postponements thereof. See the section entitled "*Special Meeting of Tesoro Stockholders*" beginning on page 58 of the joint proxy statement/prospectus accompanying this notice for additional information.

The Tesoro board unanimously recommends that you vote "FOR" the Tesoro issuance proposal, "FOR" the Tesoro certificate of incorporation amendment proposal and "FOR" the Tesoro adjournment proposal.

The Tesoro stockholder proposals are described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully in its entirety before you vote. A copy of the merger agreement is attached as Annex A to the accompanying joint proxy statement/prospectus and copies of the voting agreements are attached as Annexes B, C and D to the accompanying joint proxy statement/prospectus.

PLEASE VOTE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE TESORO SPECIAL MEETING. IF YOU LATER DESIRE TO REVOKE OR CHANGE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS. FOR FURTHER INFORMATION CONCERNING THE PROPOSALS BEING VOTED UPON, USE OF THE PROXY AND OTHER RELATED MATTERS, YOU ARE URGED TO READ THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS.

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Your vote is important. Approval of the Tesoro issuance proposal by the Tesoro stockholders is a condition to the merger and requires the affirmative vote of a majority of votes cast by Tesoro stockholders present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal. Tesoro stockholders are requested to complete, date, sign and return the enclosed proxy in the envelope provided, which requires no postage if mailed in the United States, or to submit their votes electronically via the Internet or by telephone. Simply follow the instructions provided on the enclosed proxy card. Abstentions will have the same effect as a vote "AGAINST" the Tesoro issuance proposal, and broker non-votes will have no effect on the outcome of the vote.

BY ORDER OF THE BOARD OF DIRECTORS,

Kim K. W. Rucker
Executive Vice President, General Counsel and Secretary

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WESTERN REFINING, INC.
NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON MARCH 24, 2017
AT 1500 NORTH PRIEST DRIVE
TEMPE, AZ 85281

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Western Refining, Inc., which is referred to as Western Refining, will be held on March 24, 2017, at 10:00 a.m., Mountain Standard Time, at 1500 North Priest Drive, Tempe, AZ 85281, for the following purposes:

- to consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of November 16, 2016, as such agreement may be amended from time to time, which is referred to as the merger agreement, among Western Refining, Tesoro Corporation, which is referred to as Tesoro, Tahoe Merger Sub 1, Inc. and Tahoe Merger Sub 2, LLC, which is referred to as the merger proposal;
- to consider and vote on a proposal to adjourn the Western Refining special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement, which is referred to as the Western Refining adjournment proposal;
- to consider and vote on a proposal to approve, by a non-binding advisory vote, certain compensation that may be paid or become payable to Western Refining's named executive officers that is based on or otherwise relates to the merger contemplated by the merger agreement, which is referred to as the non-binding compensation advisory proposal; and
- to consider and vote on a proposal to approve, by a non-binding advisory vote, an amendment to the restated certificate of incorporation of Tesoro, which is referred to as the Tesoro certificate of incorporation, to increase the number of authorized shares of Tesoro common stock from 200 million to 300 million, which is referred to as the non-binding certificate of incorporation amendment proposal.

Western Refining stockholder approval of the merger proposal is required to complete the merger. Western Refining stockholders will also be asked to approve the Western Refining adjournment proposal, the non-binding compensation advisory proposal and the non-binding certificate of incorporation amendment proposal. Western Refining will transact no other business at the Western Refining special meeting. The record date for the Western Refining special meeting has been set as February 10, 2017. Only Western Refining stockholders of record as of the close of business on such record date are entitled to notice of, and to vote at, the Western Refining special meeting or any adjournments and postponements thereof. See the section entitled "*Special Meeting of Western Refining Stockholders*" beginning on page 64 of the joint proxy statement/prospectus accompanying this notice for additional information.

The Western Refining board unanimously recommends that holders of Western Refining common stock vote "FOR" the merger proposal, "FOR" the Western Refining meeting adjournment proposal if necessary or appropriate to solicit additional proxies in favor of such adoption, "FOR" the non-binding compensation advisory proposal and "FOR" the non-binding certificate of incorporation amendment proposal.

The Western Refining stockholder proposals are described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully in its entirety before you vote. A copy of the merger agreement is attached as Annex A to the accompanying joint proxy statement/prospectus and copies of the voting agreements are attached as Annexes B, C and D to the accompanying joint proxy statement/prospectus.

PLEASE VOTE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE WESTERN REFINING SPECIAL MEETING. IF YOU LATER DESIRE TO REVOKE OR CHANGE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN

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THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS. FOR FURTHER INFORMATION CONCERNING THE PROPOSALS BEING VOTED UPON, USE OF THE PROXY AND OTHER RELATED MATTERS, YOU ARE URGED TO READ THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS.

Your vote is important. Adoption of the merger agreement by the Western Refining stockholders is a condition to the merger and requires the affirmative vote, in person or by proxy, of holders of a majority of the shares of Western Refining common stock outstanding and entitled to vote on such proposal. Western Refining stockholders are requested to complete, date, sign and return the enclosed proxy in the envelope provided, which requires no postage if mailed in the United States, or to submit their votes electronically via the Internet or by telephone. Simply follow the instructions provided on the enclosed proxy card. Your abstaining, failure to submit a proxy or vote in person at the special meeting, or failure to provide your broker, nominee, fiduciary or other custodian, as applicable, with instructions on how to vote your shares will have the same effect as a vote against the adoption of the merger agreement.

BY ORDER OF THE BOARD OF DIRECTORS,

Paul L. Foster
Executive Chairman

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Tesoro Corporation, which is referred to as Tesoro, and Western Refining, Inc., which is referred to as Western Refining, from other documents that Tesoro and Western Refining have filed with the U.S. Securities and Exchange Commission, which is referred to as the SEC, and that are contained in or incorporated by reference herein. For a listing of documents incorporated by reference herein, please see the section entitled "*Where You Can Find More Information*" beginning on page 211. This information is available for you to review free of charge at the SEC's public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website at www.sec.gov.

You may request copies of this joint proxy statement/prospectus and any of the documents incorporated by reference herein or other information concerning Tesoro or Western Refining, without charge, upon written or oral request to the applicable company's principal executive offices. The respective addresses and telephone numbers of such principal executive offices are listed below.

For Tesoro Stockholders:	For Western Refining Stockholders:
Tesoro Corporation	Western Refining, Inc.
19100 Ridgewood Parkway,	212 North Clark Drive
San Antonio, TX 78259	El Paso, Texas 79905
Attention: Investor Relations	Attention: Investor Relations
1-800-837-6768	1-602-286-1530
irelations@tsocorp.com	Jeff.Beyersdorfer@wnr.com

To obtain timely delivery of these documents before Tesoro's special meeting of stockholders, Tesoro stockholders must request the information no later than March 10, 2017.

To obtain timely delivery of these documents before Western Refining's special meeting of stockholders, Western Refining stockholders must request the information no later than March 17, 2017.

In addition, if you have questions about the merger or the accompanying joint proxy statement/prospectus, would like additional copies of the joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, please contact Innisfree M&A Incorporated, the proxy solicitor for Tesoro, toll-free at 1-888-750-5834 or collect at 1-212-750-5833, or MacKenzie Partners, Inc., the proxy solicitor for Western Refining, toll-free at 1-800-322-2885 or collect at 1-212-929-5500. You will not be charged for any of these documents that you request.

ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This document, which forms part of a registration statement on Form S-4 filed with the SEC by Tesoro (File No. 333-215080), constitutes a prospectus of Tesoro under Section 5 of the Securities Act of 1933, as amended, which is referred to as the Securities Act, with respect to the shares of common stock of Tesoro, which is referred to as Tesoro common stock, to be issued to Western Refining stockholders pursuant to the Agreement and Plan of Merger, dated as of November 16, 2016, as such agreement may be amended from time to time, which is referred to as the merger agreement, among Western Refining, Tesoro, Tahoe Merger Sub 1, Inc., which is referred to as Merger Sub 1, and Tahoe Merger Sub 2, LLC, which is referred to as Merger Sub 2, as it may be amended from time to time. This document also constitutes a proxy statement of each of Tesoro and Western Refining under Section 14(a) of the Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act.

Tesoro has supplied all information contained or incorporated by reference herein relating to Tesoro, and Western Refining has supplied all information contained or incorporated by reference herein relating to Western Refining. Tesoro and Western Refining have both contributed to the information relating to the merger contained in this joint proxy statement/prospectus.

You should rely only on the information contained in or incorporated by reference herein in connection with any vote, the giving or withholding of any proxy or any investment decision in connection with the merger. Tesoro and Western Refining have not authorized anyone to provide you with information that is different from that contained in or incorporated by reference herein. This joint proxy statement/prospectus is dated February 17, 2017, and you should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than such date unless otherwise specifically provided herein. Further, you should not assume that the information incorporated by reference herein is accurate as of any date other than the date of the incorporated document. Neither the mailing of this joint proxy statement/prospectus to Tesoro or Western Refining stockholders nor the issuance by Tesoro of shares of its common stock pursuant to the merger agreement will create any implication to the contrary.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

The following are answers to certain questions that you may have regarding the Tesoro and Western Refining special meetings. Tesoro and Western Refining urge you to read carefully the remainder of this document because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this document.

Q. Why am I receiving this joint proxy statement/prospectus?

A. You are receiving this joint proxy statement/prospectus because Tesoro, Western Refining, Merger Sub 1 and Merger Sub 2 have entered into a merger agreement pursuant to which, on the terms and subject to the conditions included in the merger agreement, Tesoro has agreed to acquire Western Refining by means of a merger of Merger Sub 1 with and into Western Refining, with Western Refining surviving the merger as a wholly owned subsidiary of Tesoro, which is referred to as the first merger or, to the extent no second merger (as defined below) is effected, as the merger, and your vote is required in connection with the first merger. The merger agreement, which governs the terms of the merger, is attached to this joint proxy statement/prospectus as Annex A.

Tesoro. The issuance of Tesoro common stock in connection with the merger must be approved by the stockholders of Tesoro in accordance with the rules of the New York Stock Exchange, which are referred to as the NYSE rules, in order for the merger to be consummated. Tesoro is holding a special meeting of its stockholders, which is referred to as the Tesoro special meeting, to obtain that approval. Tesoro stockholders will also be asked to vote on certain other matters described in this joint proxy statement/prospectus at the Tesoro special meeting and to approve the adjournment of the Tesoro special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the issuance of Tesoro common stock in connection with the merger.

Western Refining. The merger agreement must be adopted by the stockholders of Western Refining in accordance with the General Corporation Law of the State of Delaware, which is referred to as the DGCL, in order for the merger to be consummated. Western Refining is holding a special meeting of its stockholders, which is referred to as the Western Refining special meeting, to obtain that approval. Western Refining stockholders will also be asked to vote on certain other matters described in this joint proxy statement/prospectus at the Western Refining special meeting and to approve the adjournment of the Western Refining special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

Q: When and where will the special meetings take place?

A: *Tesoro*. The Tesoro special meeting will be held at 12:00 p.m., Central Time, on March 24, 2017, at 19100 Ridgewood Parkway, San Antonio, Texas 78259.

Western Refining. The Western Refining special meeting will be held at 10:00 a.m., Mountain Standard Time, on March 24, 2017, at 1500 North Priest Drive, Tempe, AZ 85281.

Q: What matters will be considered at the special meetings?

A: *Tesoro.* The stockholders of Tesoro will be asked to:

- consider and vote on a proposal to approve the issuance of shares of Tesoro common stock in connection with the merger as contemplated by the merger agreement, which is referred to as the Tesoro issuance proposal;
- consider and vote on a proposal to adopt an amendment to the Tesoro certificate of incorporation to increase the number of authorized shares of Tesoro common stock from 200 million to 300 million, which is referred to as the Tesoro certificate of incorporation amendment proposal; and

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- consider and vote on a proposal to adjourn the Tesoro special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the Tesoro special meeting to approve the Tesoro issuance proposal, which is referred to as the Tesoro adjournment proposal.

Western Refining. The stockholders of Western Refining will be asked to:

- consider and vote on a proposal to adopt the merger agreement, which is referred to as the merger proposal;
- consider and vote on a proposal to adjourn the Western Refining special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement, which is referred to as the Western Refining adjournment proposal;
- consider and vote on a proposal to approve, by a non-binding advisory vote, certain compensation that may be paid or become payable to Western Refining's named executive officers that is based on or otherwise relates to the merger, which is referred to as the non-binding compensation advisory proposal; and
- consider and vote on a proposal to approve, by a non-binding advisory vote, an amendment to the Tesoro certificate of incorporation, to increase the number of authorized shares of Tesoro common stock from 200 million to 300 million, which is referred to as the non-binding certificate of incorporation amendment proposal.

Q: Is my vote important?

A: *Tesoro*. Yes. The merger cannot be completed unless the Tesoro issuance proposal is approved by the affirmative vote of a majority of votes cast by Tesoro stockholders present in person or by proxy and entitled to vote on the proposal. Only Tesoro stockholders as of the close of business on the record date are entitled to vote at the Tesoro special meeting. The board of directors of Tesoro, which is referred to as the Tesoro board or the Tesoro board of directors, unanimously recommends that such Tesoro stockholders vote "**FOR**" for the approval of the Tesoro issuance proposal, "**FOR**" the approval of the Tesoro certificate of incorporation amendment proposal and "**FOR**" the approval of the Tesoro adjournment proposal.

Western Refining. Yes. The merger cannot be completed unless the merger agreement is adopted by the holders representing a majority of the outstanding shares of Western Refining common stock entitled to vote thereon at the Western Refining special meeting. Only Western Refining stockholders as of the close of business on the record date are entitled to vote at the Western Refining special meeting. The board of directors of Western Refining, which is referred to as the Western Refining board or the Western Refining board of directors, unanimously recommends that such Western Refining stockholders vote "**FOR**" for the approval of the merger proposal, "**FOR**" the approval of the Western Refining adjournment proposal, "**FOR"** the approval of the non-binding compensation advisory proposal and "**FOR**" the approval of the non-binding certificate of incorporation amendment proposal.

Q: If my shares of Tesoro and/or Western Refining common stock are held in "street name" by my bank, brokerage firm or other nominee, will my bank, brokerage firm or other nominee automatically vote those shares for me?

A: A "broker non-vote" occurs when a broker submits a proxy that states that the broker does not vote for some or all of the proposals because the broker has not received instructions from the beneficial owners on how to vote on the proposals and does not have discretionary authority to vote in the absence of instructions. Under NYSE rules, brokers are not permitted to vote on any of the matters to be considered at the Tesoro special meeting or the Western Refining special meeting. As a result, your shares will not be voted on any matter unless you affirmatively instruct your broker, bank or nominee how to vote your shares in one of the ways indicated by your broker, bank or other nominee.

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Q: What Tesoro stockholder vote is required for the approval of each proposal brought before the Tesoro special meeting? What will happen if I fail to vote or abstain from voting on each proposal?

A: *The Tesoro issuance proposal.* Approval of the Tesoro issuance proposal requires the affirmative vote of a majority of votes cast by Tesoro stockholders present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

The Tesoro certificate of incorporation amendment proposal. Approval of the Tesoro certificate of incorporation amendment proposal requires the affirmative vote of a majority of the shares of Tesoro common stock outstanding as of the close of business on the record date and entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote "AGAINST" the proposal.

Tesoro adjournment proposal. Approval of the Tesoro adjournment proposal requires the affirmative vote of a majority of the shares of Tesoro common stock present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

Q: What Western Refining stockholder vote is required for the approval of each proposal brought before the Western Refining special meeting? What will happen if I fail to vote or abstain from voting on each proposal?

A: *The Western Refining proposal to adopt the merger agreement.* Approval of the merger proposal requires the affirmative vote of a majority of the shares of Western Refining common stock outstanding as of the close of business on the record date and entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote "AGAINST" the proposal.

The Western Refining adjournment proposal. Approval of the Western Refining adjournment proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal, regardless of whether a quorum is present. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

The Western Refining non-binding compensation advisory proposal on specified compensation. Approval of the non-binding compensation advisory proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

The Western Refining non-binding certificate of incorporation amendment proposal approving the amendment of Tesoro's certificate of incorporation. Approval of the non-binding certificate of incorporation amendment proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

Q: What will Western Refining stockholders receive if the merger is completed?

A: As a result of the merger, each share of Western Refining common stock issued and outstanding immediately prior to the effective time of the first merger (other than excluded shares, as defined in the section entitled "*The Merger—Consideration to Western Refining Stockholders*" beginning on page 71) will be converted into the right to receive either 0.4350 of a share of Tesoro common stock, which is referred to as the stock consideration, or $37.30 in cash, which is referred to as the cash consideration. If you are a Western Refining stockholder, you will have the right to elect whether to receive stock consideration or cash consideration, subject to the adjustment and proration procedures described in this joint proxy statement/

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prospectus. Western Refining stockholders who make no election or an untimely election (or who otherwise are deemed not to have submitted an effective form of election) will be deemed to have elected to receive stock consideration.

Elections to receive stock consideration, which are referred to as stock elections, are not subject to proration. Elections to receive cash consideration, which are referred to as cash elections, are subject to the adjustment and proration procedures set forth in the merger agreement to ensure that the total number of shares of Western Refining common stock converted into cash consideration will not exceed 10,843,042 shares of Western Refining common stock *less* the number of excluded shares (as defined in the section entitled "*The Merger—Consideration to Western Refining Stockholders*" beginning on page 71), which is referred to as the cash election number.

If you elect to receive stock consideration and would otherwise be entitled to receive a fractional share of Tesoro common stock (taking into account all Western Refining shares for which you have elected or been deemed to have elected to receive stock consideration), you will receive cash in lieu of such fractional share, and you will not be entitled to dividends, voting rights or any other rights in respect of such fractional share. For more information regarding adjustment and proration procedures, see the section entitled "*The Merger Agreement—Merger Consideration*" beginning on page 140.

For more information regarding the stock consideration or cash consideration, as applicable, to be provided to Western Refining stockholders, referred to as the per share merger consideration, see the section entitled "*The Merger—Consideration to Western Refining Stockholders*" beginning on page 71. For more information regarding election mechanics, see the section entitled "*The Merger Agreement—Election and Exchange Procedures*" beginning on page 143.

Q. If I elect to receive cash consideration, under what circumstances will my cash consideration be prorated and how will the proration be calculated?

A: In the event that the aggregate number of shares of Western Refining common stock in respect of which cash elections have been made, which are referred to as cash election shares, exceeds the cash election number referred to in the question and answer directly above, all cash election shares will be converted into stock consideration or cash consideration as follows:

- No more than 10,843,042 shares of Western Refining common stock in the aggregate will be converted into the right to receive the cash consideration. Each record holder of shares of Western Refining common stock having made a cash election will be entitled to receive the cash consideration in respect of approximately their pro rata portion of the 10,843,042 shares of Western Refining common stock converted into the right to receive the cash consideration. In some cases, due to rounding, a Western Refining stockholder's pro rata portion may be zero, such that none of such Western Refining stockholder's shares of Western Refining common stock will be converted into the right to receive the cash consideration. Further information on how such pro rata portion is calculated is available in the section entitled "*The Merger Agreement—Merger Consideration*" beginning on page 140.
- The remainder of each such holder's cash election shares will not be converted into a right to receive the cash consideration and will instead be converted into the right to receive the stock consideration, including cash in lieu of any fractional share, if applicable.

The number of cash election shares of a holder of Western Refining common stock that are to remain cash election shares pursuant to the calculation described above will be rounded downward where needed. The calculations described above will be performed by American Stock Transfer & Trust Company, Tesoro's and Western Refining's transfer agent, referred to as the exchange agent.

Q: What will holders of Western Refining equity awards receive in the merger?

A: At the effective time of the first merger, each outstanding Western Refining restricted stock unit that is vested will be cancelled in exchange for cash consideration and each other outstanding Western Refining equity award will be converted into a Tesoro equity award, as described in more detail below.

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Vested Western Refining Restricted Stock Units

Each outstanding Western Refining restricted stock unit, which is referred to as a Western Refining RSU, that is vested as of the effective time of the first merger (after application of any vesting acceleration provisions) will automatically be cancelled and converted into, as soon as reasonably practicable after the effective time of the first merger, an amount in cash (without interest) equal to the number of shares of such vested Western Refining RSU immediately prior to the effective time of the first merger *multiplied by* the cash consideration, less applicable taxes required to be withheld with respect to such payment.

Unvested Western Refining Restricted Stock Units

Each outstanding Western Refining RSU that is not vested as of the effective time of the first merger (after application of any vesting acceleration provisions) will automatically be converted into an RSU denominated in shares of Tesoro common stock, which is referred to as a Tesoro RSU, covering a number of shares of Tesoro common stock, rounded down to the nearest whole number, equal to the number of shares of Western Refining common stock subject to such Western Refining RSU immediately prior to the effective time of the first merger *multiplied by* the exchange ratio. Except as specifically provided in the merger agreement, following the effective time of the first merger, each such Tesoro RSU will continue to be governed by the same terms and conditions (including vesting terms) as were applicable to the applicable Western Refining RSU immediately prior to the effective time of the first merger.

Western Refining Performance Unit Awards

Each outstanding Western Refining performance unit award, which is referred to as a Western Refining PUA, whether vested or unvested, will remain a performance unit award denominated in the same cash value as the Western Refining PUA, except that any references in such Western Refining PUA to shares of Western Refining common stock will be to shares of Tesoro common stock, which is referred to as a Tesoro PUA. Except as provided in the merger agreement, following the effective time of the first merger, each such Tesoro PUA will continue to be governed by the same terms and conditions (including vesting terms) as were applicable to the applicable Western Refining PUA immediately prior to the effective time of the first merger, provided that the performance metrics will be adjusted by Western Refining with the approval of Tesoro to reflect the first merger.

Other Company Awards

Any other right to acquire or receive shares of Western Refining common stock and each award consisting of shares of Western Refining common stock will automatically be converted into the right to acquire or receive benefits measured by the value of (as the case may be) the number of shares of Tesoro common stock, rounded down to the nearest whole number, equal to the number of shares of Western Refining common stock subject to such award immediately prior to the effective time of the first merger *multiplied by* the exchange ratio, and to the extent such award provides for payments to the extent the value of the shares of Western Refining common stock exceeds a specified reference price, at a reference price per share, rounded to the nearest whole cent, equal to the reference price per share of Western Refining common stock immediately prior to the effective time of the first merger *divided by* the exchange ratio. Except as specifically provided in the merger agreement, following the effective time of the first merger, each such right will otherwise be subject to the same terms and conditions (including, as applicable, vesting and exercisability terms) as were applicable to the rights under the relevant plan immediately prior to the effective time of the first merger, provided that any applicable performance metrics will be adjusted by Western Refining with the approval of Tesoro to reflect the first merger.

For more information regarding the treatment of Western Refining equity awards, see the section entitled "*The Merger Agreement—Treatment of Western Refining Stock Plans in the Merger*" beginning on page 142.

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Q: How do the boards of directors of Tesoro and Western Refining recommend that I vote?

A: T*esoro.* The Tesoro board recommends that Tesoro stockholders vote "**FOR**" the approval of the Tesoro issuance proposal, "**FOR**" the approval of the Tesoro certificate of incorporation amendment proposal and "**FOR**" the approval of the Tesoro adjournment proposal. For more information regarding how the board of directors of Tesoro recommends that Tesoro stockholders vote, see the section entitled "*The Merger—Recommendation of Tesoro's Board of Directors and Reasons for the Merger*" beginning on page 81.

Western Refining. The Western Refining board recommends that you vote "**FOR**" for the approval of the merger proposal, "**FOR**" the approval of the Western Refining adjournment proposal, "**FOR**" the approval of the non-binding compensation advisory proposal and "**FOR**" the approval of the non-binding certificate of incorporation amendment proposal. For more information regarding how the board of directors of Western Refining recommends that you vote, see the section entitled "*The Merger—Recommendation of Western Refining's Board of Directors and Reasons for the Merger*" beginning on page 91.

Q: What is executive officer compensation and why are Western Refining stockholders being asked to vote on it?

A: The SEC has adopted rules that require Western Refining to seek a non-binding, advisory vote on the compensation payments that will or may be made to its named executive officers in connection with the merger. Western Refining urges its stockholders to read the section entitled "*The Merger—Interests of Western Refining Directors and Executive Officers in the Merger*" beginning on page 133.

Q: How will Tesoro fund the cash portion of the per share merger consideration?

A: Tesoro intends to fund the cash portion of the per share merger consideration using a combination of cash on hand, the net proceeds of the offering on December 22, 2016 of its $850 million 4.750% Senior Notes due 2023 and its $750 million 5.125% Senior Notes due 2026 (collectively referred to herein as the "new debt securities") and borrowings under a new incremental revolver under Tesoro's existing credit facility.

Q: Who is entitled to vote at the special meeting?

A: *Tesoro special meeting.* The board of directors of Tesoro has fixed February 10, 2017 as the record date for the Tesoro special meeting. All holders of record of shares of Tesoro common stock as of the close of business on the record date are entitled to receive notice of, and to vote at, the Tesoro special meeting, provided that those shares remain outstanding on the date of the Tesoro special meeting. Physical attendance at the Tesoro special meeting is not required to vote. See the section entitled "*Questions and Answers About the Merger and the Special Meetings—How can I vote my shares without attending the special meeting?*" beginning on page 10 for instructions on how to vote your shares without attending the Tesoro special meeting.

Western Refining special meeting. The board of directors of Western Refining has fixed February 10, 2017 as the record date for the Western Refining special meeting. All holders of record of shares of Western Refining common stock as of the close of business on the record date are entitled to receive notice of, and to vote at, the Western Refining special meeting, provided that those shares remain outstanding on the date of the Western Refining special meeting. Physical attendance at the Western Refining special meeting is not required to vote. See the section entitled "*Questions and Answers About the Merger and the Special Meetings—How can I vote my shares without attending the special meeting?*" beginning on page 10 for instructions on how to vote your shares without attending the Western Refining special meeting.

Q: What if my shares are held in the Tesoro Corporation Thrift Plan?

A: Participants holding shares of Tesoro common stock in the Tesoro Corporation Thrift Plan may not vote such shares in person at the Tesoro special meeting. Participants in the Tesoro Corporation Thrift Plan may

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instruct Fidelity Management Trust Company, as trustee for such plan, how to vote all shares of Tesoro common stock allocated to their accounts by following the instructions on the enclosed instruction card. If a participant in the Tesoro Corporation Thrift Plan does not instruct Fidelity Management Trust Company how to vote, the shares of Tesoro common stock allocated to such participant's accounts will not be voted.

Q: What is a proxy?

A: A proxy is a legal designation of another person to vote the stock you own.

Tesoro stockholders. If you are a stockholder of record of Tesoro common stock as of the close of business on the record date, and you vote by phone, by Internet or by signing, dating and returning your proxy card in the enclosed postage-paid envelope, you designate two of Tesoro's officers as your proxies at the Tesoro special meeting, each with full power to act without the other and with full power of substitution. These two officers are Carrie P. Ryan and Elisa D. Watts.

Western Refining stockholders. If you are a stockholder of record of Western Refining common stock as of the close of business on the record date, and you vote by phone, by Internet or by signing, dating and returning your proxy card in the enclosed postage-paid envelope, you designate two of Western Refining's officers as your proxies at the Western Refining special meeting, each with full power to act without the other and with full power of substitution. These two officers are Scott D. Weaver and Lowry Barfield.

Q: How many votes do I have?

A: *Tesoro stockholders.* Each Tesoro stockholder of record is entitled to one vote for each share of Tesoro common stock held of record by him or her as of the close of business on record date.

Western Refining stockholders. Each Western Refining stockholder of record is entitled to one vote for each share of Western Refining common stock held of record by him or her as of the close of business on the record date.

Q: What constitutes a quorum for the special meeting?

A: A quorum is the minimum number of stockholders necessary to hold a valid meeting.

Quorum for Tesoro special meeting. A quorum will exist at the Tesoro special meeting with respect to each matter to be considered at the Tesoro special meeting if the holders of a majority of shares of Tesoro common stock outstanding as of the close of business on the record date are present in person or represented by proxy at the Tesoro special meeting.

Quorum for Western Refining special meeting. A quorum will exist at the Western Refining special meeting with respect to the matters to be considered at the Western Refining special meeting if the holders of a majority of shares of Western Refining common stock issued and outstanding and entitled to vote as of the close of business on the record date are present in person or represented by proxy at the Western Refining special meeting.

Q: What will happen to Western Refining as a result of the merger?

A: If the first merger is completed, Merger Sub 1 will merge with and into Western Refining. As a result of the first merger, the separate corporate existence of Merger Sub 1 will cease, and Western Refining will continue as the surviving corporation and as a wholly owned subsidiary of Tesoro.

If either Tesoro or Western Refining provides notice that it elects in accordance with the merger agreement to effect the second merger, then immediately following the completion of the first merger, subject to

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certain conditions, the surviving corporation will merge with and into Merger Sub 2, which is referred to as the second merger. If the second merger is effected, the first merger and the second merger are referred to together in this joint proxy statement/prospectus as the merger. If the second merger occurs, the separate corporate existence of Western Refining will cease as a result and Merger Sub 2 will continue as the surviving company and a wholly owned subsidiary of Tesoro. If the second merger is not effected, the first merger is also referred to in this joint proxy statement/prospectus on its own as the merger.

The merger agreement does not require that an election to effect the second merger be made at any particular time prior to the effective time of the first merger.

At any time prior to the completion of the first merger, including after any or all of the Tesoro special meeting, the Western Refining special meeting and the election deadline, either Tesoro or Western Refining may, on the terms and subject to the conditions set forth in the merger agreement, provide notice to the other that it elects to effect the second merger. While Tesoro and Western Refining stockholders may not know whether the second merger will be effected when they vote on the proposals to be considered at the Tesoro special meeting and the Western Refining special meeting, respectively, or when Western Refining stockholders make their elections to receive the cash consideration or the stock consideration, an election to effect the second merger will not affect the amount of the per share merger consideration or the timing or manner in which Western Refining stockholders receive the per share merger consideration. Western Refining stockholders become entitled to receive the per share merger consideration at the effective time of the first merger, on the terms and subject to the conditions set forth in the merger agreement, irrespective of whether the second merger occurs.

If either Tesoro or Western Refining elects to effect the second merger, it will make a public announcement to that effect as promptly as practicable after providing notice thereof to the other party.

Q: Why have Tesoro and Western Refining provided for the option to effect the second merger?

A: As described in the last bullet in the section entitled "*The Merger Agreement—Conditions to the Completion of the Merger*" beginning on page 163, the delivery of a tax opinion regarding the tax treatment of the merger is a condition to the obligation of Western to effect the merger. Tesoro and Western included the option to make a second merger election in the merger agreement in the event that the legal counsel issuing the tax opinion determines that the second merger is necessary in order for it to deliver that tax opinion. While a final determination is not able to be made until immediately prior to the closing of the merger, as of the date of this proxy statement/prospectus, such legal counsel has not informed either Tesoro or Western Refining that the second merger is expected to be necessary in order for it to deliver its tax opinion.

Q: I own shares of Western Refining common stock. What will happen to those shares as a result of the merger?

A: If the merger is completed, your shares of Western Refining common stock will be cancelled and thereafter represent only the right to receive the applicable per share merger consideration. See the section entitled "*The Merger Agreement—Merger Consideration*" beginning on page 140.

Q: I own shares of Western Refining common stock. How do I make an election to receive cash consideration or stock consideration for my shares of Western Refining common stock?

A: Prior to the closing of the merger, the exchange agent will provide a form of election and appropriate transmittal materials to holders of record of shares of Western Refining common stock advising such holders of the procedure for exercising their right to make an election. If you hold shares of Western Refining common stock in street name, you will need to follow the procedures established by your broker, bank or other nominee in order to make an election.

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Q: I own shares of Western Refining common stock. What is the deadline for submitting an election?

A: To be effective, a form of election must be properly completed, signed and submitted to the exchange agent by the election deadline, which is defined in the section entitled "*The Merger Agreement—Election and Exchange Procedures*" beginning on page 143. Unless otherwise publicly announced by Tesoro with the consent of Western Refining, the "election deadline" will be 5:00 PM (Eastern Time) on the business day that is two trading days prior to the closing date for the first merger or such other date and time as Tesoro may publicly announce with the consent of Western Refining. Western Refining stockholders are urged to promptly submit their properly completed and signed forms of election, together with the necessary transmittal materials, and not wait until the election deadline.

Q: I own shares of Western Refining common stock. How can I change my election?

A: You can revoke your election before the election deadline by written notice that is sent to and received by the exchange agent prior to the election deadline.

Q: I own shares of Western Refining common stock. What happens if I don't make an election?

A: A holder of shares of Western Refining common stock who makes no election or an untimely election, or is otherwise deemed not to have submitted an effective form of election, or who has validly revoked his or her merger consideration election but has not properly submitted a new duly completed form of election, will be deemed to have made a stock election.

Q: Where will the Tesoro common stock that Western Refining stockholders receive in the merger be publicly traded?

A: Assuming the merger is completed, the shares of Tesoro common stock issued in connection with the merger will be listed and traded on the NYSE.

Q: What happens if the merger is not completed?

A: If the merger agreement is not adopted by Western Refining stockholders or if the issuance of shares of Tesoro common stock in connection with the merger is not approved by Tesoro stockholders or if the merger is not completed for any other reason, Western Refining stockholders will not receive any stock consideration, cash consideration or other consideration in connection with the merger, and their shares of Western Refining common stock will remain outstanding. Western Refining will remain an independent public company and its common stock will continue to be listed and traded on the NYSE. Additionally, if the merger agreement is not adopted by Western Refining stockholders or if the merger is not completed for any other reason, Tesoro will not issue shares of Tesoro common stock to Western Refining stockholders, regardless of whether the Tesoro issuance proposal is approved, and will not amend the Tesoro certificate of incorporation to increase the number of authorized shares of Tesoro common stock, regardless of whether the Tesoro certificate of incorporation amendment proposal is approved. If the merger agreement is terminated under specified circumstances, either Western Refining or Tesoro (depending on the circumstances) may be required to pay the other party a termination fee, reverse termination fee or other termination-related payment. See "*The Merger Agreement—Termination*" beginning on page 165 for a more detailed discussion of the termination fees.

Q: How can I vote my shares in person at the special meeting?

A: *Tesoro.* Shares of Tesoro common stock held directly in your name as the stockholder of record of shares of such Tesoro common stock as of the close of business on February 10, 2017, the record date, may be voted in person at the Tesoro special meeting. If you choose to attend the Tesoro special meeting, you will need to bring valid, government-issued photo identification. If you are a beneficial owner of Tesoro common stock

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but not the stockholder of record of such shares of Tesoro common stock, you will also need proof of stock ownership to be admitted in the Tesoro special meeting. A recent brokerage statement or a letter from a bank or broker are examples of proof of ownership. Please note that if your shares are held in "street name" by a broker, bank or other nominee and you wish to vote at the Tesoro special meeting, you will not be permitted to vote in person unless you first obtain a legal proxy issued in your name from the record owner and present it to the inspector of election with your ballot at the Tesoro special meeting. To request a legal proxy, please contact your broker, bank or other nominee holder of record. It is suggested you do so in a timely manner to ensure receipt of your legal proxy prior to the Tesoro special meeting.

Please note that if your shares are held in the Tesoro Corporation Thrift Plan, you may not vote in person at the Tesoro special meeting.

Failure to bring the appropriate documentation may delay your entry into or prevent you from attending the Tesoro special meeting. The doors to the meeting room will be closed promptly at the start of the meeting, and stockholders will not be permitted to enter after that time.

Western Refining. Shares of Western Refining common stock held directly in your name as the stockholder of record as of the close of business on February 10, 2017, the record date, may be voted in person at the Western Refining special meeting. If you choose to attend the Western Refining special meeting, you will need to bring valid, government-issued photo identification. If you are a beneficial owner of Western Refining common stock but not the stockholder of record of such shares of Western Refining common stock, you will also need proof of stock ownership to be admitted to the Western Refining special meeting. A recent brokerage statement or a letter from a bank or broker are examples of proof of ownership. Please note that if your shares are held in "street name" by a broker, bank or other nominee and you wish to vote at the Western Refining special meeting, you will not be permitted to vote in person unless you first obtain a legal proxy issued in your name from the record owner and present it to the inspector of election with your ballot at the Western Refining special meeting. To request a legal proxy, please contact your broker, bank or other nominee holder of record. It is suggested you do so in a timely manner to ensure receipt of your legal proxy prior to the Western Refining special meeting.

Failure to bring the appropriate documentation may delay your entry into or prevent you from attending the Western Refining special meeting. The doors to the meeting room will be closed promptly at the start of the meeting, and stockholders will not be permitted to enter after that time.

Q: How can I vote my shares without attending the special meeting?

A: *Tesoro.* If you are a stockholder of record of Tesoro common stock as of the close of business on February 10, 2017, the record date, you can vote by proxy via the Internet, by telephone or by mail by following the instructions provided in the enclosed proxy card. Please note that if you are a beneficial owner, you may vote by submitting voting instructions to your bank, brokerage firm or other nominee, or otherwise by following instructions provided by your bank, brokerage firm or other nominee. If your shares are held in the Tesoro Corporation Thrift Plan, you may not vote in person at the Tesoro special meeting. Participants in the Tesoro Corporation Thrift Plan may instruct Fidelity Management Trust Company, as trustee for such plan, how to vote all shares of Tesoro common stock allocated to their accounts by following the instructions on the enclosed instruction card. If a participant in the Tesoro Corporation Thrift Plan does not instruct Fidelity Management Trust Company how to vote, the shares of Tesoro common stock allocated to such participant's accounts will not be voted.

Western Refining. If you are a stockholder of record of Western Refining common stock as of the close of business on February 10, 2017, the record date, you can vote by proxy via the Internet, by telephone or by mail by following the instructions provided in the enclosed proxy card. Please note that if you are a beneficial owner, you may vote by submitting voting instructions to your bank, brokerage firm or other nominee, or otherwise by following instructions provided by your bank, brokerage firm or other nominee. Telephone and internet voting may be available to beneficial owner. Please refer to the vote instruction form provided by your bank, brokerage firm or other nominee.

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Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: *Tesoro*. If your shares of Tesoro common stock are registered directly in your name with Tesoro's transfer agent, American Stock Transfer & Trust Company, you are considered the stockholder of record with respect to those shares, and access to proxy materials is being provided directly to you. If your shares are held in a stock brokerage account or by a bank or other nominee, then you are considered the beneficial owner of those shares, which are considered to be held in street name. Access to proxy materials is being provided to you by your broker, bank or other nominee who is considered the stockholder of record with respect to those shares. Shares of Tesoro common stock held in the Tesoro Corporation Thrift Plan are considered held in street name.

Western Refining. If your shares of Western Refining common stock are registered directly in your name with Western Refining's transfer agent, American Stock Transfer & Trust Company, you are considered the stockholder of record with respect to those shares, and access to proxy materials is being provided directly to you. If your shares are held in a stock brokerage account or by a bank or other nominee, then you are considered the beneficial owner of those shares, which are considered to be held in street name. Access to proxy materials is being provided to you by your broker, bank or other nominee who is considered the stockholder of record with respect to those shares.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials relating to the Tesoro special meeting and/or the Western Refining special meeting if you hold shares of both Tesoro and Western Refining or if you hold shares of Tesoro and/or Western Refining common stock in "street name" and also directly in your name as a stockholder of record or otherwise or if you hold shares of Tesoro and/or Western Refining common stock in more than one brokerage account.

Direct holders (stockholders of record)

For shares of Tesoro and/or Western Refining common stock held directly, please complete, sign, date and return each proxy card (or cast your vote by telephone or Internet as provided on each proxy card) or otherwise follow the voting instructions provided in this joint proxy statement/prospectus in order to ensure that all of your shares of Tesoro and/or Western Refining common stock are voted.

Shares in "street name"

For shares of Tesoro and/or Western Refining common stock held in "street name" through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares.

Q: I hold shares of both Tesoro common stock and Western Refining common stock. Do I need to vote separately for each company?

A: Yes. You will need to separately follow the applicable procedures described in this joint proxy statement/prospectus both with respect to the voting of shares of Tesoro common stock and with respect to the voting of shares of Western Refining common stock in order to effectively vote the shares of common stock you hold in each company.

Q: If a stockholder gives a proxy, how will the shares of Tesoro common stock or Western Refining common stock, as applicable, covered by the proxy be voted?

A: If you provide a proxy, regardless of whether you provide that proxy by phone, via the Internet or by completing and returning the applicable enclosed proxy card, the individuals named on the enclosed proxy card will vote your shares of Tesoro common stock or your shares of Western Refining common stock, as

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applicable, in the way that you indicate when providing your proxy in respect of the shares of common stock you hold in such company. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of Tesoro or Western Refining common stock, as applicable, should be voted for or against, or abstain from voting on, all, some or none of the specific items of business to come before the Tesoro special meeting or the Western Refining special meeting, as applicable.

Q: How will my shares of common stock be voted if I return a blank proxy?

A: *Tesoro.* If you sign, date and return your proxy and do not indicate how you want your shares of Tesoro common stock to be voted, then your shares of Tesoro common stock will be voted "**FOR**" the approval of the Tesoro issuance proposal, **"FOR**" the approval of the Tesoro certificate of incorporation amendment proposal and "**FOR**" the approval of the Tesoro adjournment proposal.

Western Refining. If you sign, date and return your proxy and do not indicate how you want your shares of Western Refining common stock to be voted, then your shares of Western Refining common stock will be voted "**FOR**" the approval of the merger proposal, "**FOR**" the approval of the Western Refining adjournment proposal, "**FOR**" the approval of the non-binding compensation advisory proposal and "**FOR**" the approval of the non-binding certificate of incorporation amendment proposal.

Q: Can I change my vote after I have submitted my proxy?

A: *Tesoro.* Yes. If you are a stockholder of record of Tesoro common stock as of the close of business on the record date, whether you vote by telephone, Internet or mail, you can change or revoke your proxy before it is voted at the meeting in one of the following ways:

- submit a new proxy card bearing a later date;
- vote again by telephone or the Internet at a later time;
- give written notice of your revocation to the Tesoro Corporate Secretary; or
- vote in person at the Tesoro special meeting. Please note that your attendance at the Tesoro special meeting will not alone serve to revoke your proxy.

If you are a beneficial owner of Tesoro common stock as of the close of business on the record date, you must follow the instructions of your broker, bank or other nominee to revoke or change your voting instructions.

Western Refining. Yes. If you are a stockholder of record of Western Refining common stock as of the close of business on the record date, whether you vote by telephone, Internet or mail, you can change or revoke your proxy before it is voted at the meeting in one of the following ways:

- submit a new proxy card bearing a later date;
- vote again by telephone or the Internet at a later time;
- give written notice of your revocation to the Western Refining Corporate Secretary at the address provided above; or
- vote in person at the Western Refining special meeting. Please note that your attendance at the Western Refining special meeting will not alone serve to revoke your proxy.

If you are a beneficial owner of Western Refining common stock as of the close of business on the record date, you must follow the instructions of your broker, bank or other nominee to revoke or change your voting instructions.

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Q: Where can I find the voting results of the special meetings?

A: The preliminary voting results will be announced at each of the special meetings. In addition, within four business days following certification of the final voting results, Tesoro and Western Refining each intend to file the final voting results of its special meeting with the SEC in a Current Report on Form 8-K.

Q: If I do not favor the adoption of the merger agreement as a Western Refining stockholder, what are my rights?

A: Because holders of shares of Western Refining common stock are not required to receive consideration other than the stock consideration or cash in lieu of fractional shares in the merger and shares of Tesoro common stock are listed on the NYSE, holders of shares of Western Refining common stock are not entitled to exercise dissenters' rights under Delaware law in connection with the merger. Western Refining stockholders may vote against the merger proposal if they are not in favor of the adoption of the merger agreement.

Q: Are there any risks that I should consider as a Tesoro stockholder in deciding how to vote?

A: Yes. You should read and carefully consider the risk factors set forth in the section entitled "*Risk Factors*" beginning on page 44. You also should read and carefully consider the risk factors of Tesoro and Western Refining contained in the documents that are incorporated by reference herein.

Q: Are there any risks that I should consider as a Western Refining stockholder in deciding how to vote?

A: Yes. You should read and carefully consider the risk factors set forth in the section entitled "*Risk Factors*" beginning on page 44. You also should read and carefully consider the risk factors of Tesoro and Western Refining contained in the documents that are incorporated by reference herein.

Q: Are any Western Refining stockholders already committed to vote in favor of the proposals?

A: Yes. On November 16, 2016, Paul L. Foster, Franklin Mountain Investments, LP, Jeff A. Stevens and Scott D. Weaver, the Chairman, CEO and Vice President, Assistant Treasurer and Assistant Secretary of Western Refining, respectively, entered into separate voting and support agreements with Tesoro and Western Refining pursuant to which they have agreed, among other things, to vote all of the shares of Western Refining common stock beneficially owned by them (constituting approximately 22.5% of the issued and outstanding shares of Western Refining common stock as of February 8, 2017) in favor of the adoption of the merger agreement, on the terms and subject to the conditions set forth in the voting and support agreements as discussed in more detail in the section entitled "*Voting and Support Agreements*" beginning on page 170.

Q: What happens if I sell my shares of Tesoro common stock before the Tesoro special meeting?

A: The record date for Tesoro stockholders entitled to vote at the Tesoro special meeting is earlier than the date of the Tesoro special meeting. If you transfer your shares of Tesoro common stock after the record date but before the Tesoro special meeting, you will, unless special arrangements are made, retain your right to vote at the Tesoro special meeting.

Q: What happens if I sell my shares of Western Refining common stock before the Western Refining special meeting?

A: The record date for Western Refining stockholders entitled to vote at the Western Refining special meeting is earlier than the date of the Western Refining special meeting. If you transfer your shares of Western Refining common stock after the record date but before the Western Refining special meeting, you will,

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unless special arrangements are made, retain your right to vote at the Western Refining special meeting but will have transferred the right to receive the per share merger consideration in connection with the merger to the person to whom you transferred your shares of Western Refining common stock.

Q: What are the material U.S. federal income tax consequences of the merger to me?

A: It is a condition to Western Refining's obligation to complete the merger that Western Refining receive a written opinion of its counsel, Davis Polk & Wardwell LLP (or another nationally recognized law firm selected by Western Refining), dated as of the closing date, substantially to the effect that for U.S. federal income tax purposes, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Assuming the merger qualifies as a reorganization, a stockholder of Western Refining generally will not recognize any gain or loss upon receipt of Tesoro common stock in exchange for Western Refining common stock in the merger, except that gain (but not loss) will be recognized in an amount not to exceed any cash received as part of the cash consideration (other than cash received in lieu of a fractional share) and gain or loss will be recognized with respect to any cash received in lieu of a fractional share of Tesoro common stock. The U.S. federal income tax consequences of the merger are discussed in more detail in the section entitled "*Material U.S. Federal Income Tax Consequences of the Merger*" beginning on page 172. The discussion of the material U.S. federal income tax consequences contained in this joint proxy statement/prospectus is intended to provide only a general discussion and is not a complete analysis or description of all potential U.S. federal income tax consequences of the merger that may vary with, or are dependent on, individual circumstances. In addition, it does not address the effects of any foreign, state or local tax laws.

TAX MATTERS ARE COMPLICATED AND THE TAX CONSEQUENCES OF THE MERGER WILL DEPEND ON THE FACTS OF YOUR OWN SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES OF THE MERGER TO YOU IN YOUR PARTICULAR CIRCUMSTANCES.

Q: When is the merger expected to be completed?

A: Subject to the satisfaction or waiver of the closing conditions described in the section entitled "*The Merger Agreement—Conditions to the Completion of the Merger*" beginning on page 163, including the adoption of the merger agreement by Western Refining stockholders at the Western Refining special meeting and the approval of the Tesoro issuance proposal by Tesoro stockholders at the Tesoro special meeting, the transaction is expected to close in the first half of 2017. However, it is possible that factors outside the control of both companies could result in the merger being completed at a later time, or not being completed at all.

Q: Who will solicit and pay the cost of soliciting proxies?

A: *Tesoro.* Tesoro has retained Innisfree M&A Incorporated, which is referred to as Innisfree, to assist in the solicitation process. Tesoro will pay Innisfree a fee of approximately $20,000, as well as reasonable and documented out-of-pocket expenses. Tesoro also has agreed to indemnify Innisfree against various liabilities and expenses that relate to or arise out of its solicitation of proxies (subject to certain exceptions).

Western Refining. Western Refining has retained MacKenzie Partners, Inc., which is referred to as MacKenzie, to assist in the solicitation process. Western Refining will pay MacKenzie a fee of approximately $50,000, as well as reasonable and documented out-of-pocket expenses. Western Refining also has agreed to indemnify MacKenzie against various liabilities and expenses that relate to or arise out of its solicitation of proxies (subject to certain exceptions).

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Q: What are the conditions to completion of the merger?

A: In addition to the approval of the Tesoro issuance proposal by Tesoro stockholders and the adoption of the merger agreement by Western Refining stockholders as described above, completion of the merger is subject to the satisfaction of a number of other conditions, including the expiration or termination of the waiting period applicable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to as the HSR Act, without the imposition of a burdensome condition (as defined in the section entitled "*The Merger Agreement—Reasonable Best Efforts; Regulatory Filings and Other Actions—Burdensome Condition*" beginning on page 160), the accuracy of representations and warranties under the merger agreement (subject to certain materiality qualifiers), Tesoro's and Western Refining's performance of their respective obligations under the merger agreement, the absence of a material adverse effect for Tesoro (as described in the merger agreement), the absence of a material adverse effect for Western Refining (as described in the merger agreement), and Western Refining having received a written opinion of Davis Polk & Wardwell LLP (or another nationally recognized law firm selected by Western Refining) substantially to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. For a more complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see the section entitled "*The Merger Agreement—Conditions to the Completion of the Merger*" beginning on page 163.

Q: I am a Western Refining Stockholder. How do I exchange my shares of Western Refining common stock for the per share merger consideration?

A: Each Western Refining stockholder must deliver, for book-entry shares of Western Refining common stock, customary evidence of ownership of such shares as determined by the exchange agent by the election deadline, and for certificated shares of Western Refining common stock, the certificate representing such shares (or affidavits of loss in lieu of the certificates or an appropriate guarantee of delivery of such certificates by a financial institution, provided that the certificates are in fact delivered to the exchange agent within three trading days after the date of execution of such guarantee of delivery) and a letter of transmittal by the election deadline.

After receiving the proper documentation from you, following the effective time, the exchange agent will deliver to you the cash consideration or stock consideration (plus, in the case of stock consideration, any cash in lieu of fractional shares and any applicable dividends on Tesoro common stock with a record date after the merger is completed) to which you are entitled. More information on the documentation you are required to deliver to the exchange agent can be found in the section entitled "*The Merger Agreement—Election and Exchange Procedures*" beginning on page 143.

Q: What equity stake will Western Refining stockholders hold in Tesoro immediately following the merger?

A: Based on the number of issued and outstanding shares of Tesoro common stock and Western Refining common stock as of February 8, 2017, the exchange ratio of 0.4350 of a share of Tesoro common stock for each share of Western Refining common stock and assuming all holders of Western Refining elect to receive stock consideration, holders of shares of Western Refining common stock as of immediately prior to the closing of the merger would hold, in the aggregate, approximately 29.02% of the issued and outstanding shares of Tesoro common stock immediately following the closing of the merger. The exact equity stake of Western Refining stockholders in Tesoro immediately following the merger will depend on the number of shares of Tesoro common stock and Western Refining common stock issued and outstanding immediately prior to the merger as well as the number of stockholders who elect to receive the cash consideration, as provided in the section entitled "*The Merger Agreement—Merger Consideration*" beginning on page 140.

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Q: I am a Western Refining Stockholder. Will the shares of Tesoro common stock issued in the merger receive a dividend?

A: After the closing of the merger, the shares of Tesoro common stock issued in connection with the merger will carry with them the right to receive the same dividends on shares of Tesoro common stock as all other holders of shares of Tesoro common stock, for any dividend the record date for which occurs after the merger is completed.

For the past three years, Tesoro has paid a quarterly dividend on the Tesoro common stock as described in greater detail in the section entitled "*Comparative Per Share Market Price and Dividend Information—Tesoro Market Price and Dividend* Information" beginning on page 39. Tesoro last declared a dividend on February 3, 2017, in an amount of $0.55 per Tesoro share, which will be paid on March 15, 2017 to Tesoro stockholders of record as of the close of business on February 28, 2017. Any future Tesoro dividends will remain subject to approval by the Tesoro board.

Q: What should I do now?

A: You should read this joint proxy statement/prospectus carefully in its entirety, including the annexes, and return your completed, signed and dated proxy card(s) by mail in the enclosed postage-paid envelope or submit your voting instructions by telephone or via the Internet as soon as possible so that your shares of Tesoro common stock and/or Western Refining common stock will be voted in accordance with your instructions.

Q: Whom do I call if I have questions about the special meetings or the merger?

A: If you have questions about the Tesoro special meeting, the Western Refining special meeting or the merger, or desire additional copies of this joint proxy statement/prospectus or additional proxies, you may contact Innisfree, toll-free at 1-888-750-5834 or collect at 1-212-750-5833, or MacKenzie, toll-free at 1-800-322-2885 or collect at 1-212-929-5500.

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SUMMARY

This summary highlights selected information included in this document and does not contain all of the information that may be important to you. You should read this entire document and its appendices and the other documents to which Tesoro and Western Refining refer before you decide how to vote with respect to the proposals to be considered and voted on at the special meeting for your company. In addition, Tesoro and Western Refining incorporate by reference important business and financial information about Tesoro and Western Refining into this document, as further described in the section entitled "*Where You Can Find More Information*" beginning on page 211. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled "*Where You Can Find More Information*" beginning on page 211. Each item in this summary includes a page reference directing you to a more complete description of that item.

Information About the Companies (page 56)

Tesoro Corporation

19100 Ridgewood Parkway,
San Antonio, TX 78259
Phone: 210-626-6000

Tesoro, whose legal name is Tesoro Corporation, was incorporated in Delaware in 1968. Based in San Antonio, Texas, Tesoro is one of the largest independent petroleum refining, logistics and marketing companies in the United States. Tesoro's subsidiaries, operating through three business segments, primarily transport crude oil and manufacture, transport and sell transportation fuels. Tesoro's refining operating segment refines crude oil and other feedstocks into transportation fuels, such as gasoline and gasoline blendstocks, jet fuel and diesel fuel, as well as other products, including heavy fuel oils, liquefied petroleum gas and petroleum coke for sale in bulk markets to a wide variety of customers within Tesoro's markets. Tesoro's logistics operating segment, which is comprised of the assets and operations of Tesoro Logistics LP, which is referred to as TLLP, a publicly traded limited partnership, includes certain crude oil and natural gas gathering assets, natural gas and natural gas liquid processing assets, and crude oil and refined products terminalling, transportation and storage assets acquired from Tesoro and third parties. Tesoro's marketing operating segment sells transportation fuels through branded and unbranded channels. The branded business sells transportation fuels using a unique brand portfolio with the ARCO®, Shell®, Exxon®, Mobil®, USA Gasoline™, Rebel™, Thrifty™ and Tesoro® brands across a network of over 2,400 retail stations. Tesoro owns 100% of the outstanding equity interests of Tesoro Logistics GP, LLC, the general partner of TLLP. Additionally, as of December 31, 2016, Tesoro owned approximately 33% of the outstanding common units of TLLP.

Western Refining

212 North Clark Drive
El Paso, Texas 79905
Phone: 915-775-3300

Western Refining, whose legal name is Western Refining, Inc., is an independent crude oil refiner and marketer of refined products incorporated in September 2005 under Delaware law with principal offices located in El Paso, Texas. Western Refining produces refined products at refineries in El Paso, Texas, near Gallup, New Mexico and in St. Paul Park, Minnesota. Western Refining sells refined products primarily in Arizona, Colorado, Minnesota, New Mexico, Wisconsin, West Texas, the Mid-Atlantic region and Mexico through bulk distribution terminals and wholesale marketing networks. Western Refining owns a significant limited partner interest in Western Refining Logistics, LP, which is referred to as MLP. MLP, a publicly traded limited partnership, owns and operates logistics assets consisting of pipeline and gathering, terminalling, storage and transportation assets as well as a wholesale business that operates primarily in the Southwest. MLP operates its logistics assets

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primarily for the benefit of Western Refining. Western Refining also sells refined products through two retail networks with a total of 545 company-operated and franchised retail sites in the United States. Western Refining owns 100% of the outstanding equity interests of Western Refining Logistics GP, LLC, the general partner of MLP. Additionally, as of December 31, 2016, Western Refining owned approximately 52.6% of the outstanding common units of MLP.

Tahoe Merger Sub 1, Inc.

c/o Tesoro Corporation
19100 Ridgewood Parkway,
San Antonio, TX 78259
Phone: 210-626-6000

Merger Sub 1, whose legal name is Tahoe Merger Sub 1, Inc., is a direct, wholly owned subsidiary of Tesoro. Upon the completion of the merger, Merger Sub 1 will cease to exist. Merger Sub 1 was incorporated in Delaware on November 15, 2016 for the sole purpose of effecting the merger.

Tahoe Merger Sub 2, LLC

c/o Tesoro Corporation
19100 Ridgewood Parkway,
San Antonio, TX 78259
Phone: 210-626-6000

Merger Sub 2, whose legal name is Tahoe Merger Sub 2, LLC, is a direct, wholly owned subsidiary of Tesoro. If a second merger election is made, upon the completion of the second merger, Merger Sub 2 will survive the second merger and continue to exist as a direct, wholly owned subsidiary of Tesoro. Merger Sub 2 was formed in Delaware on November 15, 2016 for the sole purpose of effecting the second merger (if a second merger election is made).

The Merger and the Merger Agreement (pages 71 and 139)

The terms and conditions of the merger are contained in the merger agreement, which is attached to this document as Annex A and is incorporated by reference herein in its entirety. Tesoro and Western Refining encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

Tesoro's and Western Refining's boards of directors have unanimously approved the merger agreement. The merger agreement provides for the acquisition of Western Refining by Tesoro through the merger of Merger Sub 1, a wholly owned subsidiary of Tesoro, with and into Western Refining, with Western Refining continuing as the surviving corporation of the merger. If a second merger election is made prior to the completion of the merger, immediately following the completion of the first merger, the surviving corporation (i.e., Western Refining) will merge with and into Merger Sub 2, a wholly owned subsidiary of Tesoro, and the separate corporate existence of Western Refining will cease, with Merger Sub 2 continuing as the surviving company of the second merger.

Voting and Support Agreements (page 170)

On November 16, 2016, Tesoro, Western Refining, Merger Sub 1 and Merger Sub 2 entered into three separate Voting and Support Agreements, which are referred to as the voting agreements, with Paul L. Foster and Franklin Mountain Investments, LP (an entity controlled by Mr. Foster), Jeff A. Stevens and Scott D. Weaver respectively. Messrs. Foster, Stevens and Weaver are referred to collectively as the founders. Based on

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information provided by each of the founders and Franklin Mountain Investments, LP to Tesoro and Western Refining as of the date of the voting agreements, Mr. Foster beneficially owned in the aggregate 19,564,047 shares of Western Refining common stock (representing approximately 18% of the outstanding shares of Western Refining common stock as of February 8, 2017, 16,129,581 shares of which were beneficially owned by Franklin Mountain Investments, LP (Mr. Foster is the sole member and president of Franklin Mountain G.P., LLC, the general partner of Franklin Mountain Investments, LP, and as such, may be deemed to have voting and dispositive power over the shares owned by Franklin Mountain Investments, LP); Mr. Stevens beneficially owned in the aggregate 3,556,456 shares of Western Refining common stock (representing approximately 3.3% of the outstanding shares of Western Refining common stock as of February 8, 2017); and Mr. Weaver beneficially owned in the aggregate 1,307,229 shares of Western Refining common stock (representing approximately 1.2% of the outstanding shares of Western Refining common stock as of February 8, 2017). The shares beneficially owned by the founders represent, in the aggregate, approximately 22.5% of the outstanding shares of Western Refining common stock as of February 8, 2017. The founders and Franklin Mountain Investments, LP have agreed, on the terms and subject to the conditions set forth in their respective voting agreements, to vote their shares of Western Refining common stock in favor of the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and other related matters, and to vote against, among other things, any proposal relating to a competing transaction involving Western Refining. The voting agreements will terminate on the earlier to occur of the effective time of the first merger and the termination of the merger agreement. Copies of the voting agreements are attached to this joint proxy statement/prospectus as Annexes B, C and D and are incorporated by reference herein in their entirety.

Recommendation of Tesoro's Board of Directors and Reasons for the Merger (page 81)

The Tesoro board recommends that you vote "**FOR**" the Tesoro issuance proposal, "**FOR**" the Tesoro certificate of incorporation amendment proposal and "**FOR**" the Tesoro adjournment proposal.

Recommendation of Western Refining's Board of Directors and Reasons for the Merger (page 91)

The Western Refining board recommends that you vote "**FOR**" the merger proposal, "**FOR**" the Western Refining adjournment proposal, "**FOR**" the non-binding compensation advisory proposal and "**FOR**" the non-binding certificate of incorporation amendment proposal.

Opinions of Financial Advisors (pages 84 and 97)

Opinion of Goldman Sachs, Tesoro's financial advisor

Goldman, Sachs & Co., referred to as Goldman Sachs, delivered its oral opinion to the Tesoro board of directors on November 16, 2016, which opinion was subsequently confirmed in a written opinion dated November 16, 2016, that, as of such date and based upon and subject to the factors and assumptions set forth therein, the consideration to be paid by Tesoro for each share of Western Refining common stock pursuant to the merger agreement was fair from a financial point of view to Tesoro.

The full text of the written opinion of Goldman Sachs, dated November 16, 2016, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex F to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety. Goldman Sachs provided its opinion for the information and assistance of Tesoro's board of directors in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of Tesoro's common stock should vote with respect to the Tesoro issuance proposal or any other matter. Pursuant to an engagement letter between Tesoro and Goldman Sachs, Tesoro has agreed to pay Goldman Sachs a transaction fee of $29,000,000, which transaction fee may be increased by up to $5,000,000 at Tesoro's sole discretion, all of which is payable upon consummation of the merger. See the section entitled "*The Merger—Opinion of Goldman Sachs, Tesoro's Financial Advisor*" beginning on page 84.

Opinion of Barclays Capital, Western Refining's financial advisor

Western Refining retained Barclays Capital Inc., which is referred to as Barclays, as its exclusive financial advisor in connection with a potential strategic transaction with Tesoro and other strategic alternatives. On November 16, 2016, Barclays rendered to the Western Refining board of directors its oral opinion, which was subsequently confirmed by delivery of a written opinion dated November 16, 2016, that, as of such date and based upon and subject to the assumptions, limitations, qualifications and other matters set forth in its written opinion, a copy of which is attached hereto as Annex E, the per share merger consideration to be offered to the holders of Western Refining common stock (other than excluded shares) is fair, from a financial point of view, to such holders in the merger.

The full text of Barclays' written opinion, dated as of November 16, 2016, is attached to this joint proxy statement/prospectus as Annex E, and is hereby incorporated by reference herein in its entirety. Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The summary of Barclays' opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. Barclays' opinion is addressed to the Western Refining board of directors, addresses only the fairness, from a financial point of view, of the per share merger consideration to be offered to the holders of Western Refining common stock (other than excluded shares) and does not constitute a recommendation to any stockholder of Western Refining as to how such stockholder should vote with respect to the merger or any other matter.

For more information, see the section entitled "*The Merger—Opinion of Barclays Capital, Western Refining's Financial Advisor*" beginning on page 97 and Annex E.

Special Meeting of Tesoro Stockholders (page 58)

The Tesoro special meeting will be held on March 24, 2017, at 12:00 p.m., Central Time, at 19100 Ridgewood Parkway, San Antonio, Texas 78259. The purpose of the Tesoro special meeting is to consider and vote on the Tesoro issuance proposal, the Tesoro certificate of incorporation amendment proposal and the Tesoro adjournment proposal.

Approval of the Tesoro issuance proposal is a condition to the obligation of Tesoro and Western Refining to complete the merger. Neither the approval of the Tesoro certificate of incorporation amendment proposal nor the approval of the Tesoro adjournment proposal is a condition to the obligation of either Tesoro or Western Refining to complete the merger.

Only holders of record of issued and outstanding shares of Tesoro common stock as of the close of business on February 10, 2017, the record date for the Tesoro special meeting, are entitled to notice of, and to vote at, the Tesoro special meeting or any adjournment or postponement of the Tesoro special meeting. You may cast one vote for each share of Tesoro common stock that you owned as of the close of business on that record date.

A quorum of stockholders is necessary to hold a valid meeting. A quorum will exist at the Tesoro special meeting with respect to each matter to be considered at the Tesoro special meeting if the holders of a majority of shares of Tesoro common stock outstanding on the record date are present in person or represented by proxy at the Tesoro special meeting. All shares represented by proxy are counted as present for purposes of establishing a quorum, including abstentions and broker non-votes.

Approval of the Tesoro issuance proposal requires the affirmative vote of a majority of votes cast by Tesoro stockholders present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal.

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Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

Approval of the Tesoro certificate of incorporation amendment proposal requires the affirmative vote of a majority of the shares of Tesoro common stock outstanding as of the close of business on the record date and entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote "AGAINST" the proposal.

Approval of the Tesoro adjournment proposal requires the affirmative vote of a majority of the shares of Tesoro common stock present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

Special Meeting of Western Refining Stockholders (page 64)

The Western Refining special meeting will be held on March 24, 2017, at 10:00 a.m., Mountain Standard Time, at 1500 North Priest Drive, Tempe, AZ 85281. The purpose of the Western Refining special meeting is to consider and vote on the merger proposal, the Western Refining adjournment proposal, the non-binding compensation advisory proposal and the non-binding certificate of incorporation amendment proposal.

Approval of the merger proposal is a condition to the obligation of Western Refining and Tesoro to complete the merger. The approval of the Western Refining adjournment proposal, the approval of the non-binding compensation advisory proposal and the approval of the non-binding certificate of incorporation amendment proposal are not conditions to the obligation of either Western Refining or Tesoro to complete the merger.

Only holders of record of issued and outstanding shares of Western Refining common stock as of the close of business on February 10, 2017, the record date for the Western Refining special meeting, are entitled to notice of, and to vote at, the Western Refining special meeting or any adjournment or postponement of the Western Refining special meeting. You may cast one vote for each share of Western Refining common stock that you owned as of the close of business on that record date.

A quorum of stockholders is necessary to hold a valid meeting. A quorum will exist at the Western Refining special meeting with respect to the matters to be considered at the Western Refining special meeting if the holders of a majority of shares of Western Refining common stock issued and outstanding and entitled to vote on the record date are present in person or represented by proxy at the Western Refining special meeting. All shares represented by proxy are counted as present for purposes of establishing a quorum, including abstentions and broker non-votes.

Approval of the merger proposal requires the affirmative vote of a majority of the shares of Western Refining common stock outstanding as of the close of business on the record date and entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote "AGAINST" the proposal.

Approval of the Western Refining adjournment proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal, regardless of whether a quorum is present. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

Approval of the non-binding compensation advisory proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

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Approval of the non-binding certificate of incorporation amendment proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

Interests of Tesoro Directors and Executive Officers in the Merger (page 132)

Tesoro's executive officers and directors have interests in the merger that may be different from, or in addition to, the interests of Tesoro stockholders generally. The members of the Tesoro board were aware of and considered these interests, among other matters, when they approved the merger agreement and recommended that Tesoro stockholders approve the Tesoro issuance proposal. These interests are described in more detail in the section entitled "*The Merger—Interests of Tesoro Directors and Executive Officers in the Merger*" beginning on page 132.

Interests of Western Refining Directors and Executive Officers in the Merger (page 133)

Directors and executive officers of Western Refining may have interests in the merger that are different from, or in addition to, the interests of Western Refining stockholders generally. These interests include, but are not limited to:

- the treatment in the merger of restricted stock units, performance awards and other awards held by Western Refining executive officers and directors as described in the section entitled "*The Merger Agreement—Treatment of Western Refining Stock Plans in the Merger*" beginning on page 142, including accelerated vesting of some awards upon closing of the merger pursuant to their pre-existing terms and vesting of remaining awards upon a qualifying termination of employment during a specified period following the closing of the merger; and
- employment agreements with executive officers that provide for enhanced severance upon a qualifying termination of employment during a specified period following the closing of the merger.

These interests are described in more detail below, and certain of them are quantified in the narrative and tabular disclosure included in the section entitled "*The Merger—Merger-Related Compensation*" beginning on page 135

The Western Refining Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and approving the Mergers and in determining to recommend to Western Refining stockholders that they adopt the merger agreement. Western Refining stockholders should take these interests into account in deciding whether to adopt the merger agreement.

Conditions to the Completion of the Merger (page 163)

Under the merger agreement, the respective obligations of Tesoro, Western Refining, Merger Sub 1 and Merger Sub 2 to complete the merger are subject to the satisfaction or waiver at or prior to the effective time of the first merger of the following conditions:

- *Tesoro Stockholder Approval*. The Tesoro issuance proposal must have been approved by the affirmative vote of a majority of votes cast by Tesoro stockholders present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal.
- *Western Refining Stockholder Approval*. The merger proposal must have been duly adopted by holders of a majority of the outstanding shares of Western Refining common stock entitled to vote thereon at the Western Refining special meeting.
- *NYSE Listing*. The shares of Tesoro common stock issuable to Western Refining stockholders pursuant to the merger agreement must have been authorized for listing on the NYSE upon the official notice of issuance.

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- *Regulatory Consents*. The waiting period under the HSR Act applicable to the completion of the merger and the other transactions contemplated by the merger agreement must have expired or been terminated without the imposition of, or requirement to agree to, any terms, conditions, liabilities, obligations or commitments that, individually or in the aggregate, constitute a burdensome condition, as defined in the section entitled "*The Merger Agreement—Reasonable Best Efforts*; *Regulatory Filings and Other Actions—Burdensome Condition*" beginning on page 160 and in the merger agreement. For purposes of this condition as it applies to Western Refining's obligation to effect the merger, the reference to $25 million in the definition of burdensome condition is deemed to be $75 million.
- *Litigation*. There must not have been enacted, issued, promulgated, enforced or entered by a court or other governmental entity of competent jurisdiction any applicable law that is in effect and restrains, enjoins or otherwise prohibits completion of the merger or the other transactions contemplated by the merger agreement.
- *Effectiveness of the Registration Statement*. The registration statement of which this joint proxy statement/prospectus forms a part must have become effective under the Securities Act and must not be the subject of any stop order issued by the SEC or any pending proceedings initiated by the SEC seeking such a stop order.

Under the merger agreement, the obligations of Tesoro, Merger Sub 1 and Merger Sub 2 to complete the merger are subject to the satisfaction or waiver of the following additional conditions:

- certain representations and warranties of Western Refining regarding aspects of its capitalization and the capitalization of MLP must be true and correct as of the date of the merger agreement and as of the closing as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of another date, in which case such representation and warranty will only be required to be so true and correct as of such other date), except for such inaccuracies as would not in the aggregate be material in amount or effect;
- the representations and warranties of Western Refining regarding the absence of any material adverse effect on Western Refining and its subsidiaries must be true and correct as of the date of the merger agreement and as of the closing as though made on and as of such date and time;
- certain representations and warranties of Western Refining regarding due organization and validity of existence; corporate authority; approval and fairness; non-contravention with respect to the organizational documents of Western Refining or its subsidiaries; takeover statutes; and broker's and finder's fees must be true and correct in all material respects as of the date of the merger agreement and as of the closing as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of another date, in which case such representation and warranty will only be required to be so true and correct as of such other date);
- the other representations and warranties of Western Refining must be true and correct, without regard to materiality, Western Refining material adverse effect, or similar qualifiers, as of the date of the merger agreement and as of the closing as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of another date, in which case such representation and warranty will only be required to be so true and correct as of such other date), other than for such failures to be so true and correct that, individually or in the aggregate, have not had and would not reasonably be expected to have a Western Refining material adverse effect;
- Western Refining must have performed and complied with in all material respects all of its obligations under the merger agreement required to be performed or complied with at or prior to the closing; and
- Tesoro must have received a certificate signed by an executive officer of Western Refining to the effect that the foregoing closing conditions have been satisfied.

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Under the merger agreement, the obligation of Western Refining to complete the merger is subject to the satisfaction or waiver of the following additional conditions:

- certain representations and warranties of Tesoro, Merger Sub 1 and Merger Sub 2 regarding due organization and validity of existence; capital structure; corporate authority; approval and fairness; non-contravention with respect to the organizational documents of Tesoro or its subsidiaries; and broker's and finder's fees must be true and correct in all material respects as of the date of the merger agreement and as of the closing as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of another date, in which case such representation and warranty will only be required to be so true and correct as of such other date);
- the representations and warranties of Tesoro, Merger Sub 1 and Merger Sub 2 regarding the absence of any material adverse effect on Tesoro and its subsidiaries must be true and correct as of the date of the merger agreement and as of the closing as though made on and as of such date and time;
- the other representations and warranties of Tesoro, Merger Sub 1 and Merger Sub 2 must be true and correct without regard to materiality, Tesoro material adverse effect, or similar qualifiers, as of the date of the merger agreement and as of the closing as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of another date, in which case such representation and warranty will only be required to be so true and correct as of such other date), other than for such failures to be so true and correct that, individually or in the aggregate, have not had and would not be reasonably be expected to have a Tesoro material adverse effect;
- Tesoro, Merger Sub 1 and Merger Sub 2 must have performed and complied with in all material respects all of their respective obligations under the merger agreement required to be performed or complied with by them at or prior to the closing;
- Western Refining must have received a certificate signed by an executive officer of Tesoro on behalf of Tesoro, Merger Sub 1, and Merger Sub 2 to the effect that the foregoing closing conditions have been satisfied; and
- Western Refining must have received a written opinion from Davis Polk & Wardwell LLP (or another nationally recognized law firm selected by Western Refining) substantially to the effect that for U.S. federal income tax purposes, either (i) if a second merger election has not been made, the first merger, without regard to the second merger, will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, or (ii) if the second merger election has been made, the mergers, taken collectively, will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and in either case, Tesoro and Western Refining will each be a "party to the reorganization" within the meaning of Section 368(b) of the Internal Revenue Code.

Non-Solicitation by Tesoro or Western Refining (page 152)

As more fully described in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation*" beginning on page 152 and in the merger agreement, and subject to the exceptions described below and in the merger agreement, each of Tesoro and Western Refining has agreed not to, among other things, (i) initiate, solicit or knowingly encourage or facilitate the making of any proposal or offer that constitutes, or would reasonably be expected to lead to, an acquisition proposal (as such term is defined in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation*" beginning on page 152 and in the merger agreement; (ii) participate in any discussions or negotiations relating to, or that would reasonably be expected to lead to, an acquisition proposal, with any third party that is reasonably likely to be considering or seeking to make, or has made since November 16, 2015, an acquisition proposal; (iii) make available to any third party that is reasonably likely to be considering or seeking to make, or has made since November 16, 2015, an acquisition proposal, any non-public information or data relating to, or that would reasonably be expected to lead to, an acquisition proposal; or (iv) enter into any contract relating to, or that would reasonably be expected to lead to, an acquisition proposal.

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Changes of Recommendation (page 153)

Tesoro Restrictions on Changes of Recommendation

Subject to certain exceptions described below, the Tesoro board (and each committee thereof) may not:

- fail to include in this joint proxy statement/prospectus its recommendation that Tesoro stockholders approve the Tesoro issuance proposal;
- withhold or withdraw, or qualify or modify in a manner that is adverse to Western Refining, its recommendation that Tesoro stockholders approve the share issuance proposal, or its approval of the merger agreement or the merger, or publicly propose to do so;
- make any public recommendation in connection with a tender offer or exchange offer other than a recommendation against such offer or a "stop, look and listen" communication of the type contemplated by Rule 14d-9(f) under the Exchange Act or fail to recommend against acceptance of such tender or exchange offer by close of business on the earlier of the 10th business day after the commencement of such offer and the second business day prior to the Tesoro special meeting;
- adopt, approve, recommend to its stockholders, endorse or otherwise declare advisable any acquisition proposal for Tesoro, or resolve, agree or publicly propose to do so, except as set forth below; or
- except with respect to tender and exchange offers (discussed above), fail to publicly reaffirm its recommendation that Tesoro stockholders approve the Tesoro issuance proposal within three business days following receipt of a written notice from Western Refining requesting such reaffirmation delivered after the public announcement of an acquisition proposal for Tesoro (or if earlier, by the date that is two business days prior to the Tesoro special meeting).

The taking of any of the actions described in any of the five bullets above is referred to in this joint proxy statement/prospectus as an adverse Tesoro recommendation change.

Western Refining Restrictions on Changes of Recommendation

Similarly, and subject to certain exceptions described below, the Western Refining board (and each committee thereof) may not:

- fail to include in this joint proxy statement/prospectus its recommendation that Western Refining stockholders approve the merger proposal;
- withhold or withdraw, or qualify or modify in a manner that is adverse to Tesoro, Merger Sub 1 or Merger Sub 2 its recommendation that Western Refining stockholders approve the merger proposal, or its approval of the merger agreement or the merger, or publicly propose to do so;
- make any public recommendation in connection with a tender offer or exchange offer other than a recommendation against such offer or a "stop, look and listen" communication of the type contemplated by Rule 14d-9(f) under the Exchange Act or fail to recommend against acceptance of such tender or exchange offer by close of business on the earlier of the 10th business day after the commencement of such offer and the second business day prior to the Western Refining special meeting;
- adopt, approve, recommend to its stockholders, endorse or otherwise declare advisable any acquisition proposal for Western Refining, or resolve, agree or publicly propose to do so, except as set forth below; or
- except with respect to tender and exchange offers (discussed above), fail to publicly reaffirm its recommendation that Western Refining stockholders approve the merger proposal within three business

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days following receipt of a written notice from Tesoro requesting such reaffirmation delivered after the public announcement of an acquisition proposal for Western Refining (or if earlier, by the date that is two business days prior to the Western Refining special meeting).

The taking of any of the actions described in any of the five bullets above is referred to in this joint proxy statement/prospectus as an adverse Western Refining recommendation change.

Tesoro: No-Shop Exceptions; Permitted Changes of Recommendation and Permitted Termination to Enter into a Superior Proposal

At any time prior to the time that the Tesoro issuance proposal has been approved by Tesoro stockholders, if Tesoro receives a *bona fide* acquisition proposal that did not result from a breach of the no-shop provisions of the merger agreement, Tesoro may make an adverse Tesoro recommendation change or terminate the merger agreement, pay the termination fee and enter into an alternative acquisition agreement with respect to an acquisition proposal if the Tesoro board:

- determines in good faith (after consultation with outside counsel where required by the merger agreement) that failure to take such actions would be inconsistent with its fiduciary duties under Delaware law;
- determines in good faith, after consultation with its outside counsel and financial advisor that such acquisition proposal constitutes a superior proposal; and
- has complied with the match right obligations under the merger agreement, which are described in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation—Tesoro: No-Shop Exceptions; Permitted Changes of Recommendation and Permitted Termination to Enter into a Superior Proposal*" beginning on page 154.

Tesoro: Permitted Changes of Recommendation in Connection with Intervening Events

At any time prior to the time that the Tesoro issuance proposal has been approved by Tesoro stockholders, if a Tesoro intervening event (as defined in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation—Tesoro: Permitted Changes of Recommendation in Connection with Intervening Events*" beginning on page 155) and in the merger agreement occurs and the board of directors of Tesoro determines in good faith, after consultation with its outside legal counsel and financial advisor, that the failure to effect an adverse Tesoro recommendation change in response to such Tesoro intervening event would be inconsistent with its fiduciary duties under Delaware law, the board of directors of Tesoro may make an adverse Tesoro recommendation change in response to such Tesoro intervening event if it has complied with the match right obligations under the merger agreement, which are described in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation—Tesoro: Permitted Changes of Recommendation in Connection with Intervening Events*" beginning on page 155.

Western Refining: No-Shop Exceptions; Permitted Changes of Recommendation and Permitted Termination to Enter into a Superior Proposal

At any time prior to the time that the merger proposal has been approved by Western Refining stockholders, if Western Refining receives a *bona fide* acquisition proposal that did not result from a breach of the no-shop provisions of the merger agreement, Western Refining may make an adverse Western Refining recommendation change or terminate the merger agreement, pay the termination fee and enter into an alternative acquisition agreement with respect to an acquisition proposal if the Western Refining board:

- determines in good faith (after consultation with outside counsel where required by the merger agreement) that failure to take such actions would be inconsistent with its fiduciary duties under Delaware law;

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- determines in good faith, after consultation with its outside counsel and financial advisor that such acquisition proposal constitutes a superior proposal; and
- has complied with the match right obligations under the merger agreement, which are described in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation—Western Refining: No-Shop Exceptions; Permitted Changes of Recommendation and Permitted Termination to Enter into a Superior Proposal*" beginning on page 155.

Western Refining: Permitted Changes of Recommendation in Connection with Intervening Events

At any time prior to the time that the merger proposal has been approved by Western Refining stockholders, if a Western Refining intervening event (as defined in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation—Western Refining: Permitted Changes of Recommendation in Connection with Intervening Events*" beginning on page 156 and in the merger agreement) occurs and the board of directors of Western Refining determines in good faith, after consultation with its outside legal counsel and financial advisor, that the failure to effect an adverse Western Refining recommendation change in response to such Western Refining intervening event would be inconsistent with its fiduciary duties under Delaware law, the board of directors of Western Refining may make an adverse Western Refining recommendation change in response to such Western Refining intervening event if it has complied with the match right obligations under the merger agreement, which are described in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation—Western Refining: Permitted Changes of Recommendation in Connection with Intervening Events*" beginning on page 156.

Termination (page 165)

Termination Rights

Western Refining and Tesoro may terminate the merger agreement and abandon the merger at any time prior to the effective time of the first merger by mutual written consent of Western Refining and Tesoro.

The merger agreement may also be terminated by either Western Refining or Tesoro at any time prior to the effective time of the first merger in any of the following situations if the terminating party has not breached in any material respect its obligations under the merger agreement in any manner that has proximately contributed to the failure of a condition to the completion of the first merger or the failure of the completion of the first merger to occur:

- the completion of the first merger does not occur by November 16, 2017, which is referred to as an end date termination event;
- the Western Refining special meeting is held and the Western Refining stockholders do not approve the merger proposal at such meeting or at any permitted adjournment or postponement of such meeting, which is referred to as a Western Refining stockholder approval termination event;
- the Tesoro special meeting is held and the Tesoro stockholders do not approve the Tesoro issuance proposal at such meeting or at any permitted adjournment or postponement of such meeting, which is referred to as a Tesoro stockholder approval termination event; or

any law or order permanently restraining, enjoining or otherwise prohibiting the completion of the merger becomes final and non-appealable.

In addition, the merger agreement may be terminated by Tesoro:

- prior to the approval of the Tesoro issuance proposal by Tesoro stockholders, in order for Tesoro to enter into an alternative acquisition agreement providing for the consummation of a superior proposal

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in compliance with the procedures described in the second bullet in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation—Tesoro: No-Shop Exceptions; Permitted Changes of Recommendation and Permitted Termination to Enter into a Superior Proposal*" beginning on page 154, after having fully complied with the match right and other no-shop obligations under the merger agreement, provided that Tesoro pays the reverse termination fee prior to or concurrently with termination of the merger agreement;

- prior to the effective time of the first merger, if an adverse Western Refining recommendation change has occurred; or
- prior to the effective time of the first merger, if there is a breach of any representation, warranty, covenant or agreement made by Western Refining in the merger agreement, or any such representation and warranty or covenant becomes untrue after the date of the merger agreement, such that the condition to closing above relating to the accuracy of the representations and warranties of Western Refining or the condition to closing above relating to the covenants or agreements of Western Refining would not be satisfied, and such breach or condition is not curable, or, if curable, is not cured prior to the earlier of 30 days after written notice thereof is given by Tesoro to Western Refining and the fifth business day prior to November 16, 2017, which is referred to as the Western Refining breach termination event.

Further, the merger agreement may be terminated by Western Refining:

- prior to the adoption of the merger agreement by Western Refining stockholders, in order for Western Refining to enter into an alternative acquisition agreement providing for the consummation of a superior proposal in compliance with the procedures described in the second bullet in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation—Western Refining: No-Shop Exceptions; Permitted Changes of Recommendation and Permitted Termination to Enter into a Superior Proposal*" beginning on page 155, after having fully complied with the match right and other no-shop obligations under the merger agreement, provided that Western Refining pays the termination fee prior to or concurrently with termination of the merger agreement;
- prior to the effective time of the first merger, if an adverse Tesoro recommendation change has occurred; or
- prior to the effective time of the first merger, if there is a breach of any representation, warranty, covenant or agreement made by Tesoro, Merger Sub 1 or Merger Sub 2 in the merger agreement, or any such representation and warranty or covenant becomes untrue after the date of the merger agreement, such that the condition to closing above relating to the accuracy of the representations and warranties of Tesoro, Merger Sub 1 and Merger Sub 2 or the condition to closing above relating to the covenants or agreements of Tesoro, Merger Sub 1 and Merger Sub 2 would not be satisfied, and such breach or condition is not curable, or, if curable, is not cured prior to the earlier of either 30 days after written notice thereof is given by Western Refining to Tesoro and the fifth business day prior to November 16, 2017, which is referred to as a Tesoro breach termination event.

Termination Fees (page 167)

Termination Fees Payable by Western Refining

The merger agreement requires Western Refining to pay Tesoro a termination fee of $120 million, which is referred to as the termination fee, if:

- Tesoro terminates the merger agreement due to an adverse Western Refining recommendation change;

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- Tesoro terminates the merger agreement due to a Western Refining breach termination event following a willful and material breach by Western Refining or its representatives of Western Refining's "no shop" obligations under the merger agreement as described in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation*" beginning on page 152, which is referred to as a Western Refining no-shop breach termination event;
- Western Refining terminates the merger agreement to enter into an alternative acquisition agreement providing for the consummation of a superior proposal in accordance with the merger agreement; or
- Tesoro or Western Refining terminates the merger agreement because there has been an end date termination event, a Western Refining stockholder approval termination event or a Western Refining breach termination event (other than a Western Refining no-shop breach termination event), an acquisition proposal with respect to Western Refining was publicly announced after November 16, 2016 and not unconditionally withdrawn before the Western Refining special meeting, and within 12 months following the date of such termination:
  - the Western Refining board recommends that Western Refining stockholders vote in favor of or tender into a Western Refining acquisition proposal (substituting "50%" for "15%" in the definition of acquisition proposal for these purposes);
  - Western Refining enters into an alternative acquisition agreement providing for a Western Refining acquisition proposal (substituting "50%" for "15%" in the definition of acquisition proposal for these purposes); or
  - a Western Refining acquisition proposal (substituting "50%" for "15%" in the definition of acquisition proposal for these purposes) is consummated.

Further, the merger agreement requires Western Refining to pay Tesoro $41.1 million if Tesoro or Western Refining terminates the merger agreement due to a Western Refining stockholder approval termination event (which payment will be credited against the payment of the termination fee if the termination fee subsequently becomes payable). In no event will Western Refining be required to pay the termination fee on more than one occasion.

Termination Fees Payable by Tesoro

The merger agreement requires Tesoro to pay Western Refining a termination fee of $240 million, which is referred to as the reverse termination fee, if:

- Western Refining terminates the merger agreement due to an adverse Tesoro recommendation change;
- Western Refining terminates the merger agreement due to a Tesoro breach termination event following a willful and material breach by Tesoro or its representatives of Tesoro's "no shop" obligations under the merger agreement as described in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation*" beginning on page 152, which is referred to as a Tesoro no-shop breach termination event;
- Tesoro terminates the merger agreement to enter into an alternative acquisition agreement providing for the consummation of a superior proposal in accordance with the merger agreement; or
- Tesoro or Western Refining terminates the merger agreement because there has been an end date termination event, a Tesoro stockholder approval termination event or a Tesoro breach termination event (other than a Tesoro no-shop breach termination event), an acquisition proposal with respect to Tesoro was publicly announced after November 16, 2016 and not unconditionally withdrawn before the Tesoro special meeting, and within 12 months following the date of such termination:
  - the Tesoro board recommends that Tesoro stockholders vote in favor of or tender into a Tesoro acquisition proposal (as defined with respect to Tesoro above);

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- Tesoro enters into an alternative acquisition agreement providing for a Tesoro acquisition proposal (as defined with respect to Tesoro above); or
- a Tesoro acquisition proposal (as defined with respect to Tesoro above) is consummated.

Further, the merger agreement requires Tesoro to pay Western Refining $41.1 million if Tesoro or Western Refining terminates the merger agreement due to a Tesoro stockholder approval termination event (which payment will be credited against the payment of the reverse termination fee if the reverse termination fee subsequently becomes payable).

In no event will Tesoro be required to pay the reverse termination fee on more than one occasion.

Regulatory Approvals (page 130)

The completion of the merger is subject to the receipt of antitrust clearance in the United States. Under the HSR Act, and the rules promulgated thereunder, the merger may not be completed until notification and report forms have been filed with the Federal Trade Commission, which is referred to as the FTC, and the Department of Justice, which is referred to as the DOJ, and the applicable waiting period (or any extension thereof) has expired or been terminated.

On December 8, 2016, notification and report forms under the HSR Act were filed with the FTC and the DOJ, which is referred to as the initial filing, with respect to the proposed merger. The waiting period with respect to the notification and report forms filed under the HSR Act was originally scheduled to expire at 11:59 p.m. Eastern Time on January 9, 2017. Effective January 9, 2017, as permitted by the merger agreement, Tesoro voluntarily withdrew its HSR Act notification to provide the FTC and the DOJ an extension beyond the initial 30-day HSR Act waiting period to conduct its review. On January 11, 2017, Tesoro re-filed its HSR Act notification with the FTC and DOJ. The new waiting period under the HSR Act was scheduled to expire at 11:59 p.m. on February 10, 2017. On February 10, 2017, Tesoro and Western Refining each received a request for further information, which is referred to as the second request, from the FTC in connection with the FTC's review of the transactions contemplated by the merger agreement. Issuance of the second request extends the waiting period under the HSR Act until 30 days after both Tesoro and Western Refining have complied with the second request or such later time as Tesoro and Western Refining may agree with the FTC, unless the waiting period is terminated earlier by the FTC. See the section entitled "*The Merger Agreement—Reasonable Best Efforts; Regulatory Filings and Other Actions—Reasonable Best Efforts"* beginning on page 159.

Although Tesoro and Western Refining currently believe they should be able to obtain the expiration or termination of the waiting period applicable under the HSR Act, they cannot be certain when or if it will be obtained or, if obtained, whether such expiration or termination will require terms, conditions or restrictions not currently contemplated that will be detrimental to Tesoro or its subsidiaries or the surviving company after the completion of the merger. Tesoro and Western Refining have agreed to make certain efforts to obtain the expiration or termination of the waiting period applicable under the HSR Act except that Tesoro and Western Refining will not be required to take any action constituting a burdensome condition, as defined in the section entitled "*The Merger Agreement—Reasonable Best Efforts; Regulatory Filings and Other Actions—Burdensome Condition*" beginning on page 160. See the section entitled "*The Merger Agreement—Reasonable Best Efforts; Regulatory Filings and Other Actions*" beginning on page 159.

No Dissenters' Rights (page 202)

Because holders of shares of Western Refining common stock are not required to receive consideration other than the stock consideration in the merger, or cash in lieu of fractional shares, and shares of Tesoro common stock are listed on the NYSE, holders of shares of Western Refining common stock are not entitled to exercise dissenters' rights under Delaware law in connection with the merger. See the section entitled "*No Dissenters' Rights*" beginning on page 202.

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Litigation and Regulatory Reviews / Investigations Related to the Merger (page 130)

As of February 8, 2017, Western Refining and the members of its board of directors have been named as defendants in five substantially similar purported stockholder class actions filed in the United States District Court for the Western District of Texas by Western Refining stockholders. The suits are captioned Srini Vasan v. Paul L. Foster, et al., No. 3:17-cv-00002 (filed January 4, 2017); Brian Miller v. Paul L. Foster, et al., No. 3:17-cv-00004 (filed January 5, 2017); Gene Love v. Paul L. Foster, et al., No. 3:17-cv-00008 (filed January 11, 2017); Joseph Shomberg v. Paul L. Foster, et al., No. 3:17-cv-00014 (filed January 12, 2017) and John Solak v. Paul L. Foster, et al., No. 3:17-cv-00020 (filed January 19, 2017). Although Tesoro, Tahoe Merger Sub 1, Inc., and Tahoe Merger Sub 2, LLC are included as defendants in the caption of three of the five complaints, the body of those complaints does not identify those entities as defendants, and the complaints do not appear to assert any claims against them. Tesoro, Tahoe Merger Sub 1, Inc., and Tahoe Merger Sub 2, LLC also have not been served in these actions. The suits challenge the adequacy of the disclosures to Western Refining stockholders made in the initial version of the joint proxy statement/prospectus filed on December 14, 2016 regarding the transaction, and the complaints assert claims under Section 14(a) and 20(a) of the Securities Exchange Act of 1934 against Western Refining and the members of its board of directors. Among other remedies, the plaintiffs seek to enjoin the merger and requests a finding that Tesoro's directors are liable for breaching their fiduciary duties.

Additionally, the members of the Tesoro board of directors have been named as defendants in one purported stockholder class action filed in the Court of Chancery of the State of Delaware by a Tesoro stockholder. The suit is captioned Carl Arias v. Gregory J Goff, et al., Case No. 2017-0094-(filed February 7, 2017). None of the parties included in the caption of the complaint have been served in this action as of the date of this filing. The complaint alleges that Tesoro's directors breached their fiduciary duties of care, loyalty, good faith and/or disclosure by failing to disclose to Tesoro stockholders all material information necessary to make an informed decision regarding the Tesoro issuance proposal. Among other remedies, the plaintiff seeks to enjoin the merger and to hold Tesoro's directors liable for allegedly breaching their fiduciary duties.

Tesoro and Western Refining have each received a substantially identical letter, dated January 27, 2017, from the Office of the Attorney General of the State of Minnesota (referred to as the Minnesota AG) stating that the Office of the Minnesota AG intends to review the merger under the antitrust laws and requesting that Tesoro and Western Refining provide information regarding the potential competitive effects of the merger in Minnesota. Tesoro and Western Refining are in the process of responding to these letters.

Material U.S. Federal Income Tax Consequences of the Merger (page 172)

For a detailed discussion of the material U.S. federal income tax consequences of the merger, see the section entitled "*Material U.S. Federal Income Tax Consequences of the Merger*" beginning on page 172. The tax consequences of the merger to any particular stockholder will depend on that stockholder's particular facts and circumstances. Accordingly, please consult your tax advisor to determine the tax consequences to you from the merger.

Comparison of Stockholders' Rights (page 191)

The rights of Western Refining stockholders who receive shares of Tesoro common stock in the merger will be governed by the Tesoro certificate of incorporation, the amended and restated bylaws of Tesoro Corporation, which are referred to as the Tesoro bylaws, and the corporate governance guidelines of Tesoro rather than by the certificate of incorporation of Western Refining, which is referred to as the Western Refining certificate of incorporation, the amended and restated bylaws of Western Refining, which are referred to as the Western Refining bylaws and the corporate governance guidelines of Western Refining. As a result, these Western Refining stockholders will have different rights once they become stockholders of Tesoro due to the differences in the governing documents of Western Refining and Tesoro. The key differences are described in the section entitled "*Comparison of Stockholders' Rights*" beginning on page 191.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF TESORO

The following table presents selected historical consolidated financial data for Tesoro as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 and as of and for the nine months ended September 30, 2016 and 2015. The consolidated financial data for each of the years ended December 31, 2015, 2014 and 2013, and as of December 31, 2015 and 2014 have been derived from Tesoro's selected financial data and audited consolidated financial statements included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which is incorporated by reference herein in its entirety. The selected historical consolidated financial data of Tesoro for each of the years ended December 31, 2012 and 2011 and as of December 31, 2013, 2012 and 2011 have been derived from Tesoro's selected financial data and audited consolidated financial statements for such years, which have not been incorporated by reference herein. The selected historical condensed consolidated financial data as of September 30, 2016 and for the nine months ended September 30, 2016 and 2015 have been derived from Tesoro's unaudited condensed consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, which is incorporated by reference herein in its entirety. The selected historical condensed consolidated financial data as of September 30, 2015 have been derived from Tesoro's unaudited condensed consolidated financial statements included in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, which has not been incorporated by reference herein.

The information set forth below is not necessarily indicative of future results and should be read together with the other information contained in Tesoro's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016, including the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes therein. See the section entitled "*Where You Can Find More Information*" beginning on page 211.

	Year Ended December 31,					Nine Months Ended September 30,	
	2015	2014	2013	2012	2011	2016	2015
	(In millions, except per share amounts)						
Statements of Consolidated Operations Data:							
Revenues	$28,711	$40,633	$37,601	$29,809	$27,182	$17,930	$22,438
Net Earnings from Continuing Operations	$ 1,694	$ 917	$ 434	$ 903	$ 593	$ 749	$ 1,611
Net Earnings Attributable to Tesoro Corporation	$ 1,540	$ 843	$ 412	$ 743	$ 546	$ 656	$ 1,486
Net Earnings per Share Attributable to Tesoro Corporation:							
Basic	$ 12.50	$ 6.56	$ 3.05	$ 5.33	$ 3.86	$ 5.51	$ 11.95
Diluted	$ 12.36	$ 6.44	$ 3.00	$ 5.25	$ 3.81	$ 5.45	$ 11.82
Dividends per Share	$ 1.85	$ 1.10	$ 0.90	$ 0.27	$ —	$ 1.55	$ 1.35

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	As of December 31,					As of September 30,	
	2015	2014	2013	2012	2011	2016	2015
	(In millions)						
Consolidated Balance Sheet Data:							
Total Current Assets	$ 4,307	$ 5,074	$ 5,262	$ 4,522	$4,120	$ 5,105	$ 4,658
Total Assets	$16,332	$16,491	$13,252	$10,538	$9,824	$18,005	$16,601
Total Debt, Net of Unamortized Issuance Costs	$ 4,073	$ 4,167	$ 2,756	$ 1,538	$1,662	$ 4,682	$ 3,797
Total Liabilities	$ 8,592	$ 9,515	$ 7,904	$ 5,965	$5,914	$ 9,810	$ 8,742
Tesoro Corporation Stockholders' Equity	$ 5,213	$ 4,454	$ 4,302	$ 4,251	$3,668	$ 5,500	$ 5,370
Noncontrolling Interest	$ 2,527	$ 2,522	$ 1,183	$ 486	$ 310	$ 2,695	$ 2,489
Total Equity	$ 7,740	$ 6,976	$ 5,485	$ 4,737	$3,978	$ 8,195	$ 7,859

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF WESTERN REFINING

The following table presents selected historical consolidated financial data of Western Refining as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 and as of and for the nine months ended September 30, 2016 and 2015. The information presented includes the results of operations of Northern Tier Energy LP, which is referred to as NTI, beginning November 12, 2013, the date of Western Refining's initial acquisition of NTI, and the financial results of MLP beginning October 16, 2013. The consolidated financial data for each of the years ended December 31, 2015, 2014 and 2013 and as of December 31, 2015 and 2014 have been derived from Western Refining's selected financial data included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 or from the audited consolidated financial statements and related notes contained in its Current Report on Form 8-K dated December 8, 2016 (and filed on December 9, 2016), which is incorporated by reference herein in its entirety. The selected historical consolidated financial data of Western Refining for each of the years ended December 31, 2012 and 2011 and as of December 31, 2013, 2012 and 2011 have been derived from Western Refining's selected financial data included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which is incorporated by reference herein in its entirety (except for Items 1, 7, 7A, and 8), or from the audited consolidated financial statements for such years, which have not been incorporated by reference herein. The selected historical consolidated financial data as of September 30, 2016 and for the nine months ended September 30, 2016 and 2015 have been derived from Western Refining's unaudited condensed consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, which is incorporated by reference herein in its entirety. The selected historical consolidated financial data as of September 30, 2015 have been obtained from Western Refining's unaudited condensed consolidated financial statements included in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, which has not been incorporated by reference herein.

The information set forth below is not necessarily indicative of future results and should be read together with the other information contained in Western Refining's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016, including the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," the Current Reports on Form 8-K dated December 8, 2016 (and filed on December 9, 2016) and the consolidated financial statements and related notes therein. See the section entitled "*Where You Can Find More Information*" beginning on page 211.

	Year Ended December 31,					Nine Months Ended September 30,	
	2015	2014	2013	2012	2011	2016	2015
	(In millions, except per share amounts)						
Consolidated Statements of Operations Data:							
Net Sales	$9,787	$15,154	$10,086	$9,503	$9,071	$ 5,628	$ 7,717
Net Income	$ 614	$ 710	$ 300	$ 399	$ 133	$ 187	$ 607
Net Income Attributable to Western Refining	$ 407	$ 560	$ 276	$ 399	$ 133	$ 135	$ 393
Net Earnings per Share Attributable to Western Refining:							
Basic	$ 4.28	$ 6.17	$ 3.35	$ 4.42	$ 1.46	$ 1.37	$ 4.12
Diluted	$ 4.28	$ 5.61	$ 2.79	$ 3.71	$ 1.34	$ 1.37	$ 4.12
Dividends per Share	$ 1.36	$ 3.08	$ 0.64	$ 2.74	$ —	$ 1.14	$ 0.98

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	As of December 31,					As of September 30,	
	2015	2014	2013	2012	2011	2016	2015
	(In millions)						
Consolidated Balance Sheet Data:							
Total Current Assets	$1,922	$1,768	$1,848	$1,292	$1,211	$ 1,820	$ 2,050
Total Assets	$5,833	$5,642	$5,475	$2,458	$2,537	$ 5,715	$ 5,882
Total Debt and Lease Financing Obligations	$1,704	$1,508	$1,374	$ 487	$ 774	$ 2,110	$ 1,596
Total Liabilities	$2,887	$2,854	$2,904	$1,549	$1,717	$ 3,448	$ 2,850
Western Refining Stockholders' Equity	$1,299	$1,120	$ 894	$ 909	$ 820	$ 1,665	$ 1,318
Noncontrolling Interest	$1,647	$1,668	$1,677	$ —	$ —	$ 602	$ 1,714
Total Equity	$2,946	$2,788	$2,571	$ 909	$ 820	$ 2,267	$ 3,032

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SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following table presents selected unaudited pro forma condensed combined financial information about Tesoro's consolidated statements of income and balance sheet, after giving effect to the merger of Western Refining and related transactions. The information under "Pro Forma Statement of Combined Operations Data" in the table below gives effect to the merger and related transactions as if they had been consummated on January 1, 2015, the beginning of the earliest period presented. The information under "Pro Forma Combined Balance Sheet Data" in the table below assumes the merger and related transactions had been consummated on September 30, 2016. This unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting with Tesoro considered the accounting acquirer of Western Refining. See the section entitled "*The Merger—Accounting Treatment of the Merger*" beginning on page 138.

As of the date of this joint proxy statement/prospectus, Tesoro has not completed the detailed valuation study necessary to arrive at the required final estimates of the fair value of the Western Refining assets to be acquired and the liabilities to be assumed and the related allocations of purchase price, nor has it identified all adjustments necessary to conform Western Refining's accounting policies to Tesoro's accounting policies. A final determination of the fair value of Western Refining's assets and liabilities, including intangible assets with both indefinite or finite lives, will be based on the actual net tangible and intangible assets and liabilities of Western Refining that exist as of the closing date of the merger and, therefore, cannot be made prior to the completion of the merger. In addition, the value of the consideration to be paid by Tesoro upon the consummation of the merger will be determined based on the closing price of Tesoro's common stock on the closing date of the merger. As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analysis is performed. The preliminary pro forma adjustments have been made solely for the purpose of providing the unaudited pro forma condensed combined financial statements presented below. Tesoro estimated the fair value of Western Refining's assets and liabilities based on discussions with Western Refining's management, preliminary valuation studies, due diligence and information presented in Western Refining's SEC filings. Until the merger is completed, both companies are limited in their ability to share certain information. Upon completion of the merger, a final determination of fair value of Western Refining's assets and liabilities will be performed. Any increases or decreases in the fair value of assets acquired and liabilities assumed upon completion of the final valuations will result in adjustments to the unaudited pro forma balance sheet and/or statements of consolidated operations. The final purchase price allocation may be materially different than that reflected in the pro forma purchase price allocation presented herein.

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The information presented below should be read in conjunction with the historical consolidated financial statements and related notes of Tesoro and Western Refining filed by each with the SEC, and incorporated by reference into this document, and with the unaudited pro forma condensed combined financial statements of Tesoro and Western Refining, including the related notes, appearing in the section entitled "*Unaudited Pro Forma Condensed Combined Financial Statements*" beginning on page 177. The unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and are not necessarily indicative of results that actually would have occurred or that may occur in the future had the merger been completed on the dates indicated, or the future operating results or financial position of the combined company following the merger. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled "*Risk Factors*" beginning on page 44.

(In millions, except per share amounts)	Year Ended December 31, 2015	Nine Months Ended September 30, 2016
Pro Forma Statement of Combined Operations Data:		
Revenues	$ 38,763	$ 23,749
Net Earnings from Continuing Operations	$ 2,212	$ 897
Net Earnings Attributable to Tesoro Corporation	$ 1,855	$ 742
Net Earnings per Share Attributable to Tesoro Corporation:		
Basic	$ 11.19	$ 4.59
Diluted	$ 11.09	$ 4.55
Dividends per Share	$ 2.14	$ 1.82

	As of September 30, 2016 *(In millions)*
Pro Forma Combined Balance Sheet Data:	
Total Current Assets	$ 6,783
Total Assets	$ 27,147
Debt, net of unamortized issuance costs	$ 7,157
Total Liabilities	$ 14,773
Tesoro Corporation Stockholders' Equity	$ 9,074
Noncontrolling Interest	$ 3,300
Total Equity	$ 12,374

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COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE FINANCIAL INFORMATION

Presented below are Tesoro's and Western Refining's historical and pro forma per share data for the year ended December 31, 2015 and nine months ended September 30, 2016. Except for the historical information for the year ended December 31, 2015, the information provided in the table below is unaudited. This information should be read together with the historical consolidated financial statements and related notes of Tesoro and Western Refining filed by each with the SEC, and incorporated by reference in this joint proxy statement/prospectus, and with the unaudited pro forma condensed combined financial statements included in the section entitled "*Unaudited Pro Forma Condensed Combined Financial Statements*" beginning on page 177.

The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the beginning of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

The historical book value per share is computed by dividing stockholders' equity by the number of shares of common stock outstanding at the end of the period. The pro forma earnings per share of the combined company is computed by dividing the pro forma earnings by the pro forma weighted average number of shares outstanding. The pro forma book value per share of the combined company is computed by dividing total pro forma stockholders' equity by the pro forma number of shares of common stock outstanding at the end of the period. The pro forma book value per share of the combined company is computed as if the merger had been completed on September 30, 2016.

	Year Ended December 31, 2015	Nine Months Ended September 30, 2016
Tesoro Historical Data:		
Net earnings attributable to Tesoro Corporation (per basic share)	$ 12.50	$ 5.51
Net earnings attributable to Tesoro Corporation (per diluted share)	12.36	5.45
Cash dividends declared per share	1.85	1.55
Net book value per share	32.90	34.49
Western Refining Historical Data:		
Net earnings attributable to Western Refining, Inc. (per basic share)	$ 4.28	$ 1.37
Net earnings attributable to Western Refining, Inc. (per diluted share)	4.28	1.37
Cash dividends declared per share	1.36	1.14
Net book value per share	12.64	15.36
Pro Forma Combined Data:		
Net earnings attributable to combined company (per basic share)	$ 11.19	$ 4.59
Net earnings attributable to combined company (per diluted share)	11.09	4.55
Cash dividends declared per share	2.14	1.82
Net book value per share	N/A	44.92
Pro Forma Combined Equivalent Data(a):		
Net earnings attributable to combined company (per basic share)	$ 4.87	$ 2.00
Net earnings attributable to combined company (per diluted share)	4.82	1.98
Cash dividends declared per share	0.93	0.79
Net book value per share	N/A	19.54

(a) Determined using the pro forma combined per share data multiplied by 0.4350 (the exchange ratio of a Western Refining share for a Tesoro share).

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COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

Tesoro Market Price and Dividend Information

Tesoro common stock is listed on the NYSE under the symbol "TSO." The following table sets forth the high and low prices per share for Tesoro common stock for the periods indicated and the cash dividends per share declared with respect to Tesoro common stock in the periods indicated, in each case rounded to the nearest whole cent. Tesoro's fiscal year ends on December 31.

	High ($)	Low ($)	Dividend ($)*
2014:			
First Quarter	59.07	46.40	0.25
Second Quarter	62.89	47.03	0.25
Third Quarter	67.07	57.11	0.30
Fourth Quarter	79.49	55.59	0.30
2015:			
First Quarter	94.83	64.16	0.425
Second Quarter	93.14	81.77	0.425
Third Quarter	110.74	83.75	0.50
Fourth Quarter	119.67	95.37	0.50
2016:			
First Quarter	109.24	67.80	0.50
Second Quarter	87.85	70.78	0.50
Third Quarter	84.89	69.49	0.55
Fourth Quarter	93.06	78.32	0.55
2017:			
First Quarter (through February 8, 2017)	91.37	79.10	0.55

(*) This amount of the dividend shown in this column with respect to each fiscal quarter is the dividend that was declared in such quarter, which may be different from the dividend subsequently declared in respect of earnings for such fiscal quarter.

You should obtain current market quotations for shares of Tesoro common stock, as the market price of Tesoro common stock will fluctuate between the date of this joint proxy statement/prospectus and the date on which the merger is completed, at times in between and thereafter. You can obtain these quotations from publicly available sources.

The declaration of dividends, whether before or after the merger, is at the discretion of Tesoro's board of directors. Tesoro's board of directors periodically reviews the Tesoro dividend policy based upon Tesoro's financial results and cash flow projections. Decisions regarding whether or not to pay dividends and the amount of any dividends are determined after consideration of various factors, including earnings, cash requirements, the financial condition of Tesoro, the DGCL, limitations under Tesoro's debt, the merger agreement, government regulations and other factors deemed relevant by Tesoro's board of directors.

Under the merger agreement, Tesoro has agreed that, until the completion of the merger, it will not declare, set aside, make or pay any dividend or other distribution in respect of any of its capital stock, except for regular quarterly cash dividends to the holders of shares of Tesoro common stock in an amount not in excess of $0.55 per share per quarter.

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Western Refining Market Price and Dividend Information

Western Refining common stock is listed on the NYSE under the symbol "WNR." The following table sets forth the high and low prices per share for Western Refining common stock for the periods indicated and the regular cash dividends per share declared with respect to Western Refining common stock in the periods indicated, in each case rounded to the nearest whole cent. Western Refining's fiscal year ends on December 31.

	High ($)	Low ($)	Dividend ($)**
2014:			
First Quarter	43.00	35.58	0.26
Second Quarter	45.00	36.49	0.26
Third Quarter	48.36	37.61	0.26
Fourth Quarter*	46.89	35.29	0.30
2015:			
First Quarter	51.31	31.83	0.30
Second Quarter	50.48	41.65	0.34
Third Quarter	50.71	38.02	0.34
Fourth Quarter	47.55	34.58	0.38
2016:			
First Quarter	39.76	24.43	0.38
Second Quarter	29.45	18.14	0.38
Third Quarter	28.83	19.18	0.38
Fourth Quarter	40.09	26.04	0.38
2017:			
First Quarter (through February 8, 2017)	39.49	34.25	0.38

* On December 1, 2014, Western Refining paid a one-time special cash dividend of $2.00 per share of common stock, which is not reflected in this table.

** This amount of the dividend shown in this column with respect to each fiscal quarter is the dividend that was declared in such quarter, which may be different from the dividend subsequently declared in respect of earnings for such fiscal quarter.

You should obtain current market quotations for shares of Western Refining common stock, as the market price of Western Refining common stock will fluctuate between the date of this joint proxy statement/prospectus and the date on which the merger is completed, at times in between and thereafter. You can obtain these quotations from publicly available sources.

The declaration of dividends is at the discretion of Western Refining's board of directors. Western Refining's board of directors periodically reviews the Western Refining dividend policy based upon Western Refining's financial results and cash flow projections. Decisions regarding whether or not to pay dividends and the amount of any dividends are determined after consideration of various factors, including earnings, cash requirements, the financial condition of Western Refining, the DGCL, limitations under Western Refining's debt, the merger agreement, government regulations and other factors deemed relevant by Western Refining's board of directors.

Under the merger agreement, Western Refining has agreed that, until the completion of the merger, it will not declare, set aside, make or pay any dividend or other distribution in respect of any of its capital stock, except for regular quarterly cash dividends to the holders of shares of Western Refining common stock in an amount not in excess of $0.38 per share.

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Comparison of Tesoro and Western Refining Market Prices and Implied Value of Share Value of the Stock Consideration

The following table sets forth the closing sale price per share of Tesoro common stock and Western Refining common stock as reported on the NYSE on November 16, 2016, the last trading day prior to the public announcement of the merger, and on February 8, 2017, the last practicable trading day before the filing of this joint proxy statement/prospectus with the SEC. The table also shows the estimated implied value of the stock consideration proposed for each share of Western Refining common stock as of the same two dates. This implied value was calculated by multiplying the closing price of a share of Tesoro common stock on the relevant date by the exchange ratio of 0.4350 of a share of Tesoro common stock for each share of Western Refining common stock. The value of the cash consideration will be $37.30 irrespective of the price per share of Tesoro common stock as of any date following the signing of the merger agreement on November 16, 2016.

	Tesoro Common Stock	Western Refining Common Stock	Implied Per Share Value of Stock Consideration
November 16, 2016	$ 85.74	$ 30.50	$ 37.30
February 8, 2017	$ 85.32	$ 36.67	$ 37.11

The market prices of Tesoro common stock and Western Refining common stock, have fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate prior to, and in the case of Tesoro common stock, after, completion of the merger. No assurance can be given concerning the market prices of Tesoro common stock or Western Refining common stock before completion of the merger or of Tesoro common stock after completion of the merger. The exchange ratio is fixed in the merger agreement, but the market price of Tesoro common stock (and therefore the value of the stock consideration) when received by Western Refining stockholders after the merger is completed could be greater than, less than or the same as shown in the table above. Accordingly, these comparisons may not provide meaningful information to Western Refining stockholders in determining whether to approve the merger proposal or whether to elect to receive cash consideration or stock consideration, or to Tesoro stockholders in determining whether to vote to approve the Tesoro issuance proposal. Tesoro and Western Refining stockholders are encouraged to obtain current market quotations for Tesoro common stock and Western Refining common stock and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference herein. For more information, see the section entitled "*Where You Can Find More Information*" beginning on page 211.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, and the documents to which Western Refining and Tesoro refer you in this registration statement, of which this joint proxy statement/prospectus forms a part, as well as oral statements made or to be made by Western Refining and Tesoro, include certain "forward-looking statements" within the meaning of, and subject to the safe harbor created by, Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act, which are referred to as the safe harbor provisions. Words such as "may," "will," "could," "would," "anticipate," "estimate," "expect," "predict," "project," "guidance," "continue," "future," "potential," "intend," "plan," "assume," "believe," "forecast," "look," "build," "focus," "create," "work," "continue" or the negative of such terms or other variations thereof and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements with respect to the businesses, strategies and plans of Western Refining and Tesoro, their expectations relating to the merger and their future financial condition and performance. Tesoro and Western Refining caution investors that any forward-looking statements are subject to risks and uncertainties that may cause actual results and future trends to differ materially from those matters expressed in or implied by such forward-looking statements. Investors are cautioned not to place undue reliance on forward-looking statements. Among the risks and uncertainties that could cause actual results to differ from those described in forward-looking statements are the following:

- the risk that the merger agreement may be terminated in accordance with its terms and that the merger may not be completed;
- the possibility that Tesoro stockholders may not approve the issuance of shares of Tesoro common stock in connection with the merger;
- the possibility that Western Refining stockholders may not adopt the merger agreement;
- the risk that the parties may not be able to obtain the expiration or termination of the waiting period applicable under the HSR Act in a timely manner (or without the imposition of or request for accommodations by governmental entities, whether or not such accommodations individually or in the aggregate, constitute a burdensome condition, as defined in the section entitled "*The Merger Agreement—Reasonable Best Efforts; Regulatory Filings and Other Actions—Burdensome Condition*" beginning on page 160 and in the merger agreement) or satisfy any of the other conditions to the completion of the merger in a timely manner or at all;
- the risk that the merger may not be accretive, and may be dilutive, to Tesoro's earnings per share, which may negatively affect the market price of Tesoro shares;
- the possibility that Tesoro and Western Refining will incur significant transaction and other costs in connection with the merger, which may be in excess of those anticipated by Tesoro or Western Refining;
- the uncertainty surrounding the applicable tax rate;
- the risk that Tesoro may fail to realize the benefits expected from the merger;
- the risk that the combined company may be unable to achieve cost-cutting synergies or that it may take longer than expected to achieve those synergies;
- the risk that the combined company may not buy back shares or may not buy back shares at the times and on the terms expected;
- the risk that any announcements relating to, or the completion of, the merger could have adverse effects on the market price of Tesoro common stock;
- the risk that the merger and its announcement and/or completion could have an adverse effect on the ability of Tesoro and Western Refining to retain customers and retain and hire key personnel and maintain relationships with their suppliers and customers; and
- the risks to their operating results and businesses generally.

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Such factors are difficult to predict and in many cases may be beyond the control of Tesoro and Western Refining. Tesoro's and Western Refining's forward-looking statements are based on assumptions that Tesoro and Western Refining, respectively, believe to be reasonable but that may not prove to be accurate. Consequently, all of the forward-looking statements Tesoro and Western Refining make in this document are qualified by the information contained or incorporated by reference herein, including the information contained under this heading and the information detailed in Tesoro's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and Tesoro's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2016, June 30, 2016 and September 30, 2016, and in Western Refining's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and Western Refining's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2016, June 30, 2016 and September 30, 2016. See the section entitled "*Where You Can Find More Information*" beginning on page 211.

Tesoro and Western Refining undertake no obligation to publicly release the result of any revisions to any such forward-looking statements that may be made to reflect events or circumstances that occur, or which they become aware of, except as required by applicable law or regulation. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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RISK FACTORS

In addition to the other information contained in or incorporated by reference herein, including the matters addressed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 42, Western Refining stockholders should carefully consider the following risks before deciding how to vote with respect to the proposals to be considered and voted on at the Western Refining special meeting, and Tesoro stockholders should carefully consider the following risks before deciding how to vote with respect to the proposals to be considered and voted on at the Tesoro special meeting. Western Refining and Tesoro stockholders should also consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference herein, particularly the risk factors contained in Tesoro's and Western Refining's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. See the section entitled "Where You Can Find More Information" beginning on page 211.

Risks Relating to the Merger

Because the market price of shares Tesoro common stock may fluctuate, Western Refining stockholders cannot be certain of the precise value of any stock consideration they may receive in the merger.

At the time the merger is completed, each issued and outstanding share of Western Refining common stock (except for excluded shares as defined in the section entitled "*The Merger—Consideration to Western Refining Stockholders*" beginning on page 71) will be converted into the right to receive either the cash consideration of $37.30, if the Western Refining stockholder makes a cash election (subject to adjustment and proration), or the stock consideration of 0.4350 of a share of Tesoro common stock, if the Western Refining stockholder makes or is deemed to have made a stock election. The cash election is subject to the adjustment and proration procedures set forth in the merger agreement. The exchange ratio for the stock consideration is fixed, and there will be no adjustment to the stock consideration for changes in the market price of shares of Tesoro common stock or Western Refining common stock prior to the completion of the merger. If the merger is completed, there will be a time lapse between each of the date of this joint proxy statement/prospectus, the dates on which Western Refining stockholders vote to approve the Western Refining merger proposal at the Western Refining special meeting and Tesoro stockholders vote to approve the Tesoro issuance proposal at the Tesoro special meeting, and the date on which Western Refining stockholders entitled to receive the stock consideration actually receive such stock consideration. The market value of shares of Tesoro common stock may fluctuate during and after these periods as a result of a variety of factors, including general market and economic conditions, changes in Tesoro's businesses, operations and prospects and regulatory considerations. Such factors are difficult to predict and in many cases may be beyond the control of Tesoro and Western Refining. Consequently, at the time Western Refining stockholders must decide whether to adopt the merger agreement, and make their elections to receive the cash consideration or stock consideration, they will not know the actual market value of any stock consideration they will receive when the merger is completed. The actual value of any stock consideration received by Western Refining stockholders at the completion of the merger will depend on the market value of the shares of Tesoro common stock at that time. This market value may differ, possibly materially, from the market value of shares of Tesoro common stock at the time the merger agreement was entered into or at any other time. Western Refining stockholders should obtain current stock quotations for shares of Tesoro common stock before voting their shares of Western Refining common stock. For additional information about the Western Refining per share merger consideration, see the section entitled "*The Merger Agreement—Merger Consideration*" beginning on page 140.

The value of the cash consideration and the stock consideration may differ considerably. Additionally, in the event the cash consideration is worth more than the stock consideration, Western Refining stockholders may not be able to realize the full excess of the value of the cash consideration over the stock consideration due to prorating.

Since the cash consideration is a fixed amount of $37.30 and the market value of the stock consideration will continuously change with the market price for Tesoro common stock, it is possible that, at the time of the

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Tesoro special meeting, the election deadline, the effective time of the first merger and/or any other time, the cash consideration could be worth more, less or the same amount as the stock consideration. Further, because you will not be able to change your election after the election deadline (and because of the adjustment and proration procedures discussed below), you may receive per share merger consideration that is worth less than the other per share merger consideration you could have elected, even if the per share merger consideration you elected to receive is worth more at the election deadline than the per share merger consideration you actually receive. Additionally, since cash elections are subject to proration, in the event the cash consideration is worth more than the stock consideration, Western Refining stockholders may not be able to realize the excess of such difference even if they make a cash election with respect to all of their shares of Western Refining common stock.

The market price of shares of Tesoro common stock will continue to fluctuate after the merger.

Upon completion of the merger, holders of Western Refining common stock who receive stock consideration will become holders of shares of Tesoro common stock. The market price of shares of Tesoro common stock may fluctuate significantly following completion of the merger and holders of Western Refining common stock could lose some or all of the value of their investment in Tesoro common stock. In addition, the stock market has experienced significant price and volume fluctuations in recent times which, if they continue to occur, could have a material adverse effect on the market for, or liquidity of, the Tesoro common stock, regardless of Tesoro's actual operating performance.

Western Refining stockholders may receive a form of consideration different from what they elect.

Although each Western Refining stockholder may elect, for each share of Western Refining common stock he or she owns that is issued and outstanding as of immediately prior to the effective time of the first merger, to receive the cash consideration or the stock consideration in the first merger, the aggregate amount of cash consideration to be paid in the first merger is subject to the adjustment and proration procedures set forth in the merger agreement to ensure that the total number of shares of Western Refining stock converted into the right to receive the cash consideration in the first merger will not exceed 10,843,042 shares of Western Refining stock issued and outstanding immediately prior to the effective time *less* the number of excluded shares (as defined in the section entitled "*The Merger—Consideration to Western Refining Stockholders*" beginning on page 71 and in the merger agreement), which is referred to as the cash election number. As a result, if Western Refining stockholders make a cash election in respect of more than the cash election number of shares of Western Refining common stock, which is referred to as an oversubscription of the cash election, Western Refining stockholders who have elected cash consideration may instead receive stock consideration in respect of some or all of the shares of Western Refining common stock in respect of which they have made cash elections. In some cases, due to rounding, the pro rata portion may be zero, such that none of such shares of Western Refining common stock will be converted into the right to receive the cash consideration. This could result in, among other things, tax consequences that differ from those that would have resulted if such stockholders had received the form of consideration that they had elected. For a more detailed description of how the proration and adjustment procedures would work in the event that there is an oversubscription of the cash election, see the section entitled "*The Merger Agreement—Merger Consideration*" beginning on page 140.

After a Western Refining stockholder has made an election in respect of his or her shares of Western Refining common stock, he or she will not be able to sell those shares unless he or she revokes his or her election prior to the election deadline or the merger agreement is terminated.

To be effective, a form of election must be properly completed, signed and submitted to the exchange agent by 5:00 PM (Eastern Time) on the business day that is two trading days prior to the closing date for the first merger, or such other date and time as Tesoro may publicly announce with the consent of Western Refining. The closing date of the first merger will be publicly announced by Tesoro at least four business days prior to the anticipated closing date of the first merger. After a Western Refining stockholder has submitted a form of election, under the terms of the election, he or she will not be able to sell any Western Refining shares covered

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by his or her form of election, regardless of whether those Western Refining shares are held in certificated or book-entry form, unless he or she revokes his or her election before the deadline by written notice received by the exchange agent prior to the election deadline. While the parties have agreed to establish an election deadline that is a relatively short time before the anticipated completion date of the first merger, there can be no assurance that unforeseen circumstances will not cause the completion of the first merger to be delayed after the deadline has been established.

Western Refining stockholders will have a reduced ownership and voting interest in the combined company after the merger and will exercise less influence over management.

Currently, Western Refining stockholders have the right to vote in the election of the Western Refining board and the power to approve or reject any matters requiring stockholder approval under Delaware law and Western Refining's certificate of incorporation and bylaws. Upon completion of the merger, each Western Refining stockholder who receives shares of Tesoro common stock in the merger will become a stockholder of Tesoro with a percentage ownership of Tesoro that is smaller than the Western Refining stockholder's current percentage ownership of Western Refining. Based on the number of issued and outstanding shares of Tesoro common stock and shares of Western Refining common stock as of February 8, 2017 and on the exchange ratio of 0.4350, after the merger Western Refining stockholders are expected to become owners of between approximately 26.93% and approximately 29.02% of the outstanding shares of Tesoro common stock, depending on the number of Western Refining stockholders that make a cash election, and without giving effect to any shares of Tesoro common stock held by Western Refining stockholders prior to the completion of the merger. Even if all former Western Refining stockholders voted together on all matters presented to Tesoro stockholders from time to time, the former Western Refining stockholders would exercise significantly less influence over Tesoro after the completion of the merger relative to their influence over Western Refining prior to the completion of the merger, and thus would have a less significant impact on the approval or rejection of future Tesoro proposals submitted to a stockholder vote.

Shares of Tesoro common stock received by Western Refining stockholders as a result of the merger will have different rights from shares of Western Refining common stock.

Upon completion of the merger, Western Refining stockholders will no longer be stockholders of Western Refining, and Western Refining stockholders who receive stock consideration will become stockholders of Tesoro. There will be important differences between the current rights of Western Refining stockholders and the rights to which such stockholders will be entitled as stockholders of Tesoro. See the section entitled "*Comparison of Stockholders' Rights*" beginning on page 191 for a discussion of the different rights associated with the shares of Tesoro common stock.

The market price of shares of Tesoro common stock may be affected by factors different from those that historically have affected shares of Western Refining common stock.

Upon completion of the merger, holders of Western Refining common stock who receive stock consideration will become holders of Tesoro common stock. The businesses of Tesoro differ from those of Western Refining in certain respects, and, accordingly, the financial position or results of operations and/or cash flows of Tesoro after the merger, as well as the market price of shares of Tesoro common stock, may be affected by factors different from those currently affecting the financial position or results of operations and/or cash flows of Western Refining. Following the completion of the merger, Western Refining will be part of a larger company with other lines of business and a broader geographic footprint, so decisions affecting Western Refining may be made in respect of the larger combined business as a whole rather than the Western Refining businesses individually. For a discussion of the businesses of Tesoro and Western Refining and of some important factors to consider in connection with those businesses, see the section entitled "*Information About the Companies*" beginning on page 56, and the documents incorporated by reference in the section entitled "*Where You Can Find More Information*" beginning on page 211, including, in particular, in the sections entitled "Risk Factors" in each

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of Tesoro's Annual Report on Form 10-K for the year ended December 31, 2015 and Western Refining's Annual Report on Form 10-K for the year ended December 31, 2015.

The merger agreement limits Tesoro's ability and Western Refining's ability to pursue alternatives to the merger.

The merger agreement contains provisions that may discourage a third party from submitting an acquisition proposal to Tesoro or Western Refining that might result in greater value to Tesoro's or Western Refining's respective stockholders than the merger, or may result in a potential acquirer of Tesoro, or a potential competing acquirer of Western Refining, proposing to pay a lower per share price to acquire Tesoro or Western Refining, respectively, than it might otherwise have proposed to pay. These provisions include a general prohibition on Tesoro and Western Refining from soliciting or, subject to certain exceptions relating to the exercise of fiduciary duties by the Tesoro board or the Western Refining board, entering into discussions with any third party regarding any acquisition proposal or offer for a competing transaction. Western Refining also has an unqualified obligation to submit the Western Refining merger proposal to a vote by its stockholders, even if Western Refining receives an alternative acquisition proposal that the Western Refining board believes is superior to the merger, and Tesoro has an unqualified obligation to submit the Tesoro issuance proposal to a vote by its stockholders, even if Tesoro receives an alternative acquisition proposal that the Tesoro board believes is superior to the merger, in each case unless Western Refining or Tesoro, as applicable, terminates the merger agreement in accordance with its terms prior to such time. See the section entitled "*The Merger Agreement—Termination*" beginning on page 165.

The merger agreement may be terminated in accordance with its terms and the merger may not be completed.

The merger agreement is subject to a number of conditions that must be fulfilled in order to complete the merger. Those conditions include, among others: the adoption of the merger agreement by Western Refining stockholders, the approval by Tesoro stockholders of the issuance of shares of Tesoro common stock in connection with the merger, the expiration or termination of the waiting period applicable to the merger under the HSR Act without the imposition of a burdensome condition (as defined in the section entitled *"The Merger Agreement—Reasonable Best Efforts*; *Regulatory Filings and Other Actions*" beginning on page 159 and in the merger agreement), the accuracy of representations and warranties under the merger agreement (subject to the materiality standards set forth in the merger agreement), Tesoro's and Western Refining's performance of their respective obligations under the merger agreement in all material respects and Western Refining's receipt of a written opinion of Davis Polk & Wardwell LLP (or another nationally recognized law firm selected by Western Refining) regarding certain U.S. federal income tax matters. These conditions to the closing of the merger may not be fulfilled in a timely manner or at all, and, accordingly, the merger may be delayed or may not be completed.

In addition, if the merger is not completed by November 16, 2017, either Tesoro or Western Refining may choose not to proceed with the merger, and the parties can mutually decide to terminate the merger agreement at any time, before or after stockholder approval. In addition, Tesoro and Western Refining may elect to terminate the merger agreement in certain other circumstances. See the section entitled "*The Merger Agreement—Termination*" beginning on page 165.

Failure to complete the merger could negatively impact the price of shares of Tesoro common stock and the price of shares of Western Refining common stock, as well as Tesoro's and Western Refining's respective future businesses and financial results.

The merger agreement contains a number of conditions that must be satisfied or waived prior to the completion of the merger. There can be no assurance that all of the conditions to the merger will be so satisfied or waived. If the conditions to the merger are not satisfied or waived, Tesoro and Western Refining will be unable to complete the merger.

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If the merger is not completed for any reason, including the failure to receive the required approvals of Tesoro's and Western Refining's respective stockholders, Tesoro's and Western Refining's respective businesses and financial results may be adversely affected as follows:

- Tesoro and Western Refining may experience negative reactions from the financial markets, including negative impacts on the market price of shares of Tesoro common stock and Western Refining common stock;
- the manner in which customers, vendors, business partners and other third parties perceive Tesoro and Western Refining may be negatively impacted, which in turn could affect Tesoro's and Western Refining's marketing operations or their ability to compete for new business or obtain renewals in the marketplace more broadly;
- Tesoro and Western Refining may experience negative reactions from employees; and
- Tesoro and Western Refining will have expended time and resources that could otherwise have been spent on Tesoro's and Western Refining's existing businesses and the pursuit of other opportunities that could have been beneficial to each company, and Tesoro's and Western Refining's ongoing business and financial results may be adversely affected.

In addition to the above risks, if the merger agreement is terminated and either party's board seeks an alternative transaction, such party's stockholders cannot be certain that such party will be able to find a party willing to engage in a transaction on more attractive terms than the merger. If the merger agreement is terminated under specified circumstances, either Tesoro or Western Refining may be required to pay the other party a termination fee, reverse termination fee or other termination-related payment. See the section entitled "*The Merger Agreement—Termination*" beginning on page 165 for a description of these circumstances.

Required regulatory approvals may not be received, may take longer than expected to be received or may impose conditions that are not presently anticipated or cannot be met. In addition, an adverse outcome of any antitrust or similar review undertaken by a governmental authority could prevent the merger from being completed or have an adverse effect on Tesoro following the merger.

Completion of the merger is conditioned upon the approval by the NYSE of the listing of the shares of Tesoro common stock to be issued in the merger upon official notice of issuance and the expiration or termination of the waiting period applicable to the merger under the HSR Act. Although each party has agreed to use its respective reasonable best efforts to obtain the requisite stock exchange and governmental approvals, there can be no assurance that these approvals will be obtained and that the other conditions to completing the merger will be satisfied. In addition, the governmental authorities from which the regulatory approvals are required may impose conditions on the completion of the merger or require changes to the terms of the merger or merger agreement. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying or impeding completion of the merger or of imposing additional costs or limitations on Tesoro following completion of the merger, any of which might have an adverse effect on Tesoro following completion of the merger.

Each party's obligation to complete the merger is subject to the condition that the expiration or termination of the waiting period applicable to the merger under the HSR Act be obtained without the imposition of a burdensome condition, as defined in the section entitled "*The Merger Agreement—Reasonable Best Efforts; Regulatory Filings and Other Actions*" beginning on page 159 and in the merger agreement.

As further described in the section entitled "*Litigation and Regulatory Reviews/Investigations Related to the Merger"* beginning on page 130, Tesoro and Western Refining have each received a substantially identical letter, dated January 27, 2017, from the Minnesota AG stating that the Office of the Minnesota AG intends to review the merger under the antitrust laws and requesting that Tesoro and Western Refining provide information regarding the potential competitive effects of the merger in Minnesota. While the completion of such review, or

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of any other antitrust or similar review undertaken by a governmental authority (other than for the expiration or termination of the waiting period applicable to the merger pursuant to the HSR Act) is not a direct condition to the completion of the merger, one of the conditions to the closing of the merger is that there must not have been enacted, issued, promulgated, enforced or entered by a court or other governmental entity of competent jurisdiction any applicable law that is in effect and restrains, enjoins or otherwise prohibits completion of the merger or the other transactions contemplated by the merger agreement. In addition, it is possible that in connection with the review by the Office of the Minnesota AG, or any other antitrust or similar review undertaken by a governmental authority, the reviewing governmental authority imposes costs or limitations on Tesoro, any of which might have an adverse effect on Tesoro following the merger.

Tesoro and Western Refining will be subject to business uncertainties while the merger is pending, which could adversely affect their respective businesses.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Tesoro and Western Refining. These uncertainties may impair Tesoro's and Western Refining's ability to attract, retain and motivate key personnel until the merger is completed and for a period of time thereafter, and could cause customers and others that deal with Tesoro and Western Refining to seek to change their existing business relationships with Tesoro and Western Refining, respectively. Employee retention at Western Refining may be particularly challenging during the pendency of the merger, as employees may experience uncertainty about their roles with Tesoro following the merger. In addition, the merger agreement restricts Tesoro and Western Refining from entering into certain corporate transactions and taking other specified actions without the consent of the other party, and generally requires Western Refining to continue its operations in the ordinary course, until completion of the merger. These restrictions may prevent Tesoro and Western Refining from pursuing attractive business opportunities that may arise prior to the completion of the merger. Please see the section entitled "*The Merger Agreement—Interim Operations of Western Refining and Tesoro Pending the Merger*," beginning on page 149, for a description of the restrictive covenants to which Tesoro and Western Refining are subject.

Directors and executive officers of Tesoro may have interests in the merger that are different from, or in addition to, the interests of Tesoro stockholders.

Tesoro's executive officers and directors have interests in the merger that may be different from, or in addition to, the interests of Tesoro stockholders generally. The members of the Tesoro board were aware of and considered these interests, among other matters, when they approved the merger agreement and recommended that Tesoro stockholders approve the Tesoro issuance proposal. These interests are described in more detail in the section entitled "*The Merger—Interests of Tesoro Directors and Executive Officers in the Merger*" beginning on page 132.

Directors and executive officers of Western Refining may have interests in the merger that are different from, or in addition to, the interests of Western Refining stockholders.

Directors and executive officers of Western Refining may have interests in the merger that are different from, or in addition to, the interests of Western Refining stockholders generally. These interests include, among others, the treatment of outstanding equity and equity-based awards pursuant to the merger agreement; potential severance and other benefits upon a qualifying termination in connection with the merger; Tesoro's agreement to nominate Paul Foster and Jeff Stevens, each of whom currently serves as a director of Western Refining, for election as directors of Tesoro, with terms commencing upon the completion of the merger; and rights to ongoing indemnification and insurance coverage.

These interests are described in more detail in the section entitled "*The Merger—Interests of Western Refining Directors and Executive Officers in the Merger*" beginning on page 133.

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The merger may not be accretive, and may be dilutive, to Tesoro's earnings per share, which may negatively affect the market price of shares of Tesoro common stock.

Because shares of Tesoro common stock will be issued in the merger, it is possible that, although Tesoro currently expects the merger to be accretive to earnings per share, the merger may be dilutive to Tesoro earnings per share, which could negatively affect the market price of shares of Tesoro common stock.

In connection with the completion of the merger, based on the number of issued and outstanding shares of Western Refining common stock as of February 8, 2017 and the number of outstanding Western Refining equity awards currently estimated to be payable in Tesoro common stock following the merger, and depending on how many Western Refining stockholders make a cash election, Tesoro will issue up to approximately 47,781,800 shares of Tesoro common stock. The issuance of these new shares of Tesoro common stock could have the effect of depressing the market price of shares of Tesoro common stock, through dilution of earnings per share or otherwise. Any dilution of, or delay of any accretion to, Tesoro earnings per share could cause the price of shares of Tesoro common stock to decline or increase at a reduced rate.

Tesoro and Western Refining will incur significant transaction and merger-related costs in connection with the merger, which may be in excess of those anticipated by Tesoro or Western Refining.

Each of Tesoro and Western Refining has incurred and will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, including the costs and expenses of filing, printing and mailing this joint proxy statement/prospectus and all filing and other fees paid to the SEC in connection with the merger.

Tesoro and Western Refining expect to continue to incur a number of non-recurring costs associated with completing the merger, combining the operations of the two companies and achieving desired synergies. These fees and costs have been, and will continue to be, substantial. The substantial majority of non-recurring expenses will consist of transaction costs related to the merger and include, among others, employee retention costs, fees paid to financial, legal and accounting advisors, severance and benefit costs and filing fees.

Tesoro and Western Refining will also incur transaction fees and costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and employment-related costs. Tesoro and Western Refining will continue to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the merger and the integration of the two companies' businesses. Although Tesoro and Western Refining each expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow Tesoro and Western Refining to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all. See the risk factor entitled "*The integration of Western Refining into Tesoro may not be as successful as anticipated*" below.

The costs described above, as well as other unanticipated costs and expenses, could have a material adverse effect on the financial condition and operating results of Tesoro following the completion of the merger.

Many of these costs will be borne by Tesoro and/or Western Refining even if the merger is not completed.

Lawsuits have been filed against Western Refining and the members of its board of directors challenging the adequacy of the disclosures made in the initial version of the joint proxy statement/prospectus filed on December 14, 2016, and an adverse ruling in one or more of these lawsuits may prevent the merger from being completed.

As of February 8, 2017, Western Refining and the members of its board of directors have been named as defendants in five purported stockholder class actions filed in the United States District Court for the Western District of Texas by Western Refining stockholders challenging the adequacy of the disclosures to Western Refining stockholders made in the initial version of the joint proxy statement/prospectus filed on December 14,

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2016 regarding the transaction. Although Tesoro, Tahoe Merger Sub 1, Inc., and Tahoe Merger Sub 2, LLC are included as defendants in the caption of three of the five complaints, the body of those complaints does not identify those entities as defendants, and the complaints do not appear to assert any claims against them. None of the parties named as defendants in the case captions have been served with the complaint in any of these actions as of the date of this filing. Among other remedies, the plaintiffs seek to enjoin the merger until additional information relating to the transaction is disclosed. The actions also seek to recover costs and disbursements from the defendants, including attorneys' fees and experts' fees. The lawsuits are in a preliminary stage.

Additionally, the members of the Tesoro board of directors have been named as defendants in one purported stockholder class action filed in the Court of Chancery of the State of Delaware by a Tesoro stockholder. The suit is captioned Carl Arias v. Gregory J Goff, et al., Case No. 2017-0094-(filed February 7, 2017). The complaint alleges that Tesoro's directors breached their fiduciary duties of care, loyalty, good faith and/or disclosure by failing to disclose to Tesoro stockholders all material information necessary to make an informed decision regarding the Tesoro issuance proposal. Among other remedies, the plaintiff seeks to enjoin the merger and to hold Tesoro's directors liable for allegedly breaching their fiduciary duties.

Additional lawsuits may be filed against Western Refining, Tesoro, Tahoe Merger Sub 1, Inc., Tahoe Merger Sub 2, LLC, and/or the board of directors of any such company in connection with the merger. See the section entitled "*The Merger—Litigation and Regulatory Reviews / Investigations Related to the Merger*" beginning on page 130 of this joint proxy statement/prospectus for more information about litigation related to the merger.

One of the conditions to the closing of the merger is that there must not have been enacted, issued, promulgated, enforced or entered by a court or other governmental entity of competent jurisdiction any applicable law that is in effect and restrains, enjoins or otherwise prohibits completion of the merger or the other transactions contemplated by the merger agreement. Therefore, if any of the plaintiffs in one or more of these actions or in any additional lawsuits that may be filed secures injunctive relief or other relief prohibiting, delaying or otherwise adversely affecting the defendants' ability to complete the merger, then such injunctive or other relief may prevent the merger from becoming effective within the expected timeframe or at all.

The opinions of Tesoro's and Western Refining's respective financial advisors will not reflect changes in circumstances between the signing of the merger agreement and the completion of the merger.

Tesoro and Western Refining have received opinions from their respective financial advisors in connection with the signing of the merger agreement, but have not obtained updated opinions from their respective financial advisors as of the date of this joint proxy statement/prospectus. Changes in the operations and prospects of Tesoro or Western Refining, general market and economic conditions and other factors that may be beyond the control of Tesoro or Western Refining, and on which Tesoro's and Western Refining's financial advisors' opinions were based, may significantly alter the value of Tesoro or Western Refining or the prices of the shares of Tesoro common stock or of the shares of Western Refining common stock by the time the merger is completed. The opinions do not speak as of the time the merger will be completed or as of any date other than the date of such opinions. Because Tesoro and Western Refining do not currently anticipate asking their respective financial advisors to update their opinions, the opinions will not address the fairness of the per share merger consideration from a financial point of view at the time the merger is completed. The Tesoro board's recommendation that Tesoro stockholders vote "***FOR***" approval of the Tesoro issuance proposal and the other merger-related matters and the Western Refining board's recommendation that Western Refining stockholders vote "***FOR***" adoption of the merger agreement and the other merger-related matters, however, is made as of the date of this joint proxy statement/prospectus. For a description of the opinions that Tesoro and Western Refining received from their respective financial advisors, please see the sections entitled "*The Merger—Opinion of Goldman Sachs, Tesoro's Financial Advisor*" and "*The Merger—Opinion of Barclays Capital, Western Refining's Financial Advisor*" beginning on pages 84 and 97, respectively. A copy of the opinion of Barclays, Western Refining's financial advisor, is attached as Annex E to this joint proxy statement/prospectus, and a copy

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of the opinion of Goldman Sachs, Tesoro's financial advisor, is attached as Annex F to this joint proxy statement/prospectus, and each is incorporated by reference herein in its entirety.

If the merger is completed, Tesoro will incur a substantial amount of debt.

In connection with the merger, Tesoro will incur approximately $2.15 billion of additional indebtedness in the aggregate to fund the cash consideration payable under the merger agreement, redeem or repay in full, as applicable, certain outstanding debt of Western Refining and certain of its subsidiaries and pay fees and expenses associated with the foregoing. In addition, following completion of the merger, TLLP will have approximately $3.77 billion aggregate principal amount of senior notes outstanding in addition to any amounts outstanding under its credit facilities, and MLP will have approximately $300 million aggregate principal amount of senior notes outstanding in addition to any amounts outstanding under its revolving credit facility. TLLP's debt is non-recourse to Tesoro, except for Tesoro Logistics GP, LLC. MLP's debt is non-recourse to Western Refining. Following the completion of the merger, the combined company will have a significant amount of outstanding indebtedness. The consolidated indebtedness of Tesoro as of September 30, 2016 was approximately $4.7 billion. Tesoro's pro forma indebtedness as of September 30, 2016, after giving effect to the merger, would be approximately $7.6 billion. This level of indebtedness could have the effect, among other things, of reducing Tesoro's flexibility to respond to changing business and economic conditions and increasing Tesoro's interest expense. The increased levels of indebtedness following completion of the merger could also reduce funds available for Tesoro's investments in capital expenditures, share repurchases, dividend payments and other activities and may create competitive disadvantages for Tesoro relative to competitors with lower debt levels.

In addition, in connection with executing Tesoro's business strategies following the merger, Tesoro expects to continue to evaluate the possibility of acquiring additional assets and making further strategic investments, and Tesoro may elect to finance these endeavors by incurring additional indebtedness. Moreover, MLP's notes will remain outstanding following the completion of the merger as described above. In the event that the rating of MLP's notes are downgraded within 90 days of completion of the merger, a change of control may be triggered with respect to MLP's notes, and Tesoro may seek to incur additional debt in order to make an offer to repurchase or redeem all such notes.

Tesoro's ability to arrange any additional financing for the purposes described above or otherwise will depend on, among other factors, the company's financial position and performance, as well as prevailing market conditions and other factors beyond Tesoro's control. Tesoro cannot assure you that it will be able to obtain such financing on terms acceptable to Tesoro or at all.

The unaudited pro forma condensed combined financial information and unaudited forecasted financial information included in this joint proxy statement/prospectus is presented for illustrative purposes only and does not represent the actual financial position or results of operations of the combined company following the completion of the merger. Future results of Tesoro or Western Refining may differ, possibly materially, from the unaudited pro forma condensed combined financial information and unaudited forecasted financial information presented in this joint proxy statement/prospectus.

The unaudited pro forma condensed combined financial statements and unaudited forecasted financial information contained in this joint proxy statement/prospectus is presented for illustrative purposes only, contains a variety of adjustments, assumptions and preliminary estimates and does not represent the actual financial position or results of operations of Tesoro and Western Refining prior to the merger or that of the combined company following the merger for several reasons. Specifically, the unaudited pro forma condensed combined financial statements do not reflect the effect of any potential divestitures that may occur prior to or subsequent to the completion of the merger, integration costs or Tesoro's projected reduction of its debt to capitalization ratio following the completion of the merger. See the sections entitled *"Unaudited Pro Forma Condensed Combined Financial Statements*", and "*Notes To Unaudited Pro Forma Financial Statements*" beginning on pages 177 and 182, respectively. In addition, the merger and post-merger integration process may give rise to unexpected liabilities and costs, including costs associated with the defense and resolution of transaction-related litigation or

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other claims. Unexpected delays in completing the merger or in connection with the post-merger integration process may significantly increase the related costs and expenses incurred by Tesoro. The actual financial positions and results of operations of Tesoro and Western Refining prior to the merger and that of the combined company following the merger may be different, possibly materially, from the unaudited pro forma condensed combined financial statements or forecasted financial information included in this joint proxy statement/prospectus. In addition, the assumptions used in preparing the unaudited pro forma condensed combined financial statements and forecasted financial information included in this joint proxy statement/prospectus may not prove to be accurate and may be affected by other factors. Any significant changes in the market price of Tesoro common stock may cause a significant change in the purchase price used for Tesoro's accounting purposes and the unaudited pro forma financial statements contained in this joint proxy statement/prospectus.

The effective tax rate that will apply to Tesoro is uncertain and may vary from expectations.

There can be no assurance that the merger will allow Tesoro to maintain any particular effective corporate tax rate. No assurances can be given as to what Tesoro's effective tax rate will be after the completion of the merger because of, among other things, uncertainty regarding the tax policies of the jurisdictions where it operates. Tesoro's actual effective tax rate may vary from its expectations and that variance may be material.

Changes in the rules governing U.S. federal income taxation may have an adverse effect on the combined company after the merger.

Policy positions taken by the new presidential administration in the United States may result in significant changes in the rules governing U.S. federal income taxation, including changes to the tax rates, the ability to take certain deductions and/or the ability to pass through income in certain circumstances. Any such changes may have an adverse effect on Tesoro's or Western Refining's business, financial condition and results of operations.

The integration of Western Refining into Tesoro may not be as successful as anticipated.

The merger involves numerous operational, strategic, financial, accounting, legal, tax and other risks; potential liabilities associated with the acquired businesses; and uncertainties related to design, operation and integration of Western Refining's internal control over financial reporting. Difficulties in integrating Western Refining into Tesoro may result in Western Refining performing differently than expected, in operational challenges or in the failure to realize anticipated expense-related efficiencies. Tesoro's and Western Refining's existing businesses could also be negatively impacted by the merger. Potential difficulties that may be encountered in the integration process include, among other factors:

- the inability to successfully integrate the businesses of Western Refining into Tesoro in a manner that permits Tesoro to achieve the full revenue and cost savings anticipated from the merger;
- complexities associated with managing the larger, more complex, integrated business;
- not realizing anticipated operating synergies;
- integrating personnel from the two companies while maintaining focus on providing consistent, high-quality products;
- potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the merger;
- loss of key employees;
- performance shortfalls at one or both of the companies as a result of the diversion of management's attention caused by completing the merger and integrating Western Refining's operations into Tesoro; and
- the disruption of, or the loss of momentum in, each company's ongoing business or inconsistencies in standards, controls, procedures and policies.

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Tesoro's results may suffer if it does not effectively manage its expanded operations following the merger.

Following completion of the merger, Tesoro's success will depend, in part, on its ability to manage its expansion, which poses numerous risks and uncertainties, including the need to integrate the operations and business of Western Refining into its existing business in an efficient and timely manner, to combine systems and management controls and to integrate relationships with customers, vendors and business partners.

Even if Tesoro and Western Refining complete the merger, Tesoro may fail to realize all of the anticipated benefits of the proposed merger.

The success of the proposed merger will depend, in part, on Tesoro's ability to realize the anticipated benefits and cost savings from combining Tesoro's and Western Refining's businesses, including the $350 to $425 million in annual pre-tax operational, commercial and corporate synergies that Tesoro believes the combined company will achieve within the first two years following the consummation of the merger. The anticipated benefits and cost savings of the proposed merger may not be realized fully or at all, or may take longer to realize than expected or could have other adverse effects that Tesoro does not currently foresee. Some of the assumptions that Tesoro has made, such as the achievement of operating synergies and the expansion in opportunities for logistics growth in crude oil production basins and regions, may not be realized. The integration process may, for each of Tesoro and Western Refining, result in the loss of key employees, the disruption of ongoing businesses or inconsistencies in standards, controls, procedures and policies. There could be potential unknown liabilities and unforeseen expenses associated with the merger that were not discovered in the course of performing due diligence.

The market price of shares of Tesoro common stock may decline in the future as a result of the sale of shares of Tesoro common stock held by former Western Refining stockholders or current Tesoro stockholders.

Based on the number of shares of Western Refining common stock outstanding as of February 8, 2017 and the number of outstanding Western Refining equity awards currently estimated to be payable in Tesoro common stock following the merger, Tesoro expects to issue up to approximately 47,781,800 shares of Tesoro common stock to Western Refining stockholders in the merger, depending on how many Western Refining stockholders make a cash election. Following their receipt of shares of Tesoro common stock as stock consideration in the merger, former Western Refining stockholders may seek to sell the shares of Tesoro common stock delivered to them. Other Tesoro stockholders may also seek to sell shares of Tesoro common stock held by them following, or in anticipation of, completion of the merger. These sales (or the perception that these sales may occur), coupled with the increase in the outstanding number of shares of Tesoro common stock, may affect the market for, and the market price of, Tesoro common stock in an adverse manner.

The combined company will record goodwill and other intangible assets that could become impaired and result in material non-cash charges to the results of operations of the combined company in the future.

The merger will be accounted for as an acquisition by Tesoro in accordance with accounting principles generally accepted in the United States. Under the acquisition method of accounting, the assets and liabilities of Western Refining and its subsidiaries will be recorded, as of completion, at their respective fair values and added to those of Tesoro. The reported financial condition and results of operations of Tesoro for periods after completion of the merger will reflect Western Refining balances and results after completion of the merger, but will not be restated retroactively to reflect the historical financial position or results of operations of Western Refining and its subsidiaries for periods prior to the merger. See the section entitled "*Unaudited Pro Forma Condensed Combined Financial Statements*" beginning on page 177.

Under the acquisition method of accounting, the total purchase price will be allocated to Western Refining's tangible assets and liabilities and identifiable intangible assets based on their fair values as of the date of completion of the merger. The excess of the purchase price over those fair values will be recorded as goodwill. Tesoro and Western Refining expect that the merger will result in the creation of goodwill based upon the application of the acquisition method of accounting. To the extent the value of goodwill or intangibles becomes

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impaired, the combined company may be required to incur material non-cash charges relating to such impairment. The combined company's operating results may be significantly impacted from both the impairment and the underlying trends in the business that triggered the impairment.

Risks Relating to Tesoro's Business.

You should read and consider risk factors specific to Tesoro's businesses that will also affect the combined company after the completion of the merger. These risks are described in Part I, Item 1A of Tesoro's Annual Report on Form 10-K for the year ended December 31, 2015, and in other documents that are incorporated by reference herein. See the section entitled "*Where You Can Find More Information*" beginning on page 211 for the location of information incorporated by reference in this joint proxy statement/prospectus.

Risks Relating to Western Refining's Business.

You should read and consider risk factors specific to Western Refining's businesses that will also affect the combined company after the completion of the merger. These risks are described in Part I, Item 1A of Western Refining's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and in other documents that are incorporated by reference herein. See the section entitled "*Where You Can Find More Information*" beginning on page 211 for the location of information incorporated by reference in this joint proxy statement/prospectus.

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INFORMATION ABOUT THE COMPANIES

Tesoro Corporation

19100 Ridgewood Parkway
San Antonio, TX 78259
Phone: 210-626-6000

Tesoro, whose legal name is Tesoro Corporation, was incorporated in Delaware in 1968. Based in San Antonio, Texas, Tesoro is one of the largest independent petroleum refining, logistics and marketing companies in the United States. Tesoro's subsidiaries, operating through three business segments, primarily transport crude oil and manufacture, transport and sell transportation fuels. Tesoro's refining operating segment refines crude oil and other feedstocks into transportation fuels, such as gasoline and gasoline blendstocks, jet fuel and diesel fuel, as well as other products, including heavy fuel oils, liquefied petroleum gas and petroleum coke for sale in bulk markets to a wide variety of customers within Tesoro's markets. Tesoro's logistics operating segment, which is comprised of the assets and operations of TLLP, a publicly traded limited partnership, includes certain crude oil and natural gas gathering assets, natural gas and natural gas liquid processing assets, and crude oil and refined products terminalling, transportation and storage assets acquired from Tesoro and third parties. Tesoro's marketing operating segment sells transportation fuels through branded and unbranded channels. The branded business sells transportation fuels using a unique brand portfolio with the ARCO®, Shell®, Exxon®, Mobil®, USA Gasoline™, Rebel™, Thrifty™ and Tesoro® brands across a network of over 2,400 retail stations. Tesoro owns 100% of the outstanding equity interests of Tesoro Logistics GP, LLC, the general partner of TLLP. Additionally, as of December 31, 2016, Tesoro owned approximately 33% of the outstanding common units of TLLP.

Western Refining

212 North Clark Drive
El Paso, Texas 79905
Phone: 915-775-3300

Western Refining, whose legal name is Western Refining, Inc., is an independent crude oil refiner and marketer of refined products incorporated in September 2005 under Delaware law with principal offices located in El Paso, Texas. Western Refining produces refined products at refineries in El Paso, Texas, near Gallup, New Mexico and in St. Paul Park, Minnesota. Western Refining sells refined products primarily in Arizona, Colorado, Minnesota, New Mexico, Wisconsin, West Texas, the Mid-Atlantic region and Mexico through bulk distribution terminals and wholesale marketing networks. Western Refining owns a significant limited partner interest in MLP, a publicly traded limited partnership. MLP owns and operates logistics assets consisting of pipeline and gathering, terminalling, storage and transportation assets as well as a wholesale business that operates primarily in the Southwest. MLP operates its logistics assets primarily for the benefit of Western Refining. Western Refining also sells refined products through two retail networks with a total of 545 company-operated and franchised retail sites in the United States. Western Refining owns 100% of the outstanding equity interests of Western Refining Logistics GP, LLC, the general partner of MLP. Additionally, as of December 31, 2016, Western Refining owned approximately 52.6% of the outstanding common units of MLP.

Tahoe Merger Sub 1, Inc.

c/o Tesoro Corporation
19100 Ridgewood Parkway
San Antonio, TX 78259
Phone: 210-626-6000

Merger Sub 1, whose legal name is Tahoe Merger Sub 1, Inc., is a direct, wholly owned subsidiary of Tesoro. Upon the completion of the merger, Merger Sub 1 will cease to exist. Merger Sub 1 was incorporated in Delaware on November 15, 2016 for the sole purpose of effecting the merger.

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Tahoe Merger Sub 2, LLC

c/o Tesoro Corporation
19100 Ridgewood Parkway
San Antonio, TX 78259
Phone: 210-626-6000

Merger Sub 2, whose legal name is Tahoe Merger Sub 2, LLC, is a direct, wholly owned subsidiary of Tesoro. If a second merger election is made, upon the completion of the second merger, Merger Sub 2 will survive such second merger and continue to exist as a direct, wholly owned subsidiary of Tesoro. Merger Sub 2 was formed in Delaware on November 15, 2016 for the sole purpose of effecting the second merger (if a second merger election is made).

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SPECIAL MEETING OF TESORO STOCKHOLDERS

Date, Time and Place

The Tesoro special meeting will be held on March 24, 2017, at 12:00 p.m., Central Time, at 19100 Ridgewood Parkway, San Antonio, Texas 78259.

Purpose of the Tesoro Special Meeting

The purpose of the Tesoro special meeting is as follows:

- to consider and vote on the Tesoro issuance proposal;
- to consider and vote on the Tesoro certificate of incorporation amendment proposal; and
- to consider and vote on the Tesoro adjournment proposal.

Tesoro will transact no other business at the Tesoro special meeting.

Recommendation of Tesoro's Board of Directors

The Tesoro board recommends that Tesoro stockholders vote:

1. "**FOR**" the approval of the Tesoro issuance proposal;

2. "**FOR**" the approval of the Tesoro certificate of incorporation amendment proposal; and

3. "**FOR**" the approval of the Tesoro adjournment proposal.

See the section entitled "*The Merger—Recommendation of Tesoro's Board of Directors and Reasons for the Merger*" beginning on page 81.

Record Date

Only holders of record of issued and outstanding shares of Tesoro common stock as of the close of business on February 10, 2017, the record date for the Tesoro special meeting, are entitled to notice of, and to vote at, the Tesoro special meeting or any adjournment or postponement of the Tesoro special meeting.

Quorum; Required Votes; Abstentions and Broker Non-Votes

A quorum of Tesoro stockholders is necessary to hold a valid meeting. A quorum will exist at the Tesoro special meeting with respect to each matter to be considered at the Tesoro special meeting if the holders of a majority of shares of Tesoro common stock outstanding on the record date are present in person or represented by proxy at the Tesoro special meeting. All shares represented by proxy are counted as present for purposes of establishing a quorum, including abstentions and broker non-votes. A broker non-vote occurs when a broker submits a proxy that states that the broker does not vote for some or all of the proposals because the broker has not received instructions from the beneficial owners on how to vote on the proposals and does not have discretionary authority to vote in the absence of instructions. If a quorum is not established with respect to a particular subject matter, the presiding person of the Tesoro special meeting has the power to adjourn or recess the Tesoro special meeting from time to time until a quorum is present with respect to that subject matter.

If you submit a properly executed proxy card, even if you do not vote for some or all of the proposals or vote to "abstain" in respect of some or all of the proposals, your shares of Tesoro common stock will be counted for purposes of calculating whether a quorum is present at the Tesoro special meeting with respect to each matter

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to be considered at the Tesoro special meeting. Executed but unvoted proxies will be voted in accordance with the recommendations of the Tesoro board. If additional votes must be solicited to approve the Tesoro issuance proposal, it is expected that the meeting will be adjourned to solicit additional proxies.

Approval of the Tesoro issuance proposal requires the affirmative vote of a majority of votes cast by Tesoro stockholders present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

Approval of the Tesoro certificate of incorporation amendment proposal requires the affirmative vote of a majority of the shares of Tesoro common stock outstanding as of the close of business on the record date and entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote "AGAINST" the proposal.

Approval of the Tesoro adjournment proposal requires the affirmative vote of a majority of the shares of Tesoro common stock present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

The matters to be voted on at the Tesoro special meeting are described in the section entitled "Tesoro Proposals" beginning on page 62.

Methods of Voting

Registered stockholders, whether holding shares directly as stockholders of record or beneficially in "street name," may vote via the Internet by going to the web address provided on the enclosed proxy card and following the instructions for Internet voting; by telephone using the toll-free telephone number listed on the enclosed proxy card; or by completing, signing, dating and returning the enclosed proxy card in the postage-paid envelope provided.

Stockholders of record may vote their shares (other than shares held in the Tesoro Corporation Thrift Plan) in person by ballot at the Tesoro special meeting or by submitting their proxies:

- via the Internet until 11:59 p.m. Eastern Time on March 23, 2017;
- by telephone until 11:59 p.m. Eastern Time on March 23, 2017; or
- by completing, signing and returning your proxy or voting instruction card via mail. If you vote by mail, your proxy card must be received by 11:59 p.m. Eastern Time on March 23, 2017.

If your shares are held in the Tesoro Corporation Thrift Plan, you many not vote in person at the Tesoro special meeting. Instead you will need to vote by submitting your proxy:

- via the Internet until 11:59 p.m. Eastern Time on March 21, 2017;
- by telephone until 11:59 p.m. Eastern Time on March 21, 2017; or
- by completing, signing and returning your proxy or voting instruction card via mail. If you vote by mail, your proxy card must be received by 11:59 p.m. Eastern Time on March 21, 2017.

Stockholders of Tesoro who hold their shares in "street name" by a broker, nominee, fiduciary or other custodian should refer to the proxy card or other information forwarded by their broker, nominee, fiduciary or other custodian for instructions on how to vote their shares.

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Voting in Person

Shares held directly in your name as stockholder of record may be voted in person at the Tesoro special meeting. If you choose to vote your shares in person at the Tesoro special meeting, please bring your enclosed proxy card and proof of identification. Even if you plan to attend the Tesoro special meeting, the Tesoro board recommends that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the Tesoro special meeting. Please note that if your shares are held in the Tesoro Corporation Thrift Plan, you may not vote in person at the Tesoro special meeting, instead you will need to submit your vote through one of the ways described above.

If you are a beneficial holder, you will receive separate voting instructions from your broker, bank or other nominee explaining how to vote your shares. Please note that if your shares are held in "street name" by a broker, bank or other nominee and you wish to vote at the Tesoro special meeting, you will not be permitted to vote in person unless you first obtain a legal proxy issued in your name from the record owner. You are encouraged to request a legal proxy from your broker, bank or other nominee promptly as the process can be lengthy.

Voting by Proxy

Whether you hold your shares directly as the stockholder of record or beneficially in "street name," you may direct your vote by proxy without attending the Tesoro special meeting. You can vote by proxy via the Internet, by telephone or by mail by following the instructions provided in the enclosed proxy card.

Questions About Voting

If you have any questions about how to vote or direct a vote in respect of your shares of Tesoro common stock, you may contact Innisfree, Tesoro's proxy solicitor, at:

Shareholders may call toll-free at 1-888-750-5834.

Banks and brokers may call collect at 1-212-750-5833.

Revocability of Proxies

If you are a stockholder of record of Tesoro, whether you vote by telephone, Internet or mail, you can change or revoke your proxy before it is voted at the meeting in one of the following ways:

- submit a new proxy card bearing a later date;
- vote again by telephone or the Internet at a later time;
- give written notice before the meeting to the Tesoro Corporate Secretary stating that you are revoking your proxy; or
- attend the Tesoro special meeting and vote your shares in person. Please note that your attendance at the meeting will not alone serve to revoke your proxy.

Proxy Solicitation Costs

The enclosed proxy card is being solicited on behalf of Tesoro's board of directors. In addition to solicitation by mail, Tesoro's directors, officers and employees may solicit proxies in person, by telephone or by electronic means. These persons will not be specifically compensated for doing this.

Tesoro has retained Innisfree to assist in the solicitation process. Tesoro will pay Innisfree a fee of approximately $20,000, as well as reasonable and documented out-of-pocket expenses. Tesoro also has agreed to indemnify Innisfree against various liabilities and expenses that relate to or arise out of its solicitation of proxies (subject to certain exceptions).

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Tesoro will ask banks, brokers and other custodians, nominees and fiduciaries to forward the proxy solicitation materials to the beneficial owners of shares of Tesoro common stock held of record by such nominee holders. Tesoro will reimburse these nominee holders for their customary clerical and mailing expenses incurred in forwarding the proxy solicitation materials to the beneficial owners.

No Dissenters' Rights

Under Delaware law, Tesoro stockholders are not entitled to appraisal rights in connection with the issuance of shares of Tesoro common stock as contemplated by the merger agreement.

Vote of Tesoro's Directors and Executive Officers

As of February 8, 2017, Tesoro directors and executive officers, and their affiliates, as a group, owned and were entitled to vote 800,970 shares of Tesoro common stock, or approximately 0.69% of the total outstanding shares of Tesoro common stock as of February 8, 2017.

Tesoro currently expects that all of its directors and executive officers will vote their shares "**FOR**" the Tesoro issuance proposal, "**FOR**" the Tesoro certificate of incorporation amendment proposal and "**FOR**" the Tesoro adjournment proposal.

Attending the Tesoro Special Meeting

You are entitled to attend the Tesoro special meeting only if you were a stockholder of record of Tesoro at the close of business on the record date or you held your shares of Tesoro beneficially in the name of a broker, bank or other nominee as of the record date, or you hold a valid proxy for the Tesoro special meeting.

If you were a stockholder of record of Tesoro at the close of business on the record date and wish to attend the Tesoro special meeting, please so indicate on the appropriate proxy card or as prompted by the Internet or telephone voting system. Your name will be verified against the list of stockholders of record prior to your being admitted to the Tesoro special meeting.

If a broker, bank or other nominee is the record owner of your shares of Tesoro common stock, you will need to have proof that you are the beneficial owner as of the record date to be admitted to the Tesoro special meeting. A recent statement or letter from your broker, bank or other nominee confirming your ownership as of the record date, or presentation of a valid proxy from a broker, bank or other nominee that is the record owner of your shares, would be acceptable proof of your beneficial ownership.

You should be prepared to present photo identification for admittance. If you do not provide photo identification or comply with the other procedures outlined above upon request, you might not be admitted to the Tesoro special meeting.

Results of the Tesoro Special Meeting

The preliminary voting results will be announced at the Tesoro special meeting. In addition, within four business days following the Tesoro special meeting, Tesoro intends to file the final voting results with the SEC on a Current Report on Form 8-K. If the final voting results have not been certified within that four business day period, Tesoro will report the preliminary voting results on a Current Report on Form 8-K at that time and will file an amendment to the Current Report on Form 8-K to report the final voting results within four days of the date that the final results are certified.

TESORO STOCKHOLDERS SHOULD CAREFULLY READ THIS JOINT PROXY STATEMENT/PROSPECTUS IN ITS ENTIRETY FOR MORE DETAILED INFORMATION CONCERNING THE TESORO ISSUANCE PROPOSAL AND THE OTHER MATTERS TO BE VOTED ON AT THE TESORO SPECIAL MEETING.

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TESORO PROPOSALS

Tesoro Issuance Proposal

It is a condition to completion of the merger that Tesoro stockholders approve the issuance of shares of Tesoro common stock in the merger. In the merger, each Western Refining stockholder will receive, for each share of Western Refining common stock that is issued and outstanding as of immediately prior to the effective time of the first merger and that is exchanged for the stock consideration, 0.4350 of a share of Tesoro common stock.

Under NYSE rules, a company is required to obtain stockholder approval prior to the issuance of shares of common stock if the number of shares of common stock to be issued is, or will be upon issuance, equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the common stock. If the merger is completed pursuant to the merger agreement, Tesoro expects to issue up to approximately 47,781,800 shares of Tesoro common stock in connection with the merger, depending upon the aggregate number of Western Refining stockholders who elect to receive the cash consideration and the number of shares of Western Refining common stock, Western Refining stock options, unvested Western Refining RSUs, Western Refining PUAs, and other Western Refining awards outstanding as of the effective time of the first merger. Accordingly, the aggregate number of shares of Tesoro common stock that Tesoro will issue in the merger will exceed 20% of the shares of Tesoro common stock outstanding before such issuance, and for this reason, Tesoro is seeking the approval of Tesoro stockholders for the issuance of shares of Tesoro common stock pursuant to the merger agreement. In the event the Tesoro issuance proposal is not approved by Tesoro stockholders, the merger cannot be completed.

In the event the Tesoro issuance proposal is approved by Tesoro stockholders, but the merger agreement is terminated (without the merger being completed) prior to the issuance of shares of Tesoro common stock pursuant to the merger agreement, Tesoro will not issue any shares of Tesoro common stock as a result of the approval of the Tesoro issuance proposal.

Approval of the Tesoro issuance proposal requires the affirmative vote of a majority of votes cast by stockholders present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the votes.

*The Tesoro board of directors recommends a vote "**FOR**" the Tesoro issuance proposal.*

Tesoro Certificate of Incorporation Amendment Proposal

Tesoro's certificate of incorporation provides that the total number of shares of common stock which Tesoro will have the authority to issue is 200 million. Tesoro is seeking to amend its certificate of incorporation following completion of the merger in order to increase the authorized number of shares of Tesoro common stock from 200 million shares to 300 million shares. The Tesoro certificate of incorporation amendment proposal is contingent upon completion of the merger, and if the merger is not completed, the Tesoro certificate of incorporation will not be amended as contemplated by the Tesoro certificate of incorporation amendment proposal.

Tesoro has a sufficient number of authorized but unissued shares under its current certificate of incorporation to complete the merger, and completion of the merger is not conditional upon approval of the Tesoro certificate of incorporation amendment proposal. However, completion of the merger will reduce the number of remaining authorized but unissued shares available to Tesoro in the future. Tesoro's board of directors believes that the increased number of authorized shares of Tesoro common stock contemplated by the proposed amendment is important to the combined company in order that additional shares be available for issuance from time to time, without further action or authorization by the Tesoro stockholders (except as required by law or

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NYSE rules), if needed for such corporate purposes as may be determined by the Tesoro board of directors. Such corporate purposes might include the acquisition of other businesses in exchange for shares of Tesoro common stock; facilitating broader ownership of Tesoro common stock by effecting stock splits or issuing a stock dividend; flexibility for possible future financings; and attracting and retaining valuable employees and directors by the issuance of additional stock-based awards. The Tesoro board of directors considers the authorization of additional shares advisable to ensure prompt availability of shares for issuance should the occasion arise. The additional 100 million shares authorized would be a part of the existing class of Tesoro common stock and, if issued, would have the same rights and privileges as the shares of Tesoro common stock presently issued and outstanding.

Approval of the Tesoro certificate of incorporation amendment proposal requires the affirmative vote of a majority of the shares of Tesoro common stock outstanding as of the record date and entitled to vote. Abstentions and broker non-votes will have the same effect as a vote "AGAINST" the proposal.

*The Tesoro board of directors recommends a vote "**FOR**" the Tesoro certificate of incorporation amendment proposal.*

Tesoro Adjournment Proposal

Tesoro stockholders are also being asked to approve a proposal to adjourn the Tesoro special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Tesoro issuance proposal if there are not sufficient votes at the time of the Tesoro special meeting to approve the Tesoro issuance proposal. If the Tesoro special meeting is adjourned for the purpose of soliciting additional proxies, stockholders who have already submitted their proxies will be able to revoke them at any time prior to their exercise.

Approval of the Tesoro adjournment proposal requires the affirmative vote of a majority of the shares of Tesoro common stock present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the votes.

Approval of the Tesoro adjournment proposal is not required in order for the Tesoro special meeting to be adjourned. Under the Tesoro bylaws, if a quorum is not established with respect to a particular subject matter, the presiding person of the Tesoro special meeting has the power to adjourn or recess the Tesoro special meeting from time to time until a quorum is present with respect to that subject matter.

*The Tesoro board of directors recommends a vote "**FOR**" the Tesoro adjournment proposal.*

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SPECIAL MEETING OF WESTERN REFINING STOCKHOLDERS

Date, Time and Place

The Western Refining special meeting will be held on March 24, 2017, at 10:00 a.m., Mountain Standard Time, at 1500 North Priest Drive, Tempe, AZ 85281.

Purpose of the Western Refining Special Meeting

The purpose of the Western Refining special meeting is as follows:

- to consider and vote on the merger proposal;
- to consider and vote on the Western Refining adjournment proposal;
- to consider and vote on the non-binding compensation advisory proposal; and
- to consider and vote on the non-binding certificate of incorporation amendment proposal.

Western Refining will transact no other business at the Western Refining special meeting.

Recommendation of Western Refining's Board of Directors

The Western Refining board recommends that Western Refining stockholders vote:

1. "**FOR**" the merger proposal;

2. "**FOR**" the Western Refining adjournment proposal;

3. "**FOR**" the non-binding compensation advisory proposal; and

4. "**FOR**" the non-binding certificate of incorporation amendment proposal.

See the section entitled "*The Merger—Recommendation of Western Refining's Board of Directors and Reasons for the Merger*" beginning on page 91.

Record Date

Only holders of record of issued and outstanding shares of Western Refining common stock as of the close of business on February 10, 2017, the record date for the Western Refining special meeting, are entitled to notice of, and to vote at, the Western Refining special meeting or any adjournment or postponement of the Western Refining special meeting.

Quorum; Required Votes; Abstentions and Broker Non-Votes

A quorum of Western Refining stockholders is necessary to hold a valid meeting. A quorum will exist at the Western Refining special meeting with respect to the matters to be considered at the Western Refining special meeting if the holders of a majority of shares of Western Refining common stock issued and outstanding and entitled to vote on the record date are present in person or represented by proxy at the Western Refining special meeting. All shares represented by proxy are counted as present for purposes of establishing a quorum, including abstentions and broker non-votes. A broker non-vote occurs when a broker submits a proxy that states that the broker does not vote for some or all of the proposals because the broker has not received instructions from the beneficial owners on how to vote on the proposals and does not have discretionary authority to vote in the absence of instructions. If a quorum is not established with respect to a particular subject matter, the stockholders present may adjourn the meeting despite the absence of a quorum.

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If you submit a properly executed proxy card, even if you do not vote for some or all of the proposals or vote to “abstain” in respect of some or all of the proposals, your shares of Western Refining common stock will be counted for purposes of calculating whether a quorum is present at the Western Refining special meeting with respect to the matters to be considered at the Western Refining special meeting. Executed but unvoted proxies will be voted in accordance with the recommendations of the Western Refining board.

Approval of the merger proposal requires the affirmative vote of a majority of the shares of Western Refining common stock outstanding as of the close of business on the record date and entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote “AGAINST” the proposal.

Approval of the Western Refining adjournment proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal, regardless of whether a quorum is present. Abstentions will have the same effect as a vote “AGAINST” the proposal, and broker non-votes will have no effect on the outcome of the vote.

Approval of the non-binding compensation advisory proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote “AGAINST” the proposal, and broker non-votes will have no effect on the outcome of the vote.

Approval of the non-binding certificate of incorporation amendment proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote “AGAINST” the proposal, and broker non-votes will have no effect on the outcome of the vote.

The matters to be voted on at the Western Refining special meeting are described in the section entitled “Western Refining Proposals” beginning on page 69.

Methods of Voting

Western Refining stockholders, whether holding shares directly as stockholders of record or beneficially in “street name,” may vote via the Internet by going to the web address provided on the enclosed proxy card and following the instructions for Internet voting; by telephone using the toll-free telephone number listed on the enclosed proxy card; or by completing, signing, dating and returning the enclosed proxy card in the postage-paid envelope provided.

Western Refining stockholders of record may vote in person by ballot at the Western Refining special meeting or by submitting their proxies:

- via the Internet until 8:59 p.m. Mountain Standard Time on March 23, 2017;
- by telephone until 8:59 p.m. Mountain Standard Time on March 23, 2017; or
- by completing, signing and returning your proxy or voting instruction card via mail. If you vote by mail, your proxy card must be received by 8:59 p.m. Mountain Standard Time on March 23, 2017.

Stockholders of Western Refining who hold their shares in “street name” by a broker, nominee, fiduciary or other custodian should refer to the proxy card, voting instruction form or other information forwarded by their broker, nominee, fiduciary or other custodian for instructions on how to vote their shares.

Voting in Person

Shares of Western Refining common stock held directly in your name as stockholder of record may be voted in person by ballot at the Western Refining special meeting. If you choose to vote your shares in person at the

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Western Refining special meeting, please bring your enclosed proxy card and government issued proof of identification. Even if you plan to attend the Western Refining special meeting, the Western Refining board recommends that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the Western Refining special meeting.

If you are a beneficial holder, you will receive separate voting instructions from your broker, bank or other nominee explaining how to vote your shares. Please note that if your shares are held in "street name" by a broker, bank or other nominee and you wish to vote at the Western Refining special meeting, you will not be permitted to vote in person unless you first obtain a legal proxy issued in your name from the record owner. You are encouraged to request a legal proxy from your broker, bank or other nominee promptly as the process can be lengthy.

Voting by Proxy

Whether you hold your shares of Western Refining common stock directly as the stockholder of record or beneficially in "street name," you may direct your vote by proxy without attending the Western Refining special meeting. You can vote by proxy via the Internet, by telephone or by mail by following the instructions provided in the enclosed proxy card.

Questions About Voting

If you have any questions about how to vote or direct a vote in respect of your shares of Western Refining common stock, you may contact MacKenzie, Western Refining's proxy solicitor, at:

MACKENZIE PARTNERS, INC.

105 Madison Avenue
New York, New York 10016
proxy@mackenziepartners.com
Call Collect: 1-212-929-5500
or
Toll-Free: 1-800-322-288

Revocability of Proxies

If you are a stockholder of record of Western Refining, whether you vote by telephone, Internet or mail, you can change or revoke your proxy before it is voted at the meeting in one of the following ways:

- submit a new proxy card bearing a later date;
- vote again by telephone or the Internet at a later time;
- give written notice before the meeting to the Western Refining Corporate Secretary at the above address stating that you are revoking your proxy; or
- attend the Western Refining special meeting and vote your shares in person. Please note that your attendance at the meeting will not alone serve to revoke your proxy.

Proxy Solicitation Costs

The enclosed proxy card is being solicited on behalf of Western Refining's board of directors. In addition to solicitation by mail, Western Refining's directors, officers and employees may solicit proxies in person, by telephone or by electronic means. These persons will not be specifically compensated for doing this.

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Western Refining has retained MacKenzie to assist in the solicitation process. Western Refining will pay MacKenzie a fee of approximately $50,000, as well as reasonable and documented out-of-pocket expenses. Western Refining also has agreed to indemnify MacKenzie against various liabilities and expenses that relate to or arise out of its solicitation of proxies (subject to certain exceptions).

Western Refining will ask banks, brokers and other custodians, nominees and fiduciaries to forward the proxy solicitation materials to the beneficial owners of shares of Western Refining common stock held of record by such nominee holders. Western Refining will reimburse these nominee holders for their customary clerical and mailing expenses incurred in forwarding the proxy solicitation materials to the beneficial owners.

No Dissenters' Rights

Because holders of shares of Western Refining common stock are not required to receive consideration other than the stock consideration in the merger, or cash in lieu of fractional shares, and shares of Tesoro common stock are listed on the NYSE, holders of shares of Western Refining common stock are not entitled to exercise dissenters' rights under Delaware law in connection with the merger.

Other Information

The matters to be considered at the Western Refining special meeting are of great importance to the stockholders of Western Refining. Accordingly, you are urged to read and carefully consider the information contained in or incorporated by reference into this joint proxy statement/prospectus and submit your proxy via the Internet or by telephone or complete, date, sign and promptly return the enclosed proxy card in the enclosed postage-paid envelope. **If you submit your proxy via the Internet or by telephone, you do not need to return the enclosed proxy card.**

Assistance

If you need assistance in completing your proxy card or have questions regarding the Western Refining special meeting, please contact:

MacKenzie Partners, Inc.
105 Madison Avenue
New York, NY 10016
Telephone (Toll-Free): 1-800-322-2885
Telephone (Collect): 1-212-929-5500
Email: proxy@mackenziepartners.com

Vote of Western Refining's Directors and Executive Officers

As of February 8, 2017, Western Refining directors and executive officers, and their affiliates, as a group, owned and were entitled to vote 25,102,080 shares of Western Refining common stock, or approximately 23.1% of the total outstanding shares of Western Refining common stock as of February 8, 2017. Three of such persons, Paul L. Foster, Jeff A. Stevens and Scott D. Weaver, have each entered into separate voting agreements with Western Refining and Tesoro pursuant to which they have agreed, among other things, to vote all of the shares of Western Refining common stock beneficially owned by them (constituting approximately 22.5% of the issued and outstanding shares of Western Refining stock as of February 8, 2017) in favor of the adoption of the merger agreement, on the terms and subject to the conditions set forth in the voting agreements.

Western Refining currently expects that all of its directors and executive officers will vote their shares "**FOR**" the merger proposal, "**FOR**" the Western Refining adjournment proposal, "**FOR**" the Western Refining non-binding compensation advisory proposal and "**FOR**" the non-binding certificate of incorporation amendment proposal.

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Attending the Western Refining Special Meeting

You are entitled to attend the Western Refining special meeting only if you were a stockholder of record of Western Refining at the close of business on the record date or you held your shares of Western Refining beneficially in the name of a broker, bank or other nominee as of the record date, or you hold a valid proxy for the Western Refining special meeting.

If you were a stockholder of record of Western Refining at the close of business on the record date and wish to attend the Western Refining special meeting, please so indicate on the appropriate proxy card or as prompted by the Internet or telephone voting system. Your name will be verified against the list of Western Refining stockholders of record prior to your being admitted to the Western Refining special meeting.

If a broker, bank or other nominee is the record owner of your shares of Western Refining common stock, you will need to have proof that you are the beneficial owner as of the record date to be admitted to the Western Refining special meeting. A recent statement or letter from your broker, bank or other nominee confirming your ownership as of the record date, or presentation of a valid proxy from a broker, bank or other nominee that is the record owner of your shares, would be acceptable proof of your beneficial ownership.

You should be prepared to present government issued photo identification for admittance. If you do not provide photo identification or comply with the other procedures outlined above upon request, you might not be admitted to the Western Refining special meeting.

Results of the Western Refining Special Meeting

The preliminary voting results will be announced at the Western Refining special meeting. In addition, within four business days following the Western Refining special meeting, Western Refining intends to file the final voting results with the SEC on a Quarterly Report on Form 10-Q or Current Report on Form 8-K. If the final voting results have not been certified within that four business day period, Western Refining will report the preliminary voting results on a Current Report on Form 8-K at that time and will file an amendment to the Current Report on Form 8-K to report the final voting results within four days of the date that the final results are certified.

WESTERN REFINING STOCKHOLDERS SHOULD CAREFULLY READ THIS JOINT PROXY STATEMENT/PROSPECTUS IN ITS ENTIRETY FOR MORE DETAILED INFORMATION CONCERNING THE MERGER PROPOSAL AND THE OTHER MATTERS TO BE VOTED ON AT THE WESTERN REFINING SPECIAL MEETING.

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WESTERN REFINING PROPOSALS

Merger Proposal

It is a condition to completion of the merger that Western Refining stockholders adopt the merger agreement. In the merger, each Western Refining stockholder will receive, for each share of Western Refining common stock that is issued and outstanding as of immediately prior to the effective time of the merger, either the cash consideration of $37.30, if the Western Refining stockholder makes a cash election, or the stock consideration of 0.4350 of a share of Tesoro common stock, if the Western Refining stockholder makes or is deemed to have made a stock election. The cash election is subject to the adjustment and proration procedures set forth in the merger agreement, which are described in the section entitled "*The Merger Agreement—Merger Consideration*" beginning on page 140.

The approval by such stockholders of this proposal is required by Section 251 of the DGCL and is a condition to the completion of the merger.

Approval of the merger proposal requires the affirmative vote of a majority of the shares of Western Refining common stock outstanding as of the close of business on the record date and entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote "AGAINST" the proposal.

*The Western Refining board of directors recommends a vote "**FOR**" the merger proposal.*

Western Refining Adjournment Proposal

Western Refining stockholders are also being asked to approve a proposal to adjourn the Western Refining special meeting, if necessary or appropriate, to solicit additional proxies in favor of the merger proposal if there are not sufficient votes at the time of the Western Refining special meeting to approve the merger proposal. If the Western Refining special meeting is adjourned for the purpose of soliciting additional proxies, stockholders who have already submitted their proxies will be able to revoke them at any time prior to their exercise.

Approval of the Western Refining adjournment proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal, regardless of whether a quorum is present. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the votes.

*The Western Refining board of directors recommends a vote "**FOR**" the Western Refining adjournment proposal.*

Non-Binding Compensation Advisory Proposal

As required by Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, which were enacted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, Western Refining is required to provide its stockholders the opportunity to vote to approve, on a non-binding, advisory basis, certain compensation that may be paid or become payable to Western Refining's named executive officers that is based on or otherwise relates to the merger, as described in the section entitled "*The Merger—Interests of Western Refining Directors and Executive Officers in the Merger*" beginning on page 133. Accordingly, Western Refining stockholders are being provided the opportunity to cast an advisory vote on such payments.

As an advisory vote, this proposal is not binding upon Western Refining or the Western Refining board, and approval of this proposal is not a condition to completion of the merger. Because the merger-related executive compensation to be paid in connection with the merger is based on the terms of the merger agreement as well as the contractual arrangements with Western Refining's named executive officers, such compensation will be

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payable, regardless of the outcome of this advisory vote, if the merger agreement is adopted (subject only to the contractual conditions applicable thereto). However, Western Refining seeks the support of its stockholders and believes that stockholder support is appropriate because Western Refining has a comprehensive executive compensation program designed to link the compensation of its executives with Western Refining' performance and the interests of Western Refining stockholders. Accordingly, holders of Western Refining common stock are being asked to vote on the following resolution:

"RESOLVED, that the stockholders of Western Refining, Inc. approve, on an advisory, non-binding basis, certain compensation that may be paid or become payable to the named executive officers of Western Refining, Inc. that is based on or otherwise relates to the merger, as disclosed pursuant to Item 402(t) of Regulation S-K under the heading "*Interests of Western Refining Directors and Officers in the Merger*."

Approval of the non-binding compensation advisory proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

*The Western Refining board of directors recommends a vote "**FOR**" the non-binding compensation advisory proposal.*

Non-Binding Certificate of Incorporation Amendment Proposal

Tesoro is asking its stockholders to approve, at the Tesoro special meeting, an amendment to the Tesoro certificate of incorporation to increase the number of authorized shares of Tesoro common stock from 200 million to 300 million. The amendment is contingent upon the completion of the merger. Following completion of the merger, Western Refining stockholders who receive the stock consideration will be receiving Tesoro common stock governed by the Tesoro certificate of incorporation. Accordingly, Western Refining stockholders are being provided the opportunity to cast an advisory vote on the amendment.

Completion of the merger will reduce the number of remaining authorized but unissued shares available to Tesoro in the future. Tesoro's board of directors believes that the increased number of authorized shares of Tesoro common stock contemplated by the proposed amendment is important to the combined company in order that additional shares be available for issuance from time to time, without further action or authorization by the Tesoro stockholders (except as required by law or NYSE rules), if needed for such corporate purposes as may be determined by the Tesoro board of directors. Such corporate purposes might include the acquisition of other businesses in exchange for shares of Tesoro common stock; facilitating broader ownership of Tesoro common stock by effecting stock splits or issuing a stock dividend; flexibility for possible future financings; and attracting and retaining valuable employees and directors by the issuance of additional stock-based awards. The additional 100 million shares authorized would be a part of the existing class of Tesoro common stock and, if issued, would have the same rights and privileges as the shares of Tesoro common stock presently issued and outstanding.

As an advisory vote, this proposal is not binding upon Tesoro or the Tesoro board, and approval of this proposal is not a condition to completion of the merger. However, Western Refining seeks the support of Western Refining stockholders and believes that stockholder support is appropriate because many Western Refining stockholders will become Tesoro stockholders upon completion of the merger. Accordingly, holders of Western Refining common stock are being asked to vote on the non-binding certificate of incorporation amendment proposal.

Approval of the non-binding certificate of incorporation amendment proposal requires the affirmative vote of a majority of the shares of Western Refining common stock present in person or by proxy at the Western Refining special meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote "AGAINST" the proposal, and broker non-votes will have no effect on the outcome of the vote.

*The Western Refining board of directors recommends a vote "**FOR**" the non-binding certificate of incorporation amendment proposal.*

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THE MERGER

This discussion of the merger is qualified in its entirety by reference to the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A and incorporated by reference herein in its entirety. You should read the entire merger agreement carefully as it is the legal document that governs the merger.

Transaction Structure

At the effective time of the first merger, Merger Sub 1 will merge with and into Western Refining. As a result of the merger, the separate corporate existence of Merger Sub 1 will cease, and Western Refining will continue as the surviving corporation and as a wholly owned subsidiary of Tesoro.

Immediately following the completion of the first merger, if a second merger election is made by either Tesoro or Western Refining, the surviving corporation will merge with and into Merger Sub 2 pursuant to the terms of the merger agreement. Tesoro or Western Refining may make such election prior to the completion of the first merger, based on the receipt of an opinion of Davis Polk & Wardwell LLP (or another nationally recognized law firm selected by Western Refining) indicating that doing so is necessary to enable the merger to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code. If the second merger occurs, the separate corporate existence of Western Refining will cease as a result, and Merger Sub 2 will continue as the surviving company.

Consideration to Western Refining Stockholders

As a result of the merger, each share of Western Refining common stock issued and outstanding immediately prior to the first merger will be converted into the right to receive either the stock consideration of 0.4350 of a share of Tesoro common stock or the cash consideration of $37.30 in cash at the election of the holder of each such share of Western Refining common stock. An election to receive the cash consideration is subject to the adjustment and proration procedures set forth in the merger agreement, which are described in the section entitled "*The Merger Agreement—Merger Consideration*" beginning on page 140. Western Refining stockholders who make no election or an untimely election, or are otherwise deemed not to have submitted an effective form of election, will receive the stock consideration.

Shares held by Tesoro, Western Refining or any of their respective direct or indirect subsidiaries (including Merger Sub 1 and Merger Sub 2) as of the effective time, other than any shares of Western Refining common stock held on behalf of third parties, which are referred to as the excluded shares, will be cancelled and will cease to exist, and no cash, Tesoro stock or other consideration will be delivered in exchange therefor.

Western Refining stockholders who receive the stock consideration in respect of their shares of Western Refining common stock will not receive any fractional shares of Tesoro common stock in the merger. Instead, they will be entitled to receive, in lieu of such fractional shares, an amount in cash, without interest, equal to the product of the average of the closing prices per share of Tesoro common stock on the NYSE, as reported by The Wall Street Journal (or if not reported thereby, as reported in another authoritative source), for the five full trading days ending on the second business day immediately preceding the date on which the effective time occurs *multiplied by* the fraction of shares of Tesoro stock (after taking into account all of the shares of Western Refining held by such holder at the effective time and rounded to the nearest one thousandth) to which such holder would otherwise be entitled.

The precise consideration that a Western Refining stockholder will receive if he or she elects to receive the cash consideration will not be known at the time of the Western Refining special meeting or at the time that the election is made because it is dependent upon the aggregate number of shares of Western Refining common stock in respect of which elections to receive the cash consideration are made.

Neither Tesoro nor Western Refining is making any recommendation as to whether a Western Refining stockholder should elect to receive the cash consideration or the stock consideration. If you are a Western Refining stockholder, you must make your own decision with respect to this election and you should seek the advice of your own attorneys, financial advisors and/or accountants.

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Background of the Merger

The boards of directors and senior management of each of Tesoro and Western Refining regularly review and assess their respective companies' operations, performance, prospects and strategic directions, and evaluate the possibility of pursuing various strategic transactions and other strategic alternatives as part of their ongoing efforts to strengthen their respective businesses and enhance shareholder value. From time to time, the senior management of Tesoro and Western Refining have had conversations and communications with various investment banking firms regarding potential strategic transaction opportunities and other strategic alternatives. At various times, Tesoro's evaluation of the potential acquisition landscape included Western Refining among others.

In connection with Tesoro's ongoing efforts to strengthen its businesses and enhance shareholder value, the Tesoro board has, at various Tesoro board meetings over the past several years, periodically reviewed the strategic landscape in its industry and discussed with Tesoro management various potential strategic opportunities for Tesoro in such industry. From time to time such general review included an assessment of Western Refining, among other industry participants. In considering these potential strategic opportunities, Tesoro management and the Tesoro board generally took into account various factors including potential synergy opportunities, geographic fit and diversification, degree of integration in logistics and marketing, asset quality, and likelihood that such opportunity could be executed and be value enhancing for Tesoro shareholders, which are collectively referred to as Tesoro strategic factors. The Tesoro board determined it would continue to consider such potential opportunities, including the potential benefits and risks associated therewith.

At various Western Refining board meetings over the past several years, the Western Refining board discussed with Western Refining management its evaluation of various potential strategic opportunities for Western Refining. This analysis and discussion was part of Western Refining's ongoing efforts to strengthen its businesses and enhance shareholder value. In considering these potential strategic opportunities, Western Refining management and the Western Refining board took into account various factors including potential synergy opportunities, potential forms of consideration, geographic fit and diversification, the strength of the potential counterparty's management team, the degree of integration in logistics and marketing, asset quality and the likelihood that such opportunity could be executed and be value enhancing for Western Refining shareholders. At the conclusion of each such meeting, the Western Refining board determined it would continue to consider such potential opportunities, including the potential benefits and risks associated therewith.

On August 2, 2016, at a meeting of the Tesoro board, Tesoro management reviewed with the Tesoro board as part of its strategic review process the potential strategic acquisition of Western Refining, including recent acquisitions by Western Refining, the various segments of Western Refining's business and Western Refining's overall business strategy, which the Tesoro board and management believed to be complementary to Tesoro's overall business strategy. At that Tesoro board meeting, the Tesoro board authorized Tesoro management to further explore a potential acquisition of Western Refining, including through a direct approach to Western Refining, based among other things on the Tesoro board's assessment that an acquisition of Western Refining's fully integrated marketing, refining and logistics business aligned with the Tesoro strategic factors.

During the week of September 5, 2016, Mr. Gregory J. Goff, the Chairman, President and Chief Executive Officer of Tesoro, telephoned Mr. Paul L. Foster, the Executive Chairman of Western Refining, to request a meeting.

On September 14, 2016, Messrs. Goff and Foster met for dinner. At that dinner, Mr. Goff described the possible benefits to both Tesoro and Western Refining stockholders as well as their respective customers of a strategic transaction involving Tesoro and Western Refining. No specific proposal was discussed. Mr. Foster advised Mr. Goff that he would discuss a potential strategic transaction involving Tesoro with the Western Refining board of directors and management and respond to Mr. Goff in due course. Mr. Goff also informed Mr. Foster that Tesoro was considering retaining Goldman Sachs as its financial advisor but that, due to Goldman Sachs' prior engagements by Western Refining, including in connection with Western Refining's acquisition of Northern Tier Energy LP in June 2016 and the public offering of 7,500,000 common units representing limited partner interests of MLP in September 2016, Western Refining's consent was being requested for Goldman

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Sachs to serve as Tesoro's financial advisor in connection with these discussions. Mr. Foster advised Mr. Goff that he would discuss this request with the Western Refining board of directors. Mr. Foster also expressed an interest in maintaining an open dialogue with Mr. Goff regarding ways the two companies could collaborate in the future.

In September 2016, Tesoro retained Sullivan & Cromwell LLP, referred to as S&C, to serve as Tesoro's legal counsel in connection with its consideration of a potential acquisition of Western Refining.

On September 21, 2016, Mr. Goff telephoned Mr. Foster to arrange a follow-up meeting to discuss further a potential strategic transaction involving Tesoro and Western Refining. Mr. Foster said he would respond to Mr. Goff after discussing with the Western Refining board of directors Tesoro's interest in a strategic transaction.

On September 22, 2016, following the conclusion of a regularly scheduled meeting of the Western Refining board of directors, the Western Refining board of directors met in a directors-only session. At the meeting, Mr. Foster informed the Western Refining board of directors of Tesoro's interest in exploring a possible strategic transaction with Western Refining. Mr. Foster and Mr. Jeff Stevens, the Chief Executive Officer of Western Refining, discussed with the Western Refining board of directors their preliminary analysis of the opportunities and considerations presented by a potential strategic transaction with Tesoro, including the similarity of the companies' business models, the different geographic regions in which the companies operate and the possibility of potentially significant synergies from a strategic combination. At this meeting, the Western Refining board of directors also discussed retaining Barclays to serve as financial advisor to Western Refining in connection with its evaluation of a potential strategic transaction with Tesoro and other strategic alternatives because of the excellence of the Barclays bankers who cover the refining industry and mergers and acquisitions transactions generally. The Western Refining board of directors authorized Mr. Foster, Mr. Stevens and Mr. Scott Weaver, the Vice President and Assistant Treasurer and Assistant Secretary of Western Refining, to engage with Tesoro regarding a potential strategic transaction and preliminarily to engage Barclays (subject to their clearing conflicts in a manner acceptable to the Western Refining board of directors) to assist Western Refining in evaluating the merits of a potential strategic transaction with Tesoro and other strategic alternatives with the goal of maximizing shareholder value. The Western Refining board of directors also authorized Mr. Foster, Mr. Stevens and Mr. Weaver to provide Western Refining's consent to Goldman Sachs being engaged by Tesoro to serve as Tesoro's financial advisor.

On September 23, 2016, a call was held between Messrs. Foster and Goff during which Mr. Foster informed Mr. Goff that the board of Western Refining had held a board meeting and had authorized him to continue to engage in preliminary discussions with Tesoro. Messrs. Foster and Goff scheduled a follow-up meeting for September 30, 2016.

On September 30, 2016, Messrs. Foster, Stevens and Weaver met with Mr. Goff and Mr. Steven Sterin, the Chief Financial Officer of Tesoro. At the meeting, Messrs. Goff and Sterin presented a potential framework for a strategic transaction involving Tesoro and Western Refining. Messrs. Goff and Sterin indicated that while Tesoro expected to be able to pay a premium to acquire Western Refining, any specific premium to be offered would depend among other things on Tesoro's financial and other due diligence but that based on other transactions similar in size and nature to an acquisition by Tesoro of Western Refining, a premium in the 20% range would not be uncommon. Messrs. Goff and Sterin also mentioned that Tesoro expected that the consideration could include a 20% cash component, with the remainder consisting of Tesoro common stock. Messrs. Foster, Stevens and Weaver informed Messrs. Goff and Sterin that they believed a transaction with a more significant stock component would be more attractive since it would give the Western Refining stockholders the opportunity to participate in the future growth and synergies expected to be realized by the combined company, as well as in any improvement in the oil refining market as a whole. The Tesoro and Western Refining executives agreed to continue discussing structures for a potential strategic transaction involving Tesoro and Western Refining and that Messrs. Sterin and Weaver would be the facilitators for such discussions. In addition, in order to facilitate the exchange of additional information between Tesoro and Western Refining, the executives agreed to instruct their management teams to negotiate a confidentiality agreement. At this same meeting, as previously authorized

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by the Western Refining board of directors, Messrs. Foster, Stevens and Weaver provided Western Refining's consent to Goldman Sachs being engaged by Tesoro to serve as Tesoro's financial advisor.

Later on September 30, 2016, Mr. Stevens spoke with Barclays regarding Western Refining's possible engagement of Barclays to serve as its financial advisor to assist in evaluating the merits of a potential strategic transaction with Tesoro and other strategic alternatives. Following this discussion and after Barclays completed its internal potential conflicts assessment, Barclays began advising Western Refining on these matters. On November 11, 2016, Western Refining confirmed Barclays' engagement as Western Refining's exclusive financial advisor by executing an engagement letter.

Also on September 30, 2016, Tesoro informed Goldman Sachs of receipt of Western Refining's consent for Tesoro's possible engagement of Goldman Sachs to serve as its financial advisor to assist in evaluating the merits of a potential strategic transaction with Western Refining.

On October 3, 2016, Western Refining retained Davis Polk & Wardwell LLP, referred to as Davis Polk, to serve as Western Refining's legal counsel in connection with its consideration of a potential strategic transaction with Tesoro and other strategic alternatives.

On October 4, 2016, Mr. Goff updated Ms. Susan Tomasky, the lead independent director on the Tesoro board, on the status of discussions with Western Refining and confirmed that he would provide an update to the full board on October 31, 2016, the date of the next regularly scheduled board meeting.

Between October 3, 2016 and October 10, 2016, S&C and Davis Polk negotiated a mutual confidentiality agreement on behalf of (and with the benefit of input from) their respective clients with customary mutual standstill provisions. Tesoro and Western Refining executed the confidentiality agreement on October 10, 2016 and began to exchange certain non-public information.

Also on October 10, 2016, Mr. Goff telephoned Mr. Stevens to set up a further meeting between senior management of Tesoro and Western Refining, which was scheduled for October 17, 2016. Following such call, on October 11, 2016, Mr. Goff sent a proposed meeting agenda to Western Refining.

On October 13, 2016, senior management of Western Refining and representatives of Barclays participated in a teleconference during which representatives of Barclays presented their preliminary analysis of a potential strategic transaction with Tesoro based on publicly available information. Representatives of Barclays discussed the potential benefits and risks of various combinations and amounts of stock and cash consideration to be received by Western Refining stockholders in a potential strategic transaction with Tesoro. Senior management of Western Refining and the representatives of Barclays discussed various public and private companies in the industry that could be potential counterparties for Western Refining in a strategic transaction, including integrated majors, independent refiners other than Tesoro, financial sponsors and other parties. Senior management of Western Refining and the representatives of Barclays considered, among other things, (1) the likely strategic objectives of potential counterparties, including the likelihood of engaging in a transaction, geographic focus, and growth initiatives, (2) the relative valuations of Western Refining and the potential counterparties, including the level of expected synergies and the anticipated benefits of the combined entity to Western Refining shareholders, (3) the premium that could be received by Western Refining shareholders, including the financial ability of the potential counterparties to pay such premium, (4) the form of consideration that potential counterparties might offer in a transaction with Western Refining and (5) the culture and management style of the potential counterparties. Among other things, the participants discussed how integrated majors were generally not focused on expanding U.S. refining exposure and other international integrated companies were focused on U.S. assets with a different strategic profile than Western Refining assets, as well as the view that the level of synergies with any integrated major or other international integrated company would likely not be greater than as would be expected from a transaction with Tesoro. In addition, independent refiners other than Tesoro may not have the interest in a transaction with Western Refining (as many are focused on alternative regions or other growth initiatives) and those that may be interested would likely lack sufficient scale,

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financial capability or synergies necessary to offer a greater value to Western Refining stockholders than would be expected from a transaction with Tesoro. Other parties would likely not have either the interest or the level of synergies giving rise to an attractive relative valuation as would be available in a strategic transaction with Tesoro. Senior management of Western Refining and the representatives of Barclays exchanged their initial views that it was unlikely that a transaction with any of those parties would be able to offer greater value to Western Refining stockholders than would be expected from a transaction with Tesoro.

On October 17, 2016, Messrs. Goff, Foster, Sterin and Weaver met with Mr. Stevens joining by teleconference. At the meeting, Messrs. Goff and Sterin delivered a presentation as to the potential merits of a strategic combination of Tesoro and Western Refining. At the meeting, Messrs. Foster and Stevens indicated to Messrs. Goff and Sterin their belief based on prior discussions with members of the Western Refining board of directors that a premium in excess of 20% would be necessary for the Western Refining board of directors to consider approving a strategic transaction with Tesoro. Messrs. Goff and Sterin indicated that, while they would convey that information to the Tesoro board, they believed that before any agreement could be reached as to a premium or price, the parties would need to continue discussions and exchange additional data regarding the proposed strategic transaction, including synergy analyses and certain unaudited forecasted financial information, as further detailed in the section entitled "*The Merger—Unaudited Forecasted Financial Information*" beginning on page 119, and conduct financial, legal and other due diligence.

From October 24, 2016 to November 9, 2016, Goldman Sachs and Barclays exchanged certain historical financial information and certain unaudited forecasted financial information in relation to the proposed strategic transaction involving Tesoro and Western Refining, as further summarized in the sections entitled "*The Merger—Opinion of Goldman Sachs, Tesoro's Financial Advisor*" and "*The Merger—Opinion of Barclays Capital, Western Refining's Financial Advisor*," beginning on pages 84 and 97.

On October 27, 2016, Messrs. Goff and Stevens met. At the meeting, Messrs. Goff and Stevens discussed certain potential synergies that might result from the proposed strategic transaction involving Tesoro and Western Refining.

On October 31, 2016, the Tesoro board held a board meeting, with representatives from S&C and Goldman Sachs and members of Tesoro management also in attendance. At the meeting, Tesoro management updated the Tesoro board regarding discussions with Western Refining and Tesoro's ongoing evaluation of a strategic transaction involving Tesoro and Western Refining. Based on their ongoing analysis as of such date, Tesoro management also provided the board with an overview of certain potential benefits and risks that may arise in connection with an acquisition of Western Refining. Additionally, Goldman Sachs provided a draft disclosure letter regarding certain of its relationships with Tesoro, TLLP, Western Refining and MLP. The Tesoro board discussed with Tesoro's legal counsel relationships of Goldman Sachs. The Tesoro board, in determining to engage Goldman Sachs, considered various factors, including Goldman Sachs' financial advisory experience in the refining sector. Following such discussion and determination by the Tesoro board, Goldman Sachs presented to the Tesoro board a preliminary financial analysis of a potential acquisition by Tesoro of Western Refining under certain scenarios, based on publicly available information. Goldman Sachs, the Tesoro board and members of Tesoro management also discussed whether announcing a strategic transaction involving Western Refining would potentially result in a third party making an offer to acquire Tesoro, Western Refining or both of Tesoro and Western Refining, following which the Tesoro board and Tesoro management discussed with S&C provisions of the merger agreement (such as the provisions relating to non-solicitation, acquisition proposals, change of board recommendation and related match rights and termination fees) that they believed would provide for an appropriate level of deal certainty while maintaining the flexibility of each of Tesoro and Western Refining to consider and respond to acquisition proposals and intervening events. Tesoro management also presented to the Tesoro board proposed options regarding forms of consideration, transaction structure and other key transaction terms, including whether Tesoro wished to offer any seats on Tesoro's board of directors to Western Refining post-merger, and solicited feedback from the Tesoro board of directors regarding such proposals. S&C also reviewed with the Tesoro board its fiduciary duties in connection with the potential transaction with Western Refining. The Tesoro board confirmed their support for continuing discussions with

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Western Refining and provided feedback to Goldman Sachs, S&C and Tesoro management regarding, among other matters, board representation, per share merger consideration and transaction structure.

On November 2, 2016, Messrs. Goff, Foster, Stevens, Sterin and Weaver met to discuss the proposed strategic transaction involving Tesoro and Western Refining, including the potential synergies that could result from a potential transaction. At the meeting, Messrs. Goff and Sterin proposed an approximately 25% premium to Western Refining's share price, with a consideration mix of 90% Tesoro stock and 10% cash. Under Tesoro's proposal, Western Refining stockholders would be entitled to elect to receive stock consideration or cash consideration for each share of Western Refining common stock held, subject to a cap of 10% on the number of shares of Western Refining common stock in respect of which Western Refining stockholders could elect to receive cash consideration. In addition, they proposed that Western Refining would be entitled to appoint one person to the Tesoro board of directors, and one person to the board of directors of TLLP, Tesoro's master limited partnership. Mr. Foster advised Mr. Goff that he would convey this proposal to the Western Refining board and respond after discussing with Western Refining's board. On the same day, S&C delivered to Davis Polk an initial draft of the merger agreement.

From November 2, 2016 until the execution of the merger agreement on November 16, 2016, the parties and their respective legal and financial advisors exchanged numerous drafts of, and engaged in numerous discussions and negotiations concerning the terms of, the merger agreement (and related disclosure schedules and exhibits). Significant areas of discussion and negotiation included the amount and form of the merger consideration, the scope and degree of reciprocity of the representations, warranties and covenants, including the interim operating restrictions and the "no shop" provisions, the tax opinion-related closing condition, provisions relating to the regulatory approval process and associated conditions to closing of the transaction and the circumstances in which either party would be permitted to terminate the agreement and the termination-related fees payable in connection therewith. Documentary and other due diligence by both parties also continued in parallel with the negotiation of the transaction documentation.

On November 4, 2016, the Western Refining board of directors held a special telephonic meeting. At the invitation of the Western Refining board of directors, members of senior management and representatives of Barclays and Davis Polk were present. During the meeting, Mr. Foster summarized communications he, Messrs. Stevens and Weaver had with Messrs. Goff and Sterin to date. Representatives of Barclays reviewed with the Western Refining board of directors Barclays' preliminary analysis of the proposed strategic transaction involving Tesoro and various alternative transactions with other potential counterparties that might be interested in pursuing a strategic transaction involving Western Refining, including integrated majors, independent refiners other than Tesoro, financial sponsors and other parties. Senior management of Western Refining and the representatives of Barclays considered, among other things, (1) the likely strategic objectives of potential counterparties, including the likelihood of engaging in a transaction, geographic focus, and growth initiatives, (2) the relative valuations of Western Refining and the potential counterparties, including the level of expected synergies and the anticipated benefits of the combined entity to Western Refining shareholders, (3) the premium that could be received by Western Refining shareholders, including the financial ability of the potential counterparties to pay such premium, (4) the form of consideration that potential counterparties might offer in a transaction with Western Refining and (5) the culture and management style of the potential counterparties. Among other things, the participants reiterated how integrated majors were generally not focused on expanding U.S. refining exposure and other international integrated companies were focused on U.S. assets with a different strategic profile than Western Refining assets, as well as the view that the level of synergies with any integrated major or other international integrated company would likely not be greater than as would be expected from a transaction with Tesoro. In addition, independent refiners other than Tesoro may not have the interest in a transaction with Western Refining (as many are focused on alternative regions or other growth initiatives) and those that may be interested would likely lack sufficient scale, financial capability or synergies necessary to offer a greater value to the Western Refining stockholders, as compared to than would be expected from a transaction with Tesoro. Other parties would likely not have either the interest or the level of synergies as would be available in a strategic transaction with Tesoro. The Western Refining board of directors discussed the strong strategic

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rationale for a transaction with Tesoro, including the projected synergies, management team and significant stock component of the consideration, which would afford the Western Refining stockholders the opportunity to participate in the future growth of the combined company and the realization of the projected synergies, as well as any improvement in the oil refining market as a whole. A representative from Davis Polk reviewed with the Western Refining board of directors its fiduciary duties. After the discussion, the Western Refining board of directors determined to continue pursuing a strategic transaction only with Tesoro in light of the unique value proposition that this primarily stock transaction presented and Tesoro's strong desire to move quickly. The Western Refining board of directors authorized Mr. Foster to respond to Mr. Goff by proposing a 27.5% premium and proposed that, in lieu of Tesoro's proposal on board representation, that Western Refining be permitted to appoint two directors to Tesoro's board.

Later on November 4, 2016, Mr. Foster telephoned Mr. Goff to propose a 27.5% premium and that Western Refining be permitted to designate two directors to the Tesoro board.

Later on November 4, 2016, based on prior discussions with the Tesoro board of directors and Tesoro's advisors, Mr. Goff indicated to Mr. Foster that he expected that Mr. Foster's proposed 27.5% premium would be agreeable, subject to final Tesoro board approval. Mr. Goff initially proposed calculating the premium based on the closing price for shares of Tesoro's and Western Refining's common stock on November 4, 2016, which would have resulted in an exchange ratio of approximately 0.4271 of a share of Tesoro common stock for each share of Western Refining common stock. Following further negotiation, on November 7, 2016, Messrs. Goff and Foster agreed to propose to their respective boards of directors an exchange ratio of 0.4350 of a share of Tesoro common stock for each share of Western Refining common stock, representing an approximately 27.5% premium to the Western Refining share price based on the volume weighted average price of shares of Tesoro and Western Refining for the 30-trading day period ending November 4, 2016.

On November 7, 2016, Davis Polk delivered to S&C an issues list setting out the material open issues in the initial draft merger agreement and also called S&C to convey additional information regarding material open issues. The material open issues included (i) the "no-shop" restrictions on soliciting alternative transaction proposals and negotiating with third parties regarding alternative transactions (and whether those restrictions should also apply to Tesoro), (ii) the size of the termination fee(s) payable by Western Refining and Tesoro and the circumstances in which they would become payable, (iii) the undertakings required of the parties to obtain governmental approvals for the transaction, (iv) the scope of Western Refining's obligation to provide certain financial information and assistance and cooperation in connection with Tesoro's financing activities, (v) the tax opinion-related closing condition and (vi) the application of the term "material adverse effect" in the merger agreement, including in connection with closing conditions.

Also on November 7, 2016, S&C delivered to Davis Polk a draft form of voting and support agreement that Tesoro proposed be executed by each of Messrs. Foster, Stevens and Weaver and by Franklin Mountain Investments LP, a controlled affiliate of Mr. Foster.

On November 8, 2016, the senior management teams of Tesoro and Western Refining held a series of meetings during which the parties shared additional non-public information regarding their respective businesses, including information regarding their respective operations, organizational structures, IT systems and legal due diligence matters. Also on November 8, 2016, a representative of Barclays provided Western Refining with a presentation on its existing relationships with Western Refining, MLP, Tesoro and TLLP and delivered to Western Refining a copy of the engagement letter, signed by Barclays and dated as of November 8, 2016, for Western Refining's final review.

On November 9, 2016, Davis Polk delivered to S&C a revised draft of the merger agreement.

On November 10, 2016, a meeting of the Tesoro board was held, with members of Tesoro management and representatives of Goldman Sachs and S&C in attendance. Tesoro management provided the Tesoro board of directors with an update on the status of the potential transaction with Western Refining, including the status of

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due diligence and material open issues in the transaction documentation. Using publicly available information and certain forecasted financial information received from Western Refining, as modified by Tesoro management, Goldman Sachs also provided an updated preliminary financial analysis of the potential acquisition of Western Refining. Goldman Sachs, the Tesoro board and members of Tesoro management also again discussed whether announcing a strategic transaction involving Western Refining on the terms then under discussion would potentially result in a third party making an offer to acquire Tesoro, Western Refining or both of Tesoro and Western Refining. Tesoro management also provided the Tesoro board of directors with an updated overview of certain potential benefits and risks that may arise in connection with an acquisition of Western Refining. S&C also provided the Tesoro board of directors with an oral and written summary of the then-current draft of the merger agreement and discussed with the Tesoro board the material open merger agreement issues, including regulatory cooperation, Western Refining's proposed application of the no shop provisions of the merger agreement to Tesoro in certain circumstances and proposed termination rights and termination fees and the conditions to their payment, following which the Tesoro board discussed with Tesoro management and S&C whether, and concluded that, the terms then under discussion continued to provide for both an appropriate level of deal certainty and continued to maintain the flexibility of each of Tesoro and Western Refining to consider and respond to acquisition proposals and intervening events. S&C also provided the Tesoro board with a summary of the form of voting agreement, which had been substantially agreed by the parties to such agreements, subject to a satisfactory outcome of merger agreement discussions. S&C then reviewed with the Tesoro board its fiduciary duties in connection with the potential transaction with Western Refining. At the board meeting, Tesoro management also provided the Tesoro board of directors with an update on the financing options then under discussion and proposed terms and timetables, Goldman Sachs' role in connection therewith and the impact of the potential transaction on existing financing arrangements of each of Tesoro and Western Refining. The Tesoro board of directors confirmed their support for continuing discussions with Western Refining, agreed to the proposed 0.4350 exchange ratio and the provision of two board seats, subject to acceptable resolution of the key merger agreement issues and satisfactory completion of due diligence, and provided further feedback to Goldman Sachs, S&C and Tesoro management regarding the other key open items in the merger agreement.

On November 10, 2016, the Western Refining board of directors held a special telephonic meeting. At the invitation of the Western Refining board of directors, members of the Western Refining senior management team and representatives of Barclays and Davis Polk were present. Mr. Foster summarized the meetings that occurred on November 8, 2016 involving the legal, operations and commercial teams of Tesoro, and reported that Mr. Goff had advised him that Tesoro desired to move expeditiously, and as a result, the parties discussed a goal of finalizing the definitive documentation and announcing the transaction before the markets opened on Thursday, November 17, 2016. A representative of Davis Polk reviewed with the Western Refining board of directors the key terms of the draft merger agreement and the material open issues, a summary of which was made available to members of the Western Refining board of directors prior to the meeting. A representative of Davis Polk also reviewed with the Western Refining board of directors their fiduciary duties. Messers. Foster, Stevens and Weaver and the senior management team left the meeting, and the independent directors asked Barclays and Davis Polk various questions they had related to the potential strategic transaction with Tesoro, at which point a discussion ensued between the independent directors and the representatives of Barclays and Davis Polk. The Barclays representatives were excused from the meeting and Messrs. Foster, Stevens and Weaver and the senior management team rejoined the meeting. The Western Refining board of directors then reviewed and discussed the qualifications of Barclays to serve as financial advisor to Western Refining. A representative of Davis Polk reviewed and discussed with the Western Refining board of directors the material terms of the proposed engagement letter between Western Refining and Barclays and Barclays' disclosures concerning relationships with Western Refining, MLP, Tesoro and TLLP as described in a presentation provided by Barclays on November 8, 2016. Following this discussion, the Western Refining board of directors resolved to formally engage Barclays as its financial advisor in connection with the evaluation of a potential strategic transaction with Tesoro and other strategic alternatives and countersigned the engagement letter executed by Barclays and delivered to Western Refining on November 8, 2016.

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Also on November 10, 2016, Mr. Goff telephoned Mr. Foster and confirmed to him that the Tesoro board was willing to offer two board seats to Western Refining.

On November 11, 2016, Messrs. Goff and Foster held a further phone call on which they discussed the status of their discussions with their respective boards of directors, including the timing of their upcoming board meetings, the range of potential synergies and the potential timing for the announcement of a transaction in the event their respective boards of directors provided their approval.

Also on November 11, 2016, Tesoro entered into an engagement letter, effective as of September 30, 2016, formally engaging Goldman Sachs as its financial advisor for the potential transaction.

On November 13, 2016, S&C delivered to Davis Polk a revised draft of the merger agreement.

On November 14, 2016, representatives of S&C and Linklaters LLP, special regulatory counsel to Western Refining, held a meeting to discuss the potential regulatory implications and analysis of the proposed strategic transaction involving Tesoro and Western Refining.

Later on November 14, 2016, the Western Refining board of directors held a special telephonic meeting. At the invitation of the Western Refining board of directors, members of the Western Refining senior management team and representatives of Barclays and Davis Polk were present. Mr. Foster updated the Western Refining board of directors on the status of negotiations with Tesoro on the definitive merger agreement, and informed the Western Refining board of directors that Tesoro had agreed that Western Refining would be entitled to appoint two directors to the Tesoro board of directors. A representative of Davis Polk reviewed the revised draft of the merger agreement with the Western Refining board of directors and discussed the remaining open issues, which included Western Refining's obligation to assist with Tesoro's financing activities, the tax opinion-related closing condition, the restrictions on Western Refining's ability to operate its business during the period between signing and closing, provisions relating to the regulatory approval process and associated conditions to closing of the transaction, and the circumstances in which either party would be permitted to terminate the agreement and the termination fees payable in connection therewith. A representative of Barclays updated the Western Refining board of directors on the preparation of its final financial analysis. On the same day, Davis Polk delivered to S&C a revised draft of the merger agreement.

On November 16, 2016, Davis Polk and S&C exchanged drafts of the merger agreement regarding the final open items.

On November 16, 2016, after the markets were closed, the Tesoro board held a board meeting for the purpose of considering the proposed strategic transaction with Western Refining, with members of Tesoro management and representatives of Goldman Sachs and S&C in attendance. At the meeting, Tesoro management provided the Tesoro board with an update on the status of negotiations with Western Refining and regarding the financing and the outcome of Tesoro's confirmatory due diligence. S&C also provided the Tesoro board of directors with an updated written summary of the merger agreement and the voting and support agreements and provided the Tesoro board of directors with an overview of the key changes made from the last drafts reviewed with the Tesoro board. S&C then reminded the Tesoro board of directors of their fiduciary duties in connection with the potential transaction with Western Refining. Goldman Sachs also delivered a presentation to the Tesoro board of directors with respect to the financial terms of the proposed transaction with Western Refining. Goldman Sachs, the Tesoro board and members of Tesoro management had a detailed discussion of the Tesoro management unaudited forecasted financial information used for the financial analyses. Goldman Sachs then delivered to Tesoro's board of directors its oral opinion, which was confirmed by delivery of a written opinion dated November 16, 2016, to the effect that, as of such date and based upon and subject to the factors and assumptions set forth therein, the per share merger consideration to be paid by Tesoro for each share of Western Refining common stock pursuant to the merger agreement was fair, from a financial point of view, to Tesoro. After considering and discussing the foregoing and the proposed terms of the merger agreement, and taking into consideration the factors described in the sections entitled "*The Merger—Recommendation of Tesoro's Board of*

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Directors and Reasons for the Merger" and "*The Merger—Unaudited Forecasted Financial Information*" beginning on pages 81 and 119, respectively, the members of the Tesoro board of directors unanimously (i) determined it to be fair, advisable and in the best interests of Tesoro and its stockholders to enter into the merger agreement and the voting agreements, substantially in the forms presented, and to approve the merger agreement, the voting agreements and the other transactions contemplated thereby, including the Tesoro issuance proposal and (ii) approved the merger agreement, the merger, the voting agreements and the other transactions contemplated by the merger agreement and the voting agreements.

On November 16, 2016, after the markets were closed, the Western Refining board of directors held a special telephonic meeting for the purpose of considering the proposed strategic transaction with Tesoro. At the invitation of the Western Refining board of directors, members of the Western Refining senior management team and representatives of Barclays and Davis Polk were present. Mr. Foster updated and reviewed with the Western Refining board of directors the status of negotiations with Tesoro. A representative of Davis Polk reviewed with the Western Refining board of directors the remaining material issues in the draft merger agreement. Representatives of Barclays delivered a presentation to the Western Refining board of directors analyzing the financial terms of the proposed strategic transaction with Tesoro and the industrial logic of the transaction, which presentation included a detailed discussion of the various forecasts and assumptions used for the financial analyses. A representative of Barclays then delivered to Western Refining's board of directors its oral opinion, which was confirmed by delivery of a written opinion dated November 16, 2016, to the effect that, as of such date and based upon and subject to the factors and assumptions set forth therein, the per share merger consideration to be offered in the merger was fair, from a financial point of view, to the holders of shares of Western Refining common stock (other than excluded shares). A representative of Davis Polk reviewed with the Western Refining board of directors their fiduciary duties. After considering and discussing the foregoing and the proposed terms of the merger agreement, and taking into consideration the factors described in the sections entitled "*The Merger—Recommendation of Western Refining's Board of Directors and Reasons for the Merger*", "*The Merger—Opinion of Barclays Capital, Western Refining's Financial Advisor*" and "*The Merger—Unaudited Forecasted Financial Information*" beginning on pages 91, 97 and 119, respectively, the members of the Western Refining board of directors unanimously (i) determined it advisable and in the best interests of Western Refining and its stockholders to enter into the merger agreement, substantially in the form presented, and to consummate the merger and the other transactions contemplated thereby and (ii) approved the merger agreement, the merger and the other transactions contemplated thereby.

Following the meetings of the boards of directors of Tesoro and Western Refining, a representative of Barclays provided to Western Refining select updated pages to the written presentation to the Western Refining board of directors that reflected certain updated figures relating to closing share prices on November 16, 2016, which updated figures had been orally referenced in the presentation given by Barclays to the Western Refining board of directors on the same date. In addition, representatives of Tesoro, Western Refining, S&C and Davis Polk participated in calls relating to the merger agreement and other related documents. The merger agreement was executed and delivered, as of November 16, 2016, by Tesoro and Western Refining. Immediately prior to execution of the merger agreement, at Tesoro's request, affiliates of Goldman Sachs entered into financing commitments and agreements to provide Tesoro with a backstopped secured revolving credit facility and 364-day unsecured bridge facility in connection with the consummation of the merger. As further described under the section entitled "*Note 3—Financing—Bridge Credit Facility*" beginning on page 186, these financing commitments and agreements were terminated in connection with the permanent financing obtained by Tesoro resulting from Tesoro's entry into the amended and restated revolving credit facility and the issuance of new debt securities on December 22, 2016. Early in the morning of November 17, 2016, prior to the commencement of trading on the New York Stock Exchange, Tesoro and Western Refining issued a joint press release announcing the transaction.

Subsequently, a technical error was identified in the third-party data Barclays relied upon in its calculation of two components of the precedent premium analysis included in a presentation it gave to the Western Refining board of directors at the November 16, 2016 board meeting. On December 12, 2016, the Western Refining board

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held a special telephonic meeting where, among other matters, representatives of Barclays identified the error and presented the corrected information. Following Barclays' presentation, the Western Refining board of directors unanimously determined that the error did not impact its prior determination that the terms of the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of Western Refining and its stockholders.

Recommendation of Tesoro's Board of Directors and Reasons for the Merger

The Tesoro board of directors unanimously recommends that the Tesoro stockholders vote "FOR" the Tesoro issuance proposal.

The Tesoro board of directors, with the advice and assistance of its financial and legal advisors, negotiated, evaluated, and, at a meeting held on November 16, 2016, unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement.

In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement and to recommend that Tesoro stockholders vote in favor of the Tesoro issuance proposal, the Tesoro board of directors consulted extensively with its financial and legal advisors and Tesoro's management. After such discussions, the Tesoro board of directors unanimously determined the proposed merger to be fair to, and in the best interests of, Tesoro.

The Tesoro board of directors' decision to approve the merger agreement, the merger and the other transactions contemplated thereby and to recommend that Tesoro stockholders vote in favor of the Tesoro issuance proposal was based on a number of factors, including the following (which are not necessarily presented in order of relative importance):

- Tesoro's expected business, assets, financial condition, results of operations, business plan and prospects following the completion of the merger, including the expected pro forma effect of the merger on the combined company.
- Tesoro managements' identification of approximately $350-$425 million in annual synergies overall, including approximately $130-$140 million worth of operational synergies, which the combined company is expected to achieve on a run rate basis within the first two years following the merger, and Tesoro's past record of successfully integrating acquisitions and of realizing the projected financial goals and benefits of acquisitions.
- That the combination will create a larger, more diversified industry-leading refining, marketing and logistics company.
- The expectation that following the merger, Tesoro would have a stronger financial and credit profile, including the potential upgrade to an investment grade credit rating, given the more diverse asset base and stronger balance sheet of the combined company, which may lower borrowing costs for the combined company.
- The attractiveness of the merger to Tesoro in comparison to other acquisition opportunities reasonably available to Tesoro, including the belief that Tesoro and Western Refining share similar approaches to employing an integrated business model for marketing, refining and logistics.
- That the increased size, scale, and resources of Tesoro following the merger would facilitate continued investments by Tesoro in growth initiatives and thereby create additional long-term stockholder value.
- The Tesoro board's knowledge of, and discussions with Tesoro management regarding, Tesoro's business operations, financial condition, earnings and prospects and its knowledge of Western Refining's business, operations, financial condition, earnings and prospects, taking into account Western Refining's publicly-filed information and the results of Tesoro's due diligence investigation of Western Refining.

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- The mix of stock consideration and cash consideration to be offered by Tesoro in the merger and the expectation that the merger would be accretive to Tesoro earnings per share in the first full year of combined operations.
- That the cash flow of the combined company following the merger could provide additional opportunities to return value to stockholders, including through share repurchases.
- The significant overlap between the stockholder base of Tesoro and the stockholder base of Western Refining and the perceived similarity in corporate cultures, which would facilitate the integration of Western Refining into the Tesoro corporate group.
- That Paul L. Foster, Jeff A. Stevens and Scott D. Weaver, who together beneficially owned approximately 22.5% of Western Refining's outstanding common stock as of November 16, 2016, were willing to support the merger by entering into the voting and support agreements, as described in the section entitled "*Voting and Support Agreements*" beginning on page 170.
- The financial analysis reviewed and discussed with the Tesoro board of directors by representatives of Goldman Sachs, as well as the oral opinion of Goldman Sachs rendered on November 16, 2016 and the written opinion of Goldman Sachs, dated November 16, 2016, to the Tesoro board of directors to the effect that as of that date, and subject to the assumptions, limitations, qualifications and other matters set forth in the written opinion, the consideration to be paid by Tesoro for each share of Western Refining common stock pursuant to the merger agreement was fair from a financial point of view to Tesoro. See the section entitled "*The Merger—Opinion of Goldman Sachs, Tesoro's Financial Advisor*" beginning on page 84. The full text of the written opinion of Goldman Sachs is attached as Annex F to this joint proxy statement/prospectus.
- That the combined company would continue to be led by the strong, experienced Tesoro management team and that the addition of current Western Refining directors Paul A. Foster and Jeff A. Stevens to the Tesoro board post-merger would add further valuable expertise and experience and in-depth familiarity with Western Refining to the Tesoro board.
- The review by the Tesoro board of directors with its legal and financial advisors of the structure of the proposed merger and the financial and other terms of the merger agreement, including each party's representations, warranties and covenants, the conditions to each party's obligations and the termination provisions and related termination fees payable by each party, as well as the likelihood of consummation of the proposed merger and the Tesoro board of directors' evaluation of the likely time period necessary to close the merger.

The Tesoro board of directors also considered the following specific aspects of the merger agreement (which are not necessarily presented in order of relative importance):

- The Tesoro board of director's belief that the terms of the merger agreement, including each party's representations, warranties and covenants and the conditions to each party's obligations, are comprehensive and favorable to completing the proposed transaction.
- That the exchange ratio applicable to the stock consideration is fixed and will not fluctuate in the event that the market price of Western Refining common stock increases relative to the market price of Tesoro common stock between the date of the merger agreement and the completion of the merger.
- That the aggregate cash consideration is subject to a cap, which gives Tesoro additional certainty regarding the amount of cash required to be made available by Tesoro to consummate the merger.
- The fact that there are limited circumstances in which the Western Refining board of directors may terminate the merger agreement or change its recommendation that its stockholders approve the merger proposal, and if the merger agreement is terminated by Tesoro as a result of a change in recommendation of the Western Refining board of directors or by Western Refining in order to enter into a definitive agreement with a third party providing for the consummation of a Western Refining alternative proposal, then in each case Western Refining has agreed to pay Tesoro a fee of $120

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million, and if the merger agreement is terminated by either party because Western Refining stockholders have not approved the stock issuance upon a vote taken thereon, then Western Refining has agreed to pay Tesoro a fee of $41.1 million.

In the course of its deliberations, the Tesoro board of directors also considered a variety of risks, uncertainties and other potentially negative factors, including the following (which are not necessarily presented in order of relative importance):

- The risks and costs to Tesoro if the merger is not completed, including the diversion of management and employee attention, and the potential effect on Tesoro's stock price, and that, while the merger is expected to be completed, there is no assurance that all conditions to the parties' obligations to complete the merger will be satisfied or waived, and as a result, it is possible that the merger might not be completed at all or in a timely fashion, even if Tesoro stockholders approve the Tesoro issuance proposal and Western Refining stockholders approve the merger proposal.
- That Western Refining's stockholders may not approve the merger proposal or that Tesoro's stockholders may not approve the Tesoro issuance proposal.
- That, if the merger agreement is terminated by either party because Tesoro's stockholders have not adopted the merger agreement upon a vote taken at the Tesoro stockholders meeting, Tesoro would be required to pay Western Refining a fee of $41.1 million.
- The impact of the merger on the existing debt financing arrangements of Tesoro and Western Refining, Tesoro's need for additional debt financing in connection with the merger, the expected increase in Tesoro's leverage immediately following the merger and the risk that the debt financing for the merger may not ultimately be available at all or on the terms anticipated by Tesoro.
- The risk that regulatory agencies may not approve the merger or may impose terms and conditions on their approvals that adversely affect the business and financial results of Tesoro following the merger as more fully described in the section entitled "*The Merger—Regulatory Approvals*" beginning on page 130.
- That the exchange ratio applicable to the stock consideration is fixed and will not fluctuate in the event that the market price of Tesoro common stock increases relative to the market price of Western Refining common stock between the date of the merger agreement and the completion of the merger.
- The transaction costs to be incurred in connection with the merger.
- That the merger agreement imposes limitations on Tesoro's ability to solicit alternative transactions involving in a change of control of Tesoro prior to closing or to terminate the merger agreement, including a requirement to pay a $240 million termination fee in certain circumstances if Tesoro either changes it recommendation with respect to the share issuance proposal or terminates the merger agreement to enter into a definitive acquisition agreement providing for the consummation of a Tesoro alternative acquisition proposal.
- That the merger agreement imposes limitations on Tesoro's ability to make additional acquisitions that may impact the regulatory approval processes for the merger, and on Tesoro's ability to make stock repurchases at a premium during the pendency of the merger.
- That the pending merger might discourage a third party from making a Tesoro acquisition proposal or change the terms on which a third party would be willing to make an acquisition proposal, and the opportunity cost to Tesoro of pursuing the merger instead of other acquisition opportunities potentially available to Tesoro.
- The ownership dilution to pre-merger holders of Tesoro common stock as a result of the issuance of Tesoro common stock in connection with the merger.
- The risks associated with the occurrence of events that may materially and adversely affect the financial condition, properties, assets, liabilities, business or results of operations of Western Refining and/or its subsidiaries but not entitle Tesoro to terminate the merger agreement.

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- The risk that Tesoro may not realize all of the synergies and other anticipated strategic and other benefits of the merger, including as a result of the challenges of integrating the businesses, operations and workforces of Tesoro and Western Refining, the risk that expected operating efficiencies and cost savings may not be realized or will cost more to achieve than anticipated, and the risk that divestitures or other accommodations required by antitrust regulatory authorities may decrease or eliminate the anticipated strategic and other benefits of the merger to Tesoro.
- Various other risks described in the section entitled "*Risk Factors*" beginning on page 44.

The Tesoro board of directors considered all of these factors as a whole and unanimously concluded that they supported a determination to approve the merger agreement, the merger and the other transactions contemplated thereby. The foregoing discussion of the information and factors considered by the Tesoro board of directors is not exhaustive. In view of the wide variety of factors considered by the Tesoro board of directors in connection with its evaluation of the merger and the complexity of these matters, the Tesoro board of directors did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. In considering the factors described above and any other factors, individual members of the Tesoro board of directors may have viewed factors differently or given different weight or merit to different factors.

In considering the recommendation of the Tesoro board of directors that the Tesoro stockholders vote to approve the Tesoro issuance proposal, Tesoro stockholders should be aware that the executive officers and directors of Tesoro may have certain interests in the merger that may be different from, or in addition to, the interests of Tesoro stockholders generally. The Tesoro board of directors was aware of these interests and considered them when approving the merger agreement and recommending that Tesoro stockholders vote to approve and adopt the merger agreement and the transactions contemplated thereby. See the section entitled "*The Merger—Interests of Tesoro Directors and Executive Officers in the Merger*" beginning on page 132.

The foregoing discussion of the information and factors considered by the Tesoro board of directors is forward-looking in nature. This information should be read in light of the factors described in the section entitled "*Cautionary Statement Regarding Forward-Looking Statements*" beginning on page 42.

Opinion of Goldman Sachs, Tesoro's Financial Advisor

Goldman Sachs delivered its oral opinion to the Tesoro board of directors on November 16, 2016, which opinion was subsequently confirmed in a written opinion dated November 16, 2016, that, as of such date and based upon and subject to the factors and assumptions set forth therein, the consideration to be paid by Tesoro for each share of Western Refining common stock pursuant to the merger agreement was fair from a financial point of view to Tesoro.

The full text of the written opinion of Goldman Sachs, dated November 16, 2016, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex F to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety. Goldman Sachs provided its opinion for the information and assistance of Tesoro's board of directors in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of Tesoro's common stock should vote with respect to the Tesoro issuance proposal or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

- the merger agreement;
- annual reports to stockholders and Annual Reports on Form 10-K of Tesoro and Western Refining for the five fiscal years ended December 31, 2015;

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- certain interim reports to stockholders and Quarterly Reports on Form 10-Q of Tesoro and Western Refining;
- certain publicly available research analyst reports for Tesoro and Western Refining;
- certain other communications from Tesoro and Western Refining to their respective stockholders;
- certain internal financial analyses and forecasts for Western Refining prepared by its management; and
- certain internal financial analyses and forecasts for Tesoro and certain financial analyses and forecasts for Western Refining in each case, as prepared by the management of Tesoro and approved for Goldman Sachs' use by Tesoro and which are summarized below in the section entitled "*The Merger—Unaudited Forecasted Financial Information—Unaudited Forecasted Financial Information Prepared by Tesoro*" beginning on page 120 and are referred to in this section as the Tesoro Management unaudited forecasted financial information, and certain operating synergies projected by the management of Tesoro to result from the merger, as approved for Goldman Sachs' use by Tesoro, which are referred to in this section as the synergies.

Goldman Sachs also held discussions with members of the senior management of Tesoro and Western Refining regarding their assessment of the past and current business operations, financial condition and future prospects of Western Refining and with the members of senior management of Tesoro regarding their assessment of the past and current business operations, financial condition and future prospects of Tesoro and the strategic rationale for, and the potential benefits of, the merger; reviewed the reported price and trading activity for the shares of Tesoro common stock and the shares of Western Refining common stock; compared certain financial and stock market information for Tesoro and Western Refining with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain business combinations; and performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

For purposes of rendering this opinion, Goldman Sachs, with Tesoro's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with Tesoro's consent that the unaudited forecasted financial information and the synergies were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Tesoro. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Tesoro or Western Refining or any of their respective subsidiaries and it was not furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Tesoro or Western Refining or on the expected benefits of the merger in any way meaningful to its analysis. Goldman Sachs has also assumed that the merger will be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs' opinion does not address the underlying business decision of Tesoro to engage in the merger or the relative merits of the merger as compared to any strategic alternatives that may be available to Tesoro; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view to Tesoro, as of the date of the opinion, of the consideration to be paid by Tesoro for each share of Western Refining common stock pursuant to the merger agreement. Goldman Sachs' opinion does not express any view on, and does not address, any other term or aspect of the merger agreement or the merger or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the merger, including the fairness of the merger to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Tesoro; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Tesoro or Western Refining, or class of such persons in

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connection with the merger, whether relative to the consideration to be paid by Tesoro for each share of Western Refining common stock pursuant to the merger agreement or otherwise. Goldman Sachs' opinion was necessarily based on economic, monetary market and other conditions, as in effect on, and the information made available to it as of the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. In addition, Goldman Sachs does not express any opinion as to the prices at which shares of Western Refining common stock will trade at any time or as to the impact of the merger on the solvency or viability of Tesoro or Western Refining or the ability of Tesoro or Western Refining to pay their respective obligations when they come due. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the board of directors of Tesoro in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before November 15, 2016 and is not necessarily indicative of current market conditions.

Historical Stock Trading and Exchange Ratio Analysis.

Goldman Sachs analyzed the $37.42 implied consideration per share of Western Refining common stock represented by the exchange ratio (which implied consideration was obtained by multiplying the exchange ratio by the $86.03 closing price of Tesoro common stock on November 15, 2016) in relation to (i) the closing price of Western Refining common stock on November 15, 2016, (ii) the average trading price of Western Refining common stock over the 10-trading day, 20-trading day, 1-month, 3-month, 6-month, 1-year and 2-year periods ended November 15, 2016 and (iii) the highest trading price of Western Refining common stock over the 52-week period ended November 15, 2016.

This analysis showed the following implied premia (discounts) to Western Refining's share price:

Historical Date or Period	Western Refining Share Price	Share Price Premium/ (Discount)
November 15, 2016	$ 29.96	24.9%
10-Trading Day Average	$ 27.66	35.3%
20-Trading Day Average	$ 28.43	31.6%
1 Month Average	$ 28.32	32.2%
3 Month Average	$ 26.90	39.1%
6 Month Average	$ 24.08	55.4%
1 Year Average	$ 27.93	34.0%
2 Year Average	$ 35.61	5.1%
52-Week High	$ 46.30	(19.2)%

Goldman Sachs also calculated (i) an implied exchange ratio on November 15, 2016, by dividing the closing price per share of Western Refining common stock on such trading day by the closing price per share of Tesoro common stock on such trading day and (ii) the historical average exchange ratios over the 10-trading day, 20-trading day, 1-month, 3-month, 6-month, 1-year and 2-year periods ended November 15, 2016, by first dividing the closing price per share of Western Refining common stock on each trading day during such period by the closing price per share of Tesoro common stock on the same trading day, and subsequently taking the

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average of these daily historical exchange ratios over such periods. Goldman Sachs then calculated the premia implied by the exchange ratio to the historical average exchange ratio over the various periods. The table below presents the results of this analysis:

Historical Date or Period	Implied Exchange Ratio	Premium to Exchange Ratio
November 15, 2016	0.3483x	24.9%
10-Trading Day Average	0.3350x	29.9%
20-Trading Day Average	0.3442x	26.4%
1 Month Average	0.3441x	26.4%
3 Month Average	0.3350x	29.8%
6 Month Average	0.3067x	41.9%
1 Year Average	0.3275x	32.8%
2 Year Average	0.4063x	7.1%

Illustrative Discounted Cash Flow Analysis.

Using the Tesoro Management unaudited forecasted financial information, Goldman Sachs performed an illustrative discounted cash flow analysis on Western Refining on a standalone basis to derive a range of illustrative values per share of Western Refining common stock. Using discount rates ranging from 7.83% to 8.85%, reflecting estimates of Western Refining's weighted average cost of capital, Goldman Sachs discounted to present value as of January 1, 2017 (i) estimates of unlevered free cash flows for Western Refining for the years 2017 through 2021 as reflected in the Tesoro Management unaudited forecasted financial information and (ii) a range of illustrative terminal values for Western Refining, which were calculated by applying perpetuity growth rates ranging from 1.5% to 2.0% to a terminal year estimate of the unlevered free cash flow to be generated by Western Refining as reflected in the Tesoro Management unaudited forecasted financial information. Goldman Sachs derived ranges of illustrative enterprise values for Western Refining by adding the ranges of present values it derived above. Goldman Sachs then subtracted from the range of illustrative enterprise values it derived for Western Refining (i) the amount of Western Refining's estimated net debt as of December 31, 2016, as reflected in the Tesoro Management unaudited forecasted financial information, and (ii) the estimated market value of Western Refining's non-controlling interest in MLP as of December 31, 2016, calculated using the estimated amount of outstanding publicly owned units of MLP as of December 31, 2016 reflected in the Tesoro Management unaudited forecasted financial information and the closing price of MLP units on November 15, 2016, to derive a range of illustrative equity values for Western Refining. Goldman Sachs then divided the range of illustrative equity values it derived by the number of fully diluted outstanding shares of Western Refining common stock provided by the management of Tesoro, to derive a range of illustrative present values per share of Western Refining common stock of $44.92 to $60.66.

Using the Tesoro Management unaudited forecasted financial information, Goldman Sachs also performed an illustrative discounted cash flow analysis on Tesoro on a standalone basis to derive a range of illustrative values per share of Tesoro common stock. Using discount rates ranging from 7.05% to 8.18%, reflecting estimates of Tesoro's weighted average cost of capital, Goldman Sachs discounted to present value as of January 1, 2017 (i) estimates of unlevered free cash flows for Tesoro for the years 2017 through 2019 as reflected in the Tesoro Management unaudited forecasted financial information and (ii) a range of illustrative terminal values for Tesoro, which were calculated by applying perpetuity growth rates ranging from 1.5% to 2.0% to a terminal year estimate of the unlevered free cash flow to be generated by Tesoro as reflected in the Tesoro Management unaudited forecasted financial information. Goldman Sachs derived ranges of illustrative enterprise values for Tesoro by adding the ranges of present values it derived above. Goldman Sachs then subtracted from the range of illustrative enterprise values it derived for Tesoro (i) the amount of Tesoro's estimated net debt as of

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December 31, 2016, as reflected in the Tesoro Management unaudited forecasted financial information, and (ii) the estimated market value of Tesoro's non-controlling interest in TLLP as of December 31, 2016, as provided by Tesoro's management, to derive a range of illustrative equity values for Tesoro. Goldman Sachs then divided the range of illustrative equity values it derived by the number of fully diluted outstanding shares of Tesoro common stock provided by the management of Tesoro, to derive a range of illustrative present values per share of Tesoro common stock of $61.16 to $99.00.

Using the Tesoro Management unaudited forecasted financial information and the synergies and assuming, alternatively, as directed by Tesoro's management, that (i) no holder of shares of Western Refining common stock elects to receive the cash consideration and, accordingly, the aggregate merger consideration consists entirely of shares of Tesoro common stock based on the exchange ratio, which is referred to as the all-stock consideration scenario, and (ii) the cash election is fully subscribed by holders of shares of Western Refining common stock and, accordingly, the aggregate merger consideration includes approximately $0.41 billion in aggregate cash consideration with the rest of the aggregate merger consideration consisting of shares of Tesoro common stock based on the exchange ratio, which is referred to as the mixed consideration scenario, Goldman Sachs performed an illustrative discounted cash flow analysis on the pro forma combined company. Goldman Sachs first performed separate illustrative discounted cash flow analyses for each of Tesoro and Western Refining on a standalone basis using the methodologies described above, except that Goldman Sachs used discount rates ranging from 7.05% to 8.18%, reflecting estimates of the weighted average cost of capital of Tesoro pro forma for the merger. Goldman Sachs then performed an illustrative discounted cash flow analysis for the synergies, using the methodologies described above. In order to calculate a range of implied present values of the synergies, Goldman Sachs discounted to present value as of January 1, 2017, using discount rates ranging from 7.05% to 8.18%, reflecting estimates of the weighted average cost of capital of Tesoro pro forma for the merger, (i) the synergies for the years 2017 through 2021 and (ii) a range of illustrative terminal values, which were calculated by applying perpetuity growth rates of 1.5% to 2.0% to the 2021 synergies. Goldman Sachs then added the illustrative standalone enterprise values for Tesoro and Western Refining and the illustrative present values of the synergies, adjusted for pro forma net debt and non-controlling interests and divided that amount by the number of fully diluted outstanding shares of the pro forma combined company, as provided by the management of Tesoro, assuming, alternatively, as directed by Tesoro's management, an all-stock consideration scenario and a mixed consideration scenario. This resulted in a range of illustrative present values per share of the pro forma combined company of $97.50 to $146.47, assuming a mixed consideration scenario, and $94.73 to $142.31, assuming an all-stock consideration scenario.

Goldman Sachs also calculated the implied uplift to Tesoro's implied equity value per share upon consummation of the merger and after giving effect to the synergies and assuming, alternatively, as directed by Tesoro management, (i) the all-stock consideration scenario and (ii) the mixed consideration scenario. Goldman Sachs used the illustrative range of equity values per share for Tesoro on a standalone basis and for the pro forma combined company derived using the discounted cash flow analyses described above to determine the implied premium (expressed as a percentage) of the pro forma combined company's equity value per share over Tesoro's standalone equity value per share, which represented a range of uplift to Tesoro's equity value per share on standalone basis of 43.8% to 54.9%, under the all-stock consideration scenario, and 47.9% to 59.4%, under the mixed consideration scenario.

Illustrative Present Value of Future Share Price Analysis. Goldman Sachs performed illustrative analyses of the implied present value of the future value per share of common stock of Western Refining and Tesoro on a standalone basis, respectively, which were designed to provide indications of the present value of a theoretical future value of Tesoro's and Western Refining's equity as a function of their respective (i) estimated future EBITDA and one-year forward EV/EBITDA multiples and (ii) estimated future earnings and one-year forward earnings per share multiples, in each case, for the fiscal years ending December 31, 2018 and December 31, 2019. Goldman Sachs calculated illustrative implied future equity values per share of Western Refining common stock as of December 31, 2017 and December 31, 2018 by applying one-year forward EV/EBITDA multiples ranging from 6.5x to 7.5x to estimated EBITDA for Western Refining for 2018 and 2019 as reflected in the Tesoro Management

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unaudited forecasted financial information. Goldman Sachs then discounted to present value as of January 1, 2017, using an illustrative discount rate of 10.03%, reflecting an estimate of Western Refining's cost of equity, (i) the sum of (x) the theoretical future value of Western Refining common stock as of December 31, 2017 and (y) the aggregate per share dividends estimated for 2017 as reflected in the Tesoro Management unaudited forecasted financial information and (ii) the sum of (x) the theoretical future value of Western Refining common stock as of December 31, 2018 and (y) the aggregate per share dividends estimated for 2017 and 2018 as reflected in the Tesoro Management unaudited forecasted financial information. In addition, Goldman Sachs calculated illustrative implied future equity values per share of Western Refining common stock as of December 31, 2017 and December 31, 2018 by applying price to one-year forward earnings per share multiples ranging from 10.0x to 15.0x to earnings per share estimates for Western Refining for 2018 and 2019 as reflected in the Tesoro Management unaudited forecasted financial information. Goldman Sachs then discounted to present value as of January 1, 2017, using an illustrative discount rate of 10.03%, reflecting an estimate of Western Refining's cost of equity, (i) the sum of (x) the theoretical future value of Western Refining common stock as of December 31, 2017 and (y) the aggregate per share dividends estimated for 2017 as reflected in the Tesoro Management unaudited forecasted financial information and (ii) the sum of (x) the theoretical future value of Western Refining common stock as of December 31, 2018 and (y) the aggregate per share dividends estimated for 2017 and 2018 as reflected in the Tesoro Management unaudited forecasted financial information. This analysis resulted in a range of implied present values of $23.76 to $44.62 per share of Western Refining common stock.

Goldman Sachs calculated illustrative implied future equity values per share of Tesoro common stock as of December 31, 2017 and December 31, 2018 on a standalone basis by applying one-year forward EV/EBITDA multiples ranging from 6.0x to 7.0x to estimated EBITDA for Tesoro for 2018 and 2019 as reflected in the Tesoro Management unaudited forecasted financial information. Goldman Sachs then discounted to present value as of January 1, 2017, using an illustrative discount rate of 9.0%, reflecting an estimate of Tesoro's cost of equity, (i) the sum of (x) the theoretical future value of Tesoro common stock as of December 31, 2017 and (y) the aggregate per share dividends estimated for 2017 as reflected in the Tesoro Management unaudited forecasted financial information and (ii) the sum of (x) the theoretical future value of Tesoro common stock as of December 31, 2018 and (y) the aggregate per share dividends estimated for 2017 and 2018 as reflected in the Tesoro Management unaudited forecasted financial information. In addition, Goldman Sachs calculated illustrative implied future equity values per share of Tesoro common stock as of December 31, 2017 and December 31, 2018 by applying price to one-year forward earnings per share multiples ranging from 10.0x to 15.0x to earnings per share estimates for Tesoro for 2018 and 2019 as reflected in the Tesoro Management unaudited forecasted financial information. Goldman Sachs then discounted to present value as of January 1, 2017, using an illustrative discount rate of 9.0%, reflecting an estimate of Tesoro's cost of equity, (i) the sum of (x) the theoretical future value of Tesoro common stock as of December 31, 2017 and (y) the aggregate per share dividends estimated for 2017 as reflected in the Tesoro Management unaudited forecasted financial information and (ii) the sum of (x) the theoretical future value of Tesoro common stock as of December 31, 2018 and (y) the aggregate per share dividends estimated for 2017 and 2018 as reflected in the Tesoro Management unaudited forecasted financial information. This analysis resulted in a range of implied present values of $77.14 to $137.44 per share of Tesoro common stock.

Illustrative DCF-Based Contribution Analysis and Illustrative Implied Exchange Ratio. Goldman Sachs calculated indications of relative equity contribution by Western Refining and Tesoro to the pro forma combined company, as directed by Tesoro management, using the illustrative standalone discounted cash flow analyses described above. This analysis resulted in an illustrative range of implied ownership in the pro forma combined company for holders of Tesoro common stock of 55% to 68%. The implied ownership in the pro forma combined company for holders of Tesoro common stock, calculated using the exchange ratio and calculated using the fully diluted outstanding shares of common stock of the pro forma combined company as provided by Tesoro management, was 71%, in an all-stock consideration scenario, and 73%, in a mixed consideration scenario.

Goldman Sachs also calculated illustrative exchange ratios for the Western Refining and Tesoro common stocks implied by the standalone discounted cash flow analyses described above, as directed by Tesoro

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management. This analysis resulted in an illustrative range of exchange ratios implied by the illustrative standalone discounted cash flow analyses of 0.5072x to 0.8861x.

Premia Analysis. Using information obtained from Thomson Reuters and Bloomberg, Goldman Sachs reviewed and analyzed median acquisition premia by year for certain publicly disclosed mergers since 2005 with a transaction value greater than $200 million and for which more than 50% of the total consideration consisted of stock consideration (excluding mergers of equals transactions, defined as transactions where the acquirer or its stockholders would own 60% or less of the pro forma combined company), calculated relative to the target's closing share price one trading day prior to announcement. Using such data, Goldman Sachs calculated an illustrative premium range of 17% to 44%. Goldman Sachs then applied this illustrative premium range to the closing price of Western Refining common stock on November 15, 2016 to derive illustrative implied prices per share of Western Refining common stock of $35.05 to $43.14.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Tesoro or Western Refining or the merger.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs' providing its opinion to Tesoro's board of directors as to the fairness from a financial point of view of the consideration to be paid by Tesoro for each share of Western Refining common stock pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Tesoro, Western Refining, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The merger consideration was determined through arm's-length negotiations between Tesoro and Western Refining and was approved by Tesoro's board of directors. Goldman Sachs provided advice to Tesoro during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to Tesoro or its board of directors or that any specific amount of consideration constituted the only appropriate consideration for the merger.

As described above, Goldman Sachs' opinion to the Tesoro board of directors was one of many factors taken into consideration by the Tesoro board of directors in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex F to this joint proxy statement/prospectus.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Tesoro, Western Refining and any of their respective affiliates and third parties, including TLLP, a publicly traded master limited partnership controlled by Tesoro, and MLP, a publicly traded master limited partnership controlled by Western Refining, or any currency or commodity that may be involved in the merger. Goldman Sachs has acted as financial advisor to Tesoro in

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connection with, and have participated in certain of the negotiations leading to, the merger. At Tesoro's request, affiliates of Goldman Sachs had previously entered into financing commitments and agreements to provide Tesoro with a backstopped secured revolving credit facility and a 364-day unsecured bridge facility in connection with the consummation of the merger, in each case subject to the terms of such commitments and agreements and pursuant to which such affiliates have received customary fees, as described in more detail below. These financing commitments and agreements have been terminated in connection with the permanent financing obtained by Tesoro resulting from Tesoro's entry into the amended revolving credit facility and the issuance of the new debt securities on December 22, 2016, in which Goldman Sachs acted as an initial purchaser. Goldman Sachs has provided certain financial advisory and/or underwriting services to Tesoro and/or its affiliates from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive, compensation, including having acted as joint bookrunner with respect to the public offering of TLLP's and Tesoro Logistics Finance Corp.'s 6.125% Senior Notes due October 2021 (aggregate principal amount $250,000,000) and 6.375% Senior Notes due May 2024 (aggregate principal amount $450,000,000) in May 2016. Goldman Sachs also has provided certain financial advisory and/or underwriting services to Western Refining and/or its affiliates from time to time for which our Investment Banking Division has received, and may receive, compensation, including having acted as joint lead arranger with respect to a term loan facility for Western Refining (aggregate principal amount of $450,000,000) in June 2016; as Western Refining's financial advisor in connection with its acquisition of NTI in June 2016; and as joint bookrunner with respect to a public offering of 7,500,000 common units representing limited partner interests of MLP in September 2016. During the two year period ended November 16, 2016, Goldman Sachs received compensation for financial advisory and/or underwriting services provided by its Investment Banking Division to Tesoro and/or its affiliates of approximately $500,000 and has received compensation for financial advisory and/or underwriting services provided by its Investment Banking Division to Western Refining and/or its affiliates of approximately $11.1 million. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to Tesoro, Western Refining and their respective affiliates, including TLLP and MLP, for which the Investment Banking Division of Goldman Sachs may receive compensation.

The board of directors of Tesoro selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the merger. Pursuant to a letter agreement dated November 11, 2016, effective as of September 30, 2016, Tesoro engaged Goldman Sachs to act as its financial advisor in connection with the contemplated transaction. The engagement letter between Tesoro and Goldman Sachs provides for a transaction fee of $29,000,000, which transaction fee may be increased by up to $5,000,000 at Tesoro's sole discretion, all of which is payable upon consummation of the merger. In addition, Tesoro has agreed to reimburse Goldman Sachs for certain of its expenses, including certain attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws. As described above, Tesoro and affiliates of Goldman Sachs entered into financing commitments and agreements to provide Tesoro with a backstopped secured revolving credit facility and 364-day unsecured bridge facility in connection with the consummation of the merger. Those financing commitments and agreements were terminated in connection with the permanent financing obtained by Tesoro, which included the issuance of the new debt securities on December 22, 2016, for which Goldman Sachs acted as an initial purchaser. Goldman Sachs and its affiliates received customary compensation in the aggregate amount of approximately $13.5 million, of which approximately $4 million will be credited against Goldman Sachs' transaction fee (to the extent such transaction fee becomes payable), for providing such financing commitments and acting as initial purchaser in connection with the issuance of such debt securities.

Recommendation of Western Refining's Board of Directors and Reasons for the Merger

The Western Refining board of directors unanimously recommends that the Western Refining stockholders vote "**FOR**" the merger proposal.

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The Western Refining board of directors, with the advice and assistance of its financial and legal advisors, negotiated, evaluated, and, at a meeting held on November 16, 2016, unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement.

In reaching the decisions to approve the merger agreement, the merger and the transactions contemplated by the merger agreement and to recommend that the Western Refining stockholders vote to adopt the merger agreement and approve the merger, the Western Refining board of directors consulted extensively with its financial and legal advisors and Western Refining management, and considered other potential strategic alternatives. After such discussions and considering such alternatives, the Western Refining board of directors unanimously determined the proposed merger to be advisable and in the best interests of Western Refining and its stockholders.

The Western Refining board's decision to approve the merger agreement, the merger and the other transactions contemplated thereby and to recommend to Western Refining's stockholders that they vote to adopt the merger agreement and approve the merger was based on a number of factors, including the following (which are not necessarily presented in order of relative importance):

- The current and prospective competitive climate in the oil refining and marketing industry in which Western Refining and Tesoro operate, including the potential for further consolidation in the refining and marketing industry in North America generally and the Mid-Continent, Southwestern and West Coast regions of the United States in particular, as well as the financial condition of the global economy in general and the impact that such macroeconomic trends have had and could potentially continue to have on Western Refining's results and operations.
- The Western Refining board's knowledge of, and discussions with Western Refining management regarding, Western Refining's business operations, financial condition, earnings and prospects and its knowledge of Tesoro's business, operations, financial condition, earnings and prospects, taking into account Tesoro's publicly-filed information and the results of Western Refining's due diligence review of Tesoro.
- Each of Western Refining and Tesoro has developed capabilities in complementary geographies, the combination of which will create a larger and more diversified company with a strategic national presence that is better equipped to respond to economic and industry developments, including cyclical economic environments, and better positioned to develop and build on its positioning in the refining and retail segments as compared to either company on a standalone basis.
- That (i) Paul L. Foster, Jeff A. Stevens and Scott D. Weaver, who together beneficially owned approximately 22.5% of Western Refining's outstanding common stock as of November 16, 2016, each actively supported the merger and were willing to agree to, among other things, vote their shares of Western Refining common stock in favor of the merger proposal (as described in the section entitled "*Voting and Support Agreements*" beginning on page 170) and (ii) each such individual had no material interest in the transaction, except as described in the section entitled "*Interests of Western Refining Directors and Executive Officers in the Merger*" beginning on page 133, none of which interests is believed by the Western Refining board to be material in and of itself and all of which interests are substantially outweighed by the economic interests in Western Refining reflected in such individuals' aggregate 22.5% ownership of its common stock.
- The belief of Western Refining's board and management that the shared core values of the two companies, including those of safety, employee development, ethics, operational excellence and customer satisfaction, would facilitate the integration of the companies and enhance customer service going forward.
- The potential shareholder value that might result from other alternatives available to Western Refining, including entering into alternative strategic transactions with other parties, or remaining an independent public company, in each case, considering the potential for Western Refining stockholders who received the stock consideration to participate in the future growth of the combined company following the merger, including the projected synergies of the combined company and any improvement in the oil

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refining market as a whole, as well as the risks and uncertainties associated with its business plans or any alternative thereto and the ability to achieve a higher valuation than the merger.

- The Western Refining board's belief that (i) as discussed in the section entitled "*The Merger—Background of the Merger*" beginning on page 72, it was unlikely that an alternative transaction with a different counterparty would provide superior value to the Western Refining stockholders as compared to a strategic transaction with Tesoro and (ii) the terms of the merger agreement were consistent with market practice and would not preclude or deter a willing and financially capable third party, were one to exist, from making a superior proposal following the announcement of the merger agreement.
- The aggregate value and composition of the consideration to be received by Western Refining stockholders in the merger, including the right for Western Refining stockholders to elect to receive, for each share of Western Refining held, either 0.4350 of a share of Tesoro common stock or $37.30 in cash (subject to the adjustment and proration procedures described in further detail in the section entitled "*The Merger Agreement—Election and Exchange Procedures*" beginning on page 143), which, based on the closing price of Tesoro common stock on November 16, 2016, represented a premium of approximately:
  - 22% over the closing price of Western Refining common stock on the same date;
  - 32% over the volume-weighted average price of Western Refining common stock for the month prior to such date; and
  - 41% over the volume-weighted average price of Western Refining common stock for the year prior to such date.
- That the merger agreement provides Western Refining stockholders with the ability to elect to receive either shares of Tesoro common stock or cash for their shares of Western Refining common stock (subject to adjustment and proration to the extent Western Refining stockholders elect to receive cash consideration in respect of shares of Western Refining common stock in excess of the cash election number), and that, following the merger, Western Refining stockholders who receive the stock consideration will have the opportunity to participate in the future growth of the combined company following the merger, including the projected synergies at the combined company, and any general improvement in the oil refining market as a whole.
- That the exchange ratio represents a fixed number of shares of Tesoro common stock, which affords the Western Refining stockholders the opportunity to benefit from any increase in the trading price of Tesoro common stock between the announcement and completion of the merger.
- Western Refining's management's expectation, based on information provided by Tesoro, that there would be approximately $350-$425 million in annual synergies overall, including approximately $130-$140 million worth of operational synergies, which the combined company could achieve on a run rate basis within the first two years following the merger.
- Tesoro's business, assets, financial condition, results of operations, business plan and prospects, including the size and scale of the combined company and the expected pro forma effect of the merger on the combined company.
- The expectation that following the merger, Tesoro would have a stronger financial and credit profile, including the potential upgrade to an investment grade credit rating, given the more diverse asset base and stronger balance sheet of the combined company, which may lower borrowing costs for the combined company.
- That the aggregate merger consideration of approximately $4.099 billion (based on the exchange ratio of 0.4350 and the closing price per share of Tesoro common stock as reported on the NYSE on November 16, 2016, the last trading day prior to the public announcement of the merger) was achieved by the Western Refining board through extensive, arm's-length negotiations, as described in the section entitled "*The Merger—Background of the Merger*" beginning on page 72.

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- The financial analysis reviewed and discussed with the Western Refining board by representatives of Barclays, as well as the oral opinion of Barclays rendered on November 16, 2016, and the written opinion of Barclays, dated November 16, 2016, to the Western Refining board to the effect that as of that date, and subject to the assumptions, limitations, qualifications and other matters set forth in the written opinion, the per share merger consideration to be offered to the holders of Western Refining common stock (other than excluded shares) in the merger is fair, from a financial point of view, to such holders. See the section entitled "*The Merger—Opinion of Barclays Capital, Western Refining's Financial Advisor*" beginning on page 97. The full text of the written opinion of Barclays is attached as Annex E to this joint proxy statement/prospectus.
- The review by the Western Refining board with its legal and financial advisors of the structure of the proposed merger and the financial and other terms of the merger agreement, including Tesoro's representations, warranties and covenants, the conditions to its obligations and the termination provisions and related termination fees, as well as the likelihood of consummation of the proposed merger and the Western Refining board's evaluation of the likely time period necessary to close the merger.
- That Western Refining expects that for U.S. federal income tax purposes the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and that it is a condition to Western Refining's obligation to complete the merger that Western Refining receive a written opinion of its legal counsel substantially to the effect that for U.S. federal income tax purposes, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

The Western Refining board also considered the following specific aspects of the merger agreement (which are not necessarily presented in order of relative importance):

- That the merger agreement provides Western Refining stockholders with the ability to choose to receive either the stock consideration or the cash consideration (subject to the adjustment and proration procedures described in this joint proxy statement/prospectus) and that, following the merger, Western Refining stockholders who receive the stock consideration will have the opportunity to participate in the future growth of the combined company following the merger as described above.
- The Western Refining board's belief that the terms of the merger agreement, including Western Refining's representations, warranties and covenants and the conditions to each party's obligations, are reasonable.
- The fact that the merger agreement provides that, under certain circumstances, and subject to certain conditions, Western Refining is permitted to furnish information to and conduct negotiations with a third party in connection with an unsolicited proposal for a business combination or acquisition of Western Refining that constitutes or would reasonably be expected to result in a "superior proposal."
- The fact that the Western Refining board, subject to certain conditions, has the right to make an adverse Western Refining recommendation change or terminate the merger agreement to enter into a definitive agreement related to a superior proposal, subject to giving Tesoro notice and an opportunity to propose changes to the merger agreement, and the payment of a termination fee of $120 million in the event of actual termination (which amount was determined after consultation with its legal and financial advisors).
- The fact that the Western Refining board, subject to certain conditions, has the right to make an adverse Western Refining recommendation change in response to an intervening event, even if there is no competing or superior proposal, if the Western Refining board determines that the failure to take such action would be inconsistent with its fiduciary duties, subject to the payment of a termination fee of $120 million in the event Tesoro exercises its right to terminate the merger agreement as a result of such change in recommendation.

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- The fact that the Western Refining board believed that such fee was consistent with market practice and would not preclude or deter a willing and financially capable third party, were one to exist, from making a superior proposal following the announcement of the transaction with Tesoro.
- The fact that there are limited circumstances in which the Tesoro board may terminate the merger agreement or change its recommendation that its stockholders approve the issuance of shares of Tesoro common stock in connection with the merger, and if the merger agreement is terminated by Western Refining as a result of a change in recommendation of the Tesoro board to approve such stock issuance or by Tesoro in order to enter into a definitive agreement with a third party for certain alternative transactions, then in each case Tesoro has agreed to pay Western Refining a fee of $240 million, and if the merger agreement is terminated by either party because Tesoro stockholders have not approved the stock issuance upon a vote taken thereon, then Tesoro has agreed to pay Western Refining a fee of $41.1 million.
- The fact that, following the completion of the merger, two members of the current Western Refining board will be added to the Tesoro board.

In the course of its deliberations, the Western Refining board also considered a variety of risks, uncertainties and other potentially negative factors, including the following (which are not necessarily presented in order of relative importance):

- The risks and costs to Western Refining if the merger is not completed, including the diversion of management and employee attention, potential employee attrition, the potential effect on Western Refining's business and relations with customers, suppliers and vendors and the potential impact on its stock price, and that, while the transactions are expected to be completed, there is no assurance that all conditions to the parties' obligations to complete the transactions will be satisfied or waived, and as a result, it is possible that the transactions might not be completed even if approved by Western Refining's stockholders.
- The possibility that Tesoro's stockholders may not approve the issuance of the additional shares of Tesoro common stock to be issued to Western Refining's stockholders.
- The possibility that regulatory agencies may not approve the merger or may impose terms and conditions on their approvals that adversely affect the business and financial results of the combined company as more fully described in the section entitled "*The Merger—Regulatory Approvals*" beginning on page 130.
- The transaction costs to be incurred in connection with the merger.
- That Tesoro is relying on its cash on hand and other available borrowing to fund the cash portion of the merger consideration, and, while there is no financing condition in the merger agreement, Tesoro could fail to have sufficient cash to close the merger.
- That the merger agreement contains restrictions on the conduct of Western Refining's business prior to completion of the merger, including the requirement that Western Refining conduct its business only in the ordinary course, subject to specific, pre-disclosed exceptions, which could delay or prevent Western Refining from undertaking business opportunities that may arise pending completion of the transactions and could negatively affect Western Refining's ability to attract and retain employees, and could negatively affect decisions of Western Refining's customers and vendors.
- That the merger agreement imposes limitations on Western Refining's ability to solicit alternative transactions prior to closing and its ability to terminate the merger agreement, including a requirement that Western Refining pay a $120 million termination fee in the circumstances described in "*The Merger Agreement—Termination Fees Payable by Western Refining*" beginning on page 167.
- That, if the merger agreement is terminated by either party because Western Refining's stockholders have not adopted the merger agreement and approved the merger upon a vote taken thereof at the

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Western Refining special meeting, Western Refining would be required to pay Tesoro a fee of $41.1 million.

- The possibility that because the merger consideration is either a fixed dollar amount or a fixed number of shares of Tesoro common stock, Western Refining stockholders could be adversely affected by a decrease in the trading price of Tesoro common stock relative to the trading price of Western Refining common stock (to the extent that Western Refining stockholders receive Tesoro common stock instead of cash) during the pendency of the transactions and the fact that the merger agreement does not provide Western Refining with a price-based termination right or other similar protection.
- The possibility that because of the adjustment and proration procedures set forth in the merger agreement, Western Refining stockholders who make the cash election may not receive the cash consideration for some or all of the shares of Western Refining common stock for which they had made such an election.
- The fact that, consistent with the expected qualification of the merger as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code, Western Refining's stockholders will, for U.S. federal income tax purposes, recognize taxable gain, if any, on the merger up to the amount of the cash consideration they receive (excluding any cash received in lieu of fractional shares) and will also recognize gain or loss with respect to any cash received in lieu of fractional shares.
- The possibility that Tesoro will not realize all of the anticipated strategic and other benefits of the merger, including as a result of the challenges of combining the businesses, operations and workforces of Tesoro and Western Refining, the risk that expected operating efficiencies and cost savings may not be realized or will cost more to achieve than anticipated, and the risk that divestitures or other accommodations required by antitrust regulatory authorities may decrease the anticipated strategic and other benefits of the merger to the combined company.
- The possibility that the termination fee of $120 million could potentially deter a potential acquirer from proposing an alternative transaction that would provide superior value to Western Refining stockholders than the merger.
- The fact that Western Refining's directors and executive officers may have interests in the merger that are different from, or in addition to, those of Western Refining's stockholders generally, including certain interests arising from the employment and compensation arrangements of Western Refining's executive officers, and the manner in which they would be affected by the merger.
- Various other risks described in the section entitled "*Risk Factors*" beginning on page 44.

The Western Refining board considered all of these factors as a whole and unanimously concluded that they supported a determination that the proposed merger was advisable and in the best interests of Western Refining and its stockholders. The foregoing discussion of the information and factors considered by the Western Refining board is not exhaustive. In view of the wide variety of factors considered by the Western Refining board in connection with its evaluation of the merger and the complexity of these matters, the Western Refining board did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. In considering the factors described above and any other factors, individual members of the Western Refining board of directors may have viewed factors differently or given different weight or merit to different factors.

In considering the recommendation of the Western Refining board that the Western Refining stockholders vote to approve and adopt the merger agreement and the transactions contemplated thereby, Western Refining stockholders should be aware that the executive officers and directors of Western Refining may have certain interests in the merger that may be different from, or in addition to, the interests of Western Refining stockholders generally. The Western Refining board was aware of these interests and considered them when approving the merger agreement and recommending that Western Refining stockholders vote to approve and

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adopt the merger agreement and the transactions contemplated thereby. See the section entitled "*The Merger—Interests of Western Refining Directors and Executive Officers in the Merger*" beginning on page 133.

The foregoing discussion of the information and factors considered by the Western Refining board is forward-looking in nature. This information should be read in light of the factors described in the section entitled "*Cautionary Statement Regarding Forward-Looking Statements*" beginning on page 42.

Opinion of Barclays Capital, Western Refining's Financial Advisor

Western Refining retained Barclays as its exclusive financial advisor in connection with a potential strategic transaction with Tesoro and other strategic alternatives. On November 16, 2016, Barclays rendered its oral opinion (which was subsequently confirmed in writing) to the Western Refining board of directors that, as of such date and based upon and subject to the assumptions, limitations, qualifications and other matters set forth in its written opinion, the per share merger consideration to be offered to the holders of Western Refining common stock (other than excluded shares) is fair, from a financial point of view, to such holders in the merger.

The full text of Barclays' written opinion, dated as of November 16, 2016, is attached to this joint proxy statement/prospectus as Annex E, and is incorporated by reference herein in its entirety. Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays' opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.

Barclays' opinion, the issuance of which was approved by Barclays' Valuation and Fairness Opinion Committee, is addressed to the Western Refining board of directors, addressed only the fairness, from a financial point of view, of the per share merger consideration to be offered to the holders of Western Refining common stock (other than excluded shares) and did not address any other term or aspect of the merger agreement or the merger. Elections by Western Refining stockholders for the cash consideration will be subject to proration and adjustment procedures set forth in the merger agreement, as to which procedures Barclays expressed no view or opinion. Barclays' opinion does not constitute a recommendation to any stockholder of Western Refining as to how such stockholder should vote with respect to the merger or any other matter, including whether such stockholder should continue to hold or sell its Western Refining common stock prior to or after the Western Refining special meeting or elect to receive the cash consideration or the stock consideration, or make no election, in the merger. The terms of the merger were determined through arm's-length negotiations between Western Refining and Tesoro and were unanimously approved by the board of directors of Western Refining. Barclays did not recommend any specific form of consideration to Western Refining or that any specific form of consideration constituted the only appropriate consideration for the merger. Barclays was not requested to address, and its opinion does not in any manner address, Western Refining's underlying business decision to proceed with or effect the merger. In addition, Barclays expressed no opinion on, and its opinion does not in any manner address, (i) the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the per share merger consideration to be offered to the holders of Western Refining common stock in the merger or otherwise; (ii) the allocation of the per share merger consideration as among holders of Western Refining common stock who receive the cash consideration or the stock consideration; or (iii) the relative fairness of the cash consideration and the stock consideration.

In arriving at its opinion, Barclays, among other things:

- reviewed and analyzed a draft of the merger agreement, dated as of November 16, 2016, and the specific terms of the merger;
- reviewed and analyzed a draft of a form of voting and support agreement, dated as of November 13, 2016, by and among Western Refining, Tesoro, Merger Sub 1, and Merger Sub 2, on the one hand, and

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each of (a) Paul L. Foster and Franklin Mountain Investments, LP, (b) Jeff A. Stevens and (c) Scott D. Weaver, on the other;

- reviewed and analyzed publicly available information concerning Western Refining and Tesoro that it believed to be relevant to its analysis, including certain annual and quarterly reports filed by Western Refining and Tesoro with the SEC;
- reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Western Refining furnished to it by Western Refining, including financial projections of Western Refining prepared by management of Western Refining, which is referred to as the Western Refining unaudited forecasted financial information throughout this section. For more information, see the section entitled "*The Merger—Unaudited Forecasted Financial Information—Unaudited Forecasted Financial Information Prepared by Western Refining*" beginning on page 124;
- reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Tesoro, furnished to it by Tesoro and Western Refining, including (a) 2017-2019 financial projections of Tesoro prepared by management of Tesoro as extended by Western Refining (i) for 2020-2021 and (ii) to determine the terminal value, which is referred to as the Tesoro extended unaudited forecasted financial information throughout this section, and (b) Tesoro extended unaudited forecasted financial information, as adjusted by management of Western Refining, which is referred to as the Tesoro adjusted unaudited forecasted financial information throughout this section. For more information, see the section entitled "*The Merger—Unaudited Forecasted Financial Information—Unaudited Forecasted Financial Information Prepared by Western Refining*" beginning on page 124;
- reviewed and analyzed the trading history of the Western Refining common stock from November 16, 2013 to November 16, 2016 and the trading history of Tesoro common stock over the same period;
- reviewed and analyzed a comparison of the historical financial results and present and projected financial condition of Western Refining and Tesoro, in each case, with those of other companies that it deemed relevant;
- reviewed and analyzed a comparison of certain of the financial terms of the merger with the financial terms of certain other transactions that it deemed relevant;
- reviewed and analyzed published estimates of independent research analysts with respect to the future financial performance and price targets of Western Refining and Tesoro;
- reviewed and analyzed the pro forma impact of the merger on the future financial performance of the combined company, including any financial, operational or commercial benefits that are achieved as a result of the merger, which are referred to as the synergies throughout this section; the synergies may include cost savings, operating synergies and other strategic benefits resulting from the merger, including the anticipated cost of achieving such synergies and benefits, furnished to it by Tesoro, as approved by management of Western Refining for Barclays' use in its analysis;
- had discussions with the management of Western Refining and Tesoro concerning their respective business, operations, assets, liabilities, financial condition and prospects; and
- undertook such other studies, analyses and investigations as it deemed appropriate.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by it without any independent verification of such information (and had not assumed responsibility or liability for any independent verification of such information) and further relied upon the assurances of the management of Western Refining that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. Upon the advice and at the direction of Western Refining, Barclays assumed that the Western Refining unaudited forecasted financial information was reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Western Refining as to the financial performance of Western Refining and that Western Refining would perform substantially in accordance with such projections. With respect to the Tesoro extended unaudited forecasted

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financial information, upon the advice and at the direction of Western Refining, Barclays assumed that such information (to the extent prepared by Tesoro) was reasonably prepared on a basis reflecting the best currently available estimates and judgments of Tesoro as to the financial performance of Tesoro. With respect to the Tesoro adjusted unaudited forecasted financial information, upon the advice and at the direction of Western Refining, Barclays assumed that such information was reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Western Refining as to the financial performance of Tesoro and that Tesoro would perform substantially in accordance with such projections. With respect to the synergies, upon the advice and at the direction of Western Refining, Barclays assumed that the synergies were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Tesoro (as approved by management of Western Refining), including as to the amount, timing and cost of realization. Barclays relied, at the direction of the board of directors of Western Refining, on the Western Refining unaudited forecasted financial information, the Tesoro extended unaudited forecasted financial information, the Tesoro adjusted unaudited forecasted financial information and the synergies, and Barclays assumed no responsibility for and it expressed no view as to the estimates or the assumptions on which the projections were based. In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of Western Refining or those of Tesoro and did not make or obtain any evaluations or appraisals of the assets or liabilities of Western Refining or those of Tesoro. Barclays' opinion necessarily was based upon market, economic, regulatory and other conditions as they existed on, and could be evaluated as of November 16, 2016. Barclays assumed no responsibility for updating or revising its opinion based on events or circumstances that may occur after November 16, 2016. In addition, Barclays expressed no opinion as to the prices at which (i) the Western Refining common stock or Tesoro common stock will trade at any time following the announcement of the merger or (ii) the Tesoro common stock will trade at any time following the consummation of the merger. Barclays' opinion should not be viewed as providing any assurance that the market value of the Tesoro common stock to be held by the stockholders of Western Refining after the consummation of the merger will be in excess of the market value of the shares of the Western Refining common stock owned by such stockholders at any time prior to the announcement or consummation of the merger.

In arriving at its opinion, Barclays assumed that the executed merger agreement would conform in all material respects to the last draft reviewed by Barclays. Barclays also assumed, upon the advice of Western Refining, that all governmental, regulatory and third party approvals, consents and releases for the merger, that in each case were material to Barclays' analyses and its opinion, would be obtained within the constraints contemplated by the merger agreement and that the merger would be consummated in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement thereof or change in any applicable law. Barclays did not express any opinion as to any tax or other consequences that might result from the merger, nor did its opinion address any legal, tax, regulatory or accounting matters, as to which Barclays understood that Western Refining had obtained such advice as it deemed necessary from qualified professionals.

In connection with rendering its opinion, Barclays performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, Barclays did not ascribe a specific range of values to the shares of Western Refining common stock or Tesoro common stock but rather made its determination as to fairness, from a financial point of view, of the per share merger consideration to be offered to the holders of Western Refining common stock (other than excluded shares) on the basis of various financial and comparative analyses. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In arriving at its opinion, Barclays did not attribute any particular weight to any single analysis or factor considered by it but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the circumstances of the particular transaction. Accordingly, Barclays believes that its analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

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Summary of the Financial Analyses of Western Refining's Financial Advisor

The following is a summary of the material financial analyses as presented by Barclays to the board of directors of Western Refining in connection with rendering its opinion described above. The following summary does not purport to be a complete description of the financial analyses performed or factors considered by Barclays nor does the order of analyses described represent the relative importance or weight given to those analyses by Barclays. Barclays may have deemed various assumptions more or less probable than other assumptions, so the reference ranges resulting from any particular portion of the analyses summarized below should not be taken to be Barclays' view of the actual values of Western Refining or Tesoro. Some of the summaries of the financial analyses set forth below include information presented in tabular format. The tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses performed by Barclays. Considering the data in the tables below without considering all financial analyses or factors or the full narrative description of such analyses or factors, including the methodologies and assumptions underlying such analyses or factors, could create a misleading or incomplete view of the processes underlying the financial analyses of Barclays and its opinion. In performing its analyses, Barclays made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Western Refining or any other parties to the merger. None of Western Refining, Tesoro, Merger Sub 1, Merger Sub 2, Barclays or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of the businesses do not purport to be appraisals or reflect the prices at which the businesses may actually be sold. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before November 16, 2016 (the last trading day before the public announcement of the merger) and is not necessarily indicative of current market conditions.

Discounted Cash Flow Analysis Based on Management Projections

In order to estimate the present value of Western Refining common stock and Tesoro common stock, Barclays performed a discounted cash flow, which is referred to as DCF, analysis of Western Refining and Tesoro as standalone companies, excluding the synergies. A DCF analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the "present value" of estimated future cash flows of the asset. "Present value" refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

To calculate the estimated enterprise value of Western Refining as a standalone company using the DCF methodology, Barclays utilized the after-tax unlevered free cash flows (defined as consolidated net income plus depreciation and amortization and tax-adjusted interest expense, less capital expenditures and adjusted for other non-cash items) for fiscal years 2017 through 2021 implied by the Western Refining unaudited forecasted financial information, which, at the direction of Western Refining management, were adjusted to exclude consolidated MLP capital expenditures and related pre-tax asset sale proceeds associated with projected asset sales from Western Refining to MLP. The projected after-tax unlevered free cash flows for Western Refining considered in the DCF analysis are summarized below.

($ in millions)	**After-Tax Unlevered Free Cash Flows – Western Refining unaudited forecasted financial information**
2017E	$ 273
2018E	$ 310
2019E	$ 451
2020E	$ 825
2021E	$ 923

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Barclays also utilized a Western Refining terminal value range calculated as the product of (a) an estimate of Western Refining terminal earnings before interest, taxes, depreciation and amortization, which is referred to in this section as EBITDA, provided by Western Refining management based on the Western Refining unaudited forecasted financial information and (b) a terminal EBITDA multiple range of 5.50x to 6.50x. The terminal EBITDA multiples were selected based on Barclays' professional judgment and experience, taking into account information from the selected comparable company analysis (as further described in this section), selected precedent transactions analysis (as further described in this section) and historical one-year forward EBITDA trading multiples for Western Refining, Tesoro and certain other publicly traded companies. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, the analysis used to determine a terminal EBITDA multiple range involves complex considerations and judgments concerning differences in industry fundamentals between historical and current time periods, company financial and operating characteristics and other factors that were specific to precedent transactions or could affect the public trading or other values of the companies to which Western Refining was compared. For purposes of calculating the terminal value range, the terminal EBITDA estimate provided by Western Refining management was based on Western Refining's 2021 EBITDA estimate, adjusted to reflect five-year (2017-2021) average refining utilization rates, per barrel margins and per barrel operating expenses. Calculations were based on the Western Refining unaudited forecasted financial information, using assumptions that Barclays was directed to use by Western Refining management.

The after-tax unlevered free cash flows and terminal value range for Western Refining were then discounted to an assumed transaction closing date of January 1, 2017 to derive an implied enterprise value range. This calculation used a discount rate range of 8.75% to 9.75%, which was chosen by Barclays based upon its analysis of the weighted average cost of capital, which is referred to as WACC, for Western Refining.

Barclays derived its WACC range for Western Refining by reviewing certain metrics of Western Refining, Tesoro, and selected companies listed in the section entitled "*The Merger—Opinion of Barclays Capital, Western Refining's Financial Advisor—Selected Comparable Company Analysis*" beginning on page 104 below, including a five-year raw historical weekly beta per Bloomberg (as of November 11, 2016), market value of debt and market value of equity, each based on market data as of November 11, 2016, total capitalization, debt to equity ratio, debt in relation to debt plus equity, cost of debt, marginal tax rates for Western Refining and Tesoro as provided by Western Refining management, marginal tax rates for comparable companies using an assumed marginal tax rate and unlevered beta.

An implied equity value range for Western Refining was derived from the implied enterprise value range by subtracting the total projected consolidated debt of Western Refining at December 31, 2016 (as reflected in the Western Refining unaudited forecasted financial information), adding the projected consolidated cash of Western Refining at December 31, 2016 (as reflected in the Western Refining unaudited forecasted financial information) and subtracting the market value as of November 11, 2016 of MLP limited partner units not held by Western Refining. The implied Western Refining equity value range so derived was then converted to an implied Western Refining equity value per share reference range using the then current fully diluted share count provided by Western Refining management. The results of the analysis implied an equity value per share reference range for shares of Western Refining common stock of $35.75 to $45.00.

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To calculate the estimated enterprise value of Tesoro using the DCF methodology, Barclays utilized the after-tax unlevered free cash flows (defined as consolidated net income plus depreciation and amortization and tax-adjusted interest expense, less capital expenditures and adjusted for other non-cash items) for fiscal years 2017 through 2021, implied by both the Tesoro extended unaudited forecasted financial information and the Tesoro adjusted unaudited forecasted financial information, which, at the direction of Western Refining management, were adjusted to exclude consolidated TLLP capital expenditures and related pre-tax asset sale proceeds associated with projected asset sales from Tesoro to TLLP. The projected after-tax unlevered free cash flows for Tesoro considered in the DCF analysis are summarized below.

($ in millions)	After-Tax Unlevered Free Cash Flows – Tesoro extended unaudited forecasted financial information	After-Tax Unlevered Free Cash Flows – Tesoro adjusted unaudited forecasted financial information
2017E	$ 706	$ 766
2018E	$ 1,042	$ 922
2019E	$ 1,400	$ 1,191
2020E	$ 1,675	$ 1,501
2021E	$ 1,577	$ 1,437

Barclays also utilized Tesoro terminal value ranges calculated as the product of (a) an estimate of terminal EBITDA provided by Western Refining management based on the Tesoro extended unaudited forecasted financial information and the Tesoro adjusted unaudited forecasted financial information, as appropriate and (b) a terminal EBITDA multiple range of 5.50x to 6.50x. The terminal EBITDA multiples were selected based on Barclays' professional judgment and experience, taking into account information from the selected comparable company analysis (as further described in this section), selected precedent transactions analysis (as further described in this section) and historical one-year forward EBITDA trading multiples for Western Refining, Tesoro and certain other publicly traded companies. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, the analysis used to determine a terminal EBITDA multiple range involves complex considerations and judgments concerning differences in industry fundamentals between historical and current time periods, company financial and operating characteristics and other factors that were specific to precedent transactions or could affect the public trading or other values of the companies to which Tesoro was compared. For purposes of calculating the terminal value range, the terminal EBITDA estimates provided by Western Refining management were based on estimates of Tesoro's 2021 EBITDA in the Tesoro extended unaudited forecasted financial information and Tesoro adjusted unaudited forecasted financial information, as appropriate, adjusted to reflect five-year (2017-2021) average refining utilization rates, per barrel margins and per barrel operating expenses. Calculations were based on the Tesoro extended unaudited forecasted financial information and Tesoro adjusted unaudited forecasted financial information, using assumptions that Barclays was instructed to use by Western Refining management.

The after-tax unlevered free cash flows and terminal value range for Tesoro were then discounted to an assumed transaction closing date of January 1, 2017 to derive an implied enterprise value range. This calculation used a discount rate range of 8.25% to 9.25%, which was chosen by Barclays based upon its analysis of the WACC for Tesoro.

Barclays derived its WACC range for Tesoro by reviewing certain metrics of Western Refining, Tesoro, and selected companies listed under the caption "Selected Comparable Company Analysis" in this section, including a five-year raw historical weekly beta per Bloomberg (as of November 11, 2016), market value of debt and market value of equity, each based on market data as of November 11, 2016, total capitalization, debt to equity ratio, debt in relation to debt plus equity, cost of debt, marginal tax rates for Western Refining and Tesoro as provided by Western Refining management, marginal tax rates for comparable companies using an assumed marginal tax rate and unlevered beta.

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An implied equity value range for Tesoro was derived from the implied enterprise value range by subtracting the total expected consolidated debt of Tesoro at December 31, 2016 (as reflected in the Tesoro extended unaudited forecasted financial information), adding the total expected consolidated cash of Tesoro at December 31, 2016 (as reflected in the Tesoro extended unaudited forecasted financial information) and subtracting the market value as of November 11, 2016 of TLLP limited partner units not held by Tesoro. The implied Tesoro equity value range so derived was then converted to an implied Tesoro equity value per share reference range using the then current fully diluted share count provided by Tesoro management (as approved by Western Refining management for Barclays' use in its analysis). The results of the analysis implied an equity value per share reference range for shares of Tesoro common stock of $87.50 to $113.00 (based on the Tesoro extended unaudited forecasted financial information) and $76.75 to $100.25 (based on the Tesoro adjusted unaudited forecasted financial information).

Discounted Cash Flow Analysis Based on Equity Analyst Estimates

Barclays also performed a DCF analysis using equity analyst estimates instead of management forecasts, which is referred to as the analyst-based DCF methodology.

To calculate the estimated enterprise value of Western Refining using the analyst-based DCF methodology, Barclays utilized the implied after-tax unlevered free cash flows for Western Refining for fiscal years 2017 through 2021 based on public third-party equity research estimates for Western Refining, FactSet consensus EBITDA, earnings per share, which is referred to as EPS, and cash flow per share, which is referred to as CFPS, for Western Refining, and FactSet consensus EBITDA for MLP. In addition, Barclays calculated an implied terminal value range for Western Refining based on the product of (a) an estimate of terminal EBITDA and (b) a terminal EBITDA multiple range of 5.50x to 6.50x. The terminal EBITDA multiples were selected based on Barclays' professional judgment and experience, taking into account information from the selected comparable company analysis (as further described in this section), selected precedent transactions analysis (as further described in this section) and historical one-year forward EBITDA trading multiples for Western Refining, Tesoro and certain other publicly traded companies. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, the analysis used to determine a terminal EBITDA multiple range involves complex considerations and judgments concerning differences in industry fundamentals between historical and current time periods, company financial and operating characteristics and other factors that were specific to precedent transactions or could affect the public trading or other values of the companies to which Western Refining was compared. For purposes of calculating the terminal value range, the estimated terminal EBITDA was implied based on 2021 EBITDA, as adjusted to reflect five-year average (2017-2021) refining throughput and gross margin.

The after-tax unlevered free cash flows and terminal value range for Western Refining were then discounted to an assumed transaction closing date of January 1, 2017 to derive an implied enterprise value range. This calculation used a discount rate range of 8.75% to 9.75%, which was chosen by Barclays based upon its analysis of the WACC for Western Refining. Barclays derived its WACC range for Western Refining by reviewing the same metrics as were reviewed in deriving the WACC range utilized in the DCF analysis based on the Western Refining unaudited forecasted financial information.

An implied equity value range for Western Refining was derived from the implied enterprise value range by subtracting the total projected consolidated debt of Western Refining at December 31, 2016 (as reflected in the Western Refining unaudited forecasted financial information), adding the total projected consolidated cash of Western Refining at December 31, 2016 (as reflected in the Western Refining unaudited forecasted financial information) and subtracting the market value as of November 11, 2016 of MLP limited partner units not held by Western Refining. The implied Western Refining equity value range so derived was then converted to an implied Western Refining equity value per share reference range using the then current fully diluted share count provided by Western Refining management. The results of the analysis implied an equity value per share reference range for shares of Western Refining common stock of $24.00 to $31.00.

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To calculate the estimated enterprise value of Tesoro using the analyst-based DCF methodology, Barclays utilized the implied after-tax unlevered free cash flows for Tesoro for fiscal years 2017 through 2021 based on public third-party equity research estimates for Tesoro, FactSet consensus EBITDA, EPS, and CFPS for Tesoro, and FactSet consensus EBITDA for TLLP. In addition, Barclays calculated an implied terminal value range for Tesoro based on the product of (a) an estimate of terminal EBITDA and (b) a terminal EBITDA multiple range of 5.50x to 6.50x. The terminal EBITDA multiples were selected based on Barclays' professional judgment and experience, taking into account information from the selected comparable company analysis (as further described in this section), selected precedent transactions analysis (as further described in this section) and historical one-year forward EBITDA trading multiples for Western Refining, Tesoro and certain other publicly traded companies. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, the analysis used to determine a terminal EBITDA multiple range involves complex considerations and judgments concerning differences in industry fundamentals between historical and current time periods, company financial and operating characteristics and other factors that were specific to precedent transactions or could affect the public trading or other values of the companies to which Tesoro was compared. For purposes of calculating the terminal value range, the estimated terminal EBITDA was implied based on 2021 EBITDA, as adjusted to reflect five-year average (2017-2021) refining throughput and gross margin.

The after-tax unlevered free cash flows and terminal value range for Tesoro were then discounted to an assumed transaction closing date of January 1, 2017 to derive an implied enterprise value range. This calculation used a discount rate range of 8.25% to 9.25%, which was chosen by Barclays based upon its analysis of the WACC for Tesoro. Barclays derived its WACC range for Tesoro by reviewing the same metrics as were reviewed in deriving the WACC range utilized in the DCF analysis based on the Tesoro extended unaudited forecasted financial information and the Tesoro adjusted unaudited forecasted financial information.

An implied equity value range for Tesoro was derived from the implied enterprise value range by subtracting the total expected consolidated debt of Tesoro at December 31, 2016 (as reflected in the Tesoro extended unaudited forecasted financial information), adding the total expected consolidated cash of Tesoro at December 31, 2016 (as reflected in the Tesoro extended unaudited forecasted financial information) and subtracting the market value as of November 11, 2016 of TLLP limited partner units not held by Tesoro. The implied Tesoro equity value range so derived was then converted to an implied Tesoro equity value per share reference range using the then current fully diluted share count provided by Tesoro management (as approved by Western Refining management for Barclays' use in its analysis). The results of the analysis implied an equity value per share reference range for shares of Tesoro common stock of $73.25 to $96.75.

Selected Comparable Company Analysis

Barclays reviewed and compared certain financial information, ratios and multiples for Western Refining, Tesoro and certain other publicly traded companies. Barclays calculated and compared the financial information, ratios and multiples (i) for Western Refining, based on FactSet consensus estimates as of November 11, 2016, (ii) for Tesoro, based on FactSet consensus estimates as of November 11, 2016, (iii) for the selected comparable companies, based on information that Barclays obtained from public filings, public third-party equity research and FactSet consensus estimates as of November 11, 2016 and (iv) the closing share prices for common stock of Western Refining, Tesoro and the selected comparable companies from publicly available market data as of November 11, 2016.

Barclays reviewed historical and projected financial data for five selected publicly traded refining and marketing companies that Barclays, based on its experience in the industry and judgment as a financial advisor, deemed comparable to Western Refining and Tesoro with respect to a number of factors including size, operational profile and other business characteristics. None of the selected companies used in this analysis is identical or directly comparable to Western Refining or Tesoro. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Western Refining and Tesoro were compared.

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The companies that Barclays selected as comparable were:

- Phillips 66
- Marathon Petroleum Corporation
- Valero Energy Corporation
- HollyFrontier Corporation
- PBF Energy Inc.

Barclays calculated and analyzed for Western Refining, Tesoro and each of the selected companies the enterprise value as a multiple of the company's estimated EBITDA for 2017 and 2018. The enterprise value of each company was obtained by taking the sum of the market value of its common equity and adjusting for debt, cash and the market value of non-controlling interests. All of the calculations were performed, and based on, publicly available financial data and closing prices as of November 11, 2016.

Barclays derived comparable company reference valuation multiple ranges by analyzing and reviewing projected EBITDA valuation multiples for the five selected company comparables below for 2017E and 2018E. In performing its analysis of the selected comparable companies, Barclays noted the 2017E median and mean implied multiples of 7.3x and 7.0x, respectively and the 2018E median and mean implied multiples of 6.8x and 6.6x, respectively. In deriving the 2017E and 2018E reference multiple ranges of 6.5x-7.5x and 6.0x-7.0x for 2017E and 2018E, respectively, Barclays took into consideration the implied 2017E and 2018E EBITDA valuation multiples for each of the selected comparable companies and applied its judgment as to the appropriate reference multiple ranges based on its familiarity with the selected comparable companies and knowledge of the industry in which they operate.

	2017E	2018E
Phillips 66	8.5x	7.9x
Marathon Petroleum Corporation	7.7x	7.4x
Valero Energy Corporation	5.6x	5.4x
HollyFrontier Corporation	7.3x	6.8x
PBF Energy Inc.	5.8x	5.3x
Median	**7.3x**	**6.8x**
Mean	**7.0x**	**6.6x**

The results of the selected comparable company analysis are summarized below.

	Comparable Company Enterprise Value Multiple of EBITDA Reference Range:		Company Enterprise Value Multiple of EBITDA	
Year	Low	High	Western Refining	Tesoro
2017E	6.5x	7.5x	7.2x	6.5x
2018E	6.0x	7.0x	6.1x	6.4x

To calculate an implied enterprise value range for Western Refining, Barclays multiplied (a) the low and high multiples of the comparable company enterprise value multiple of EBITDA reference range and (b) the FactSet consensus estimates of 2017 and 2018 EBITDA for Western Refining. An implied equity value range for Western Refining was calculated by subtracting the total projected consolidated debt of Western Refining at December 31, 2016 (as reflected in the Western Refining unaudited forecasted financial information) from the implied enterprise value range, adding the total projected consolidated cash of Western Refining at December 31, 2016 (as reflected in the Western Refining unaudited forecasted financial information) and subtracting the market value as of November 11, 2016 of MLP limited partner units not held by Western Refining. The implied Western Refining equity value range so derived was then converted to an implied Western Refining equity value per share reference range using the then current fully diluted share count provided by Western Refining management. The

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results of this analysis implied an equity value per share reference range for shares of Western Refining common stock of $24.75 to $36.25.

To calculate an implied enterprise value range for Tesoro, Barclays multiplied (a) the low and high multiples of the comparable company enterprise value multiple of EBITDA reference range and (b) the FactSet consensus estimates of 2017 and 2018 EBITDA for Tesoro. An implied equity value range for Tesoro was calculated by subtracting the total expected consolidated debt of Tesoro at December 31, 2016 (as reflected in the Tesoro extended unaudited forecasted financial information) from the implied enterprise value range, adding the total expected consolidated cash of Tesoro at December 31, 2016 (as reflected in the Tesoro extended unaudited forecasted financial information) and subtracting the market value as of November 11, 2016 of TLLP limited partner units not held by Tesoro. The implied Tesoro equity value range so derived was then converted to an implied Tesoro equity value per share reference range using the then current fully diluted share count provided by Tesoro management (as approved by Western Refining management for Barclays' use in its analysis). The results of this analysis implied an equity value per share reference range for shares of Tesoro common stock of $72.75 to $103.00.

Sum of Parts Analysis

With respect to Western Refining, Barclays performed a sum of parts analysis by performing separate, market-based valuations of Western Refining's: (i) refining business (net of corporate and other expenses), (ii) retail business, (iii) midstream business (excluding its general partner and limited partner interests in MLP), (iv) general partner interests in MLP and (v) limited partner interests in MLP. Barclays calculated the sum of the implied refining value range, implied midstream value range, implied retail value range and implied MLP value range, using the following methodologies:

(i) Refining: 2017 and 2018 enterprise value to EBITDA multiples for eight selected C-corporation refining comparables using FactSet consensus estimates. In addition to the five companies considered in the selected comparable company analysis, the following companies were considered:

- Delek US Holdings, Inc.
- Alon USA Energy, Inc.
- Tesoro

Multiples were applied to by Western Refining's 2017 and 2018 estimated refining EBITDA, net of corporate and other expenses (as reflected in the Western Refining unaudited forecasted financial information).

(ii) Retail: 2017 enterprise value to EBITDA multiples for four selected public retail comparables using FactSet consensus estimates. Multiples were applied to Western Refining's 2017 estimated retail EBITDA (as reflected in the Western Refining unaudited forecasted financial information). The following companies were considered:

- Alimentation Couche-Tard Inc.
- Casey's General Stores, Inc.
- CST Brands, Inc.
- Murphy USA Inc.

(iii) Midstream: One-year forward EBITDA multiples for 44 selected logistics dropdown transactions since 2015 obtained from public filings, public news sources and public third-party equity research. Multiples were applied to Western Refining's 2017 estimated midstream EBITDA (excluding expected contributions from Western Refining's general partner and limited partner interests in MLP) (as reflected in the Western Refining unaudited forecasted financial information).

(iv) General Partner MLP Interests: 2017 and 2018 estimated Distributed Cash Flow multiples for nine selected public general partner holding company comparables using public third-party equity research

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estimates. Multiples were applied to 2017 and 2018 estimated general partner distributions to Western Refining from MLP (as reflected in the Western Refining unaudited forecasted financial information). The following companies were considered:

- Alliance Holdings GP, L.P.
- Energy Transfer Equity, L.P.
- EnLink Midstream, LLC
- EQT GP Holdings, LP
- Nustar GP Holdings, LLC
- ONEOK, Inc.
- Tallgrass Energy GP, LP
- Western Gas Equity Partners, LP
- The Williams Companies, Inc.

(v) Limited Partner MLP Interests: Market value as of November 11, 2016 of MLP limited partner units held by Western Refining.

The sum of the refining, retail, midstream, general partner MLP interests and limited partner MLP interests value ranges implied a consolidated enterprise value range for Western Refining as a whole, excluding the value of Western Refining's non-controlling interests in MLP. The following adjustments were made to this implied Western Refining enterprise value range in order to derive an implied Western Refining equity value range: (i) the subtraction of the total expected debt of Western Refining at December 31, 2016, excluding debt of MLP and as reflected in the Western Refining unaudited forecasted financial information and (ii) the addition of expected cash of Western Refining at December 31, 2016, excluding cash of MLP and as reflected in the Western Refining unaudited forecasted financial information. The implied Western Refining equity value range so derived was then converted to an implied Western Refining equity value per share reference range using the then current fully diluted share count provided by Western Refining management. The results of this analysis implied a per share reference value range for shares of Western Refining common stock of $26.00 to $35.00.

With respect to Tesoro, Barclays performed a sum of parts analysis by performing separate, market-based valuations of Tesoro's: (i) refining business (net of corporate and other expenses), (ii) retail business, (iii) general partner interests in TLLP and (iv) limited partner interests in TLLP. Barclays calculated the sum of the implied refining value range, implied midstream value range, implied retail value range and implied TLLP value range, using the following methodologies:

(i) Refining: 2017 and 2018 enterprise value to EBITDA multiples for eight selected C-corporation refining comparables using FactSet consensus estimates. In addition to the five companies considered in the selected comparable company analysis, the following companies were considered:

- Delek US Holdings, Inc.
- Alon USA Energy, Inc.
- Western Refining

Multiples were applied to Tesoro's 2017 and 2018 estimated refining EBITDA, net of corporate and other expenses, using the Tesoro adjusted unaudited forecasted financial information.

(ii) Retail: 2017 enterprise value to EBITDA multiples for four selected public retail comparables using FactSet consensus estimates. Multiples were applied to Tesoro's 2017 estimated retail EBITDA, using the Tesoro adjusted unaudited forecasted financial information. The following companies were considered:

- Alimentation Couche-Tard Inc.

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- Casey's General Stores, Inc.
- CST Brands, Inc.
- Murphy USA Inc.

(iii) General Partner MLP Interests: 2017 and 2018 estimated Distributed Cash Flow multiples for nine selected public general partner holding company comparables using public third-party equity research estimates. Multiples were applied to 2017 and 2018 estimated general partner distributions from TLLP, using the Tesoro adjusted unaudited forecasted financial information. The following companies were considered:

- Alliance Holdings GP, L.P.
- Energy Transfer Equity, L.P.
- EnLink Midstream, LLC
- EQT GP Holdings, LP
- Nustar GP Holdings, LLC
- ONEOK, Inc.
- Tallgrass Energy GP, LP
- Western Gas Equity Partners, LP
- The Williams Companies, Inc.

(iv) Limited Partner MLP Interests: Market value as of November 11, 2016 of TLLP limited partner units held by Tesoro, as of November 11, 2016.

The sum of the refining, retail, general partner MLP interests and limited partner MLP interests value ranges implied a consolidated enterprise value range for Tesoro as a whole, excluding the value of Tesoro's non-controlling interests in TLLP. The following adjustments were made to this implied Tesoro enterprise value range in order to derive an implied Tesoro equity value range: (i) the subtraction of the total expected debt of Tesoro at December 31, 2016, excluding debt of TLLP and as reflected in the Tesoro extended unaudited forecasted financial information and (ii) the addition of expected cash of Tesoro at December 31, 2016, excluding cash of TLLP and as reflected in the Tesoro extended unaudited forecasted financial information. The implied Tesoro equity value range so derived was then converted to an implied Tesoro equity value per share reference range using the then current fully diluted share count provided by Tesoro management (as approved by Western Refining management for Barclays' use in its analysis). The results of this analysis implied a per share reference value range for shares of Tesoro common stock of $119.00 to $146.50.

Barclays derived comparable company reference multiple ranges for its valuations of Western Refining and Tesoro using the following methodologies:

(i) Refining: Barclays derived refining reference valuation multiple ranges by analyzing and reviewing projected EBITDA valuation multiples for C-corporation refining companies below for 2017E and 2018E, which were selected by Barclays using its industry knowledge and best judgment. In performing its analysis, Barclays noted the 2017E median and mean implied multiples of 7.1x and 6.8x, respectively and the 2018E median and mean implied multiples of 6.1x and 6.2x, respectively. In deriving the 2017E and 2018E reference multiple ranges of 5.0x-6.0x and 4.5x-5.5x for 2017E and 2018E, respectively, Barclays took into consideration the implied 2017E and 2018E EBITDA valuation multiples for each of the selected comparable companies and applied its judgment as to the appropriate reference multiple ranges based on its familiarity with the selected comparable companies and knowledge of the industry in which they operate. Barclays finalized the reference multiple ranges with

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particular emphasis on the trading multiples for C-corporation refining companies that derive a greater percentage of total EBITDA from their refining segments.

	2017E	2018E
Phillips 66	8.5x	7.9x
Marathon Petroleum Corporation	7.7x	7.4x
Valero Energy Corporation	5.6x	5.4x
HollyFrontier Corporation	7.3x	6.8x
PBF Energy Inc.	5.8x	5.3x
Delek US Holdings, Inc.	7.1x	6.1x
Alon USA Energy, Inc.	5.8x	4.8x
Tesoro	6.5x	6.4x
Western Refining	7.2x	6.1x
Median	7.1x	6.1x
Mean	6.8x	6.2x

(ii) Retail: Barclays derived retail reference valuation multiple ranges by analyzing and reviewing the projected EBITDA valuation multiples for the four public retail comparables below for 2017E, which were selected by Barclays using its industry knowledge and best judgment. In performing its analysis, Barclays noted the 2017E median implied multiple of 8.1x. In deriving the 2017E reference multiple range of 7.0x-8.5x, Barclays took into consideration the implied 2017E EBITDA valuation multiples for each of the selected comparable companies and applied its judgment as to the appropriate reference multiple range based on its familiarity with the selected comparable companies and knowledge of the industry in which they operate.

	2017E
Alimentation Couche-Tard Inc.	8.5x
Casey’s General Stores, Inc.	7.7x
CST Brands, Inc.	9.9x
Murphy USA Inc.	6.4x
Median	8.1x

(i) Midstream: Barclays derived the midstream reference valuation multiple range by analyzing and reviewing the projected EBITDA purchase price multiples for 44 logistics drop down transactions, which were selected by Barclays using its industry knowledge and best judgment. In performing its analysis, Barclays noted the 2017E median and mean implied multiples of 8.7x and 8.6x, respectively. In deriving the 2017E reference multiple range of 8.0x-10.0x, Barclays took into consideration the implied 2017E EBITDA purchase price multiples for the 40 transactions with publicly available EBITDA data and applied its judgment as to the appropriate reference multiple range based on its familiarity with the selected logistics drop down transactions and knowledge of the industry in which they occurred.

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(ii) General Partner MLP Interests: Barclays derived general partner MLP interests reference valuation multiple ranges by analyzing and reviewing the projected distributed cash flow valuation multiples for the nine public general partner holding company comparables below for 2017E and 2018E, which were selected by Barclays using its industry knowledge and best judgment. In performing its analysis, Barclays noted the 2017E median implied multiple of 20.3x and the 2018E median implied multiple of 15.7x. In deriving the 2017E and 2018E reference multiple ranges of 17.5x-22.5x and 12.5x-17.5x for 2017E and 2018E, respectively, Barclays took into consideration the implied 2017E and 2018E distributed cash flow valuation multiples for each of the selected comparable companies and applied its judgment as to the appropriate reference multiple ranges based on its familiarity with the selected comparable companies and knowledge of the industry in which they operate.

	2017E	2018E
Alliance Holdings GP, L.P.	11.1x	11.1x
Energy Transfer Equity, L.P.	12.8x	12.0x
EnLink Midstream, LLC	39.6x	39.5x
EQT GP Holdings, LP	30.7x	21.1x
Nustar GP Holdings, LLC	12.5x	11.5x
ONEOK, Inc.	22.2x	20.4x
Tallgrass Energy GP, LP	20.3x	13.8x
Western Gas Equity Partners, LP	26.6x	19.8x
The Williams Companies, Inc.	15.6x	15.7x
Median	20.3x	15.7x

The multiples used in the sum of parts analysis for both Western Refining and Tesoro are summarized below.

		Reference Multiple Range	
	Metric	Low	High
Refining (net of corporate and other expenses)	2017E EBITDA	5.0x	6.0x
	2018E EBITDA	4.5x	5.5x
Retail	2017E EBITDA	7.0x	8.5x
Midstream (excluding general and limited partner interests in MLP)	2017E EBITDA	8.0x	10.0x
General Partner MLP Interests	2017E Distributed Cash Flow	17.5x	22.5x
	2018E Distributed Cash Flow	12.5x	17.5x

Selected Precedent Transactions Analysis

Barclays conducted an analysis of selected precedent transactions for both Western Refining and Tesoro. In conducting its analysis, Barclays reviewed and compared selected corporate transactions that it, based on its experience in the industry, experience with merger and acquisition transactions and judgment as a financial advisor, deemed relevant based on a number of factors including the similarity of the companies in the selected precedent transactions to Western Refining and Tesoro with respect to the size, operational profile and other business characteristics.

The reasons for, and the circumstances surrounding, each of the selected precedent transactions analyzed were diverse, and there are inherent differences in the business, operations, financial conditions and prospects of Western Refining, Tesoro and the companies included in the selected precedent transactions analysis. Accordingly, Barclays believed that a purely quantitative selected precedent transactions analysis would not be particularly meaningful in the context of considering the merger. Barclays therefore made qualitative judgments concerning differences between the characteristics of the selected precedent transactions and the merger.

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The following table sets forth the corporate transactions that Barclays in its professional judgment deemed generally relevant for comparative purposes and the results of its analysis:

Announcement Date	Acquiror	Target
September 23, 1996	Ultramar Corp.	Diamond Shamrock Inc.
February 4, 2001	Phillips Petroleum Co.	Tosco Corp.
May 7, 2001	Valero Energy Corp.	Ultramar Diamond Shamrock Corp.
April 25, 2005	Valero Energy Corp.	Premcor Inc.
April 28, 2005	Marathon Oil Corporation	Marathon Ashland Petroleum LLC
August 28, 2006	Western Refining, Inc.	Giant Industries, Inc.
February 22, 2011	Holly Corporation	Frontier Oil Corporation
April 30, 2012	Energy Transfer Partners, L.P.	Sunoco Logistics Partners L.P.
November 12, 2013	Western Refining, Inc.	Northern Tier Energy LP (referred to as NTI) (Western Refining's purchase of a 38.7% limited partner interest in and, the general partner of, NTI)
December 21, 2015	Western Refining, Inc.	NTI (Western Refining's purchase of the remaining limited partner interest in NTI)

For each of the above transactions, based on information Barclays obtained on or before November 11, 2016 from public filings, public news sources and public third-party equity research, Barclays reviewed and compared the one and two-year forward enterprise value multiples of EBITDA implied by the publicly available financial terms of each of the selected precedent transactions in order to derive implied one and two-year forward enterprise value multiple of EBITDA reference ranges. The results of the selected precedent transactions analysis are summarized below.

	Precedent Transaction Enterprise Value Multiple of EBITDA Reference Range:	
Year	Low	High
One-Year Forward	5.5x	6.5x
Two-Years Forward	5.5x	6.5x

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Barclays derived comparable transaction reference valuation multiple ranges by analyzing and reviewing the one-year forward and two-year forward projected EBITDA purchase price multiples for the ten precedent transactions below, which were selected by Barclays using its industry knowledge and best judgment. In performing its analysis of the selected precedent transactions, Barclays noted the one-year forward median implied multiple of 6.1x and the two-year forward median implied multiple of 6.1x. In deriving the 2017E and 2018E reference multiple ranges of 5.5x-6.5x and 5.5-6.5x, respectively, Barclays took into consideration the implied one-year forward and two-year forward EBITDA purchase price multiples for each of the selected precedent transactions and applied its judgment as to the appropriate reference multiple ranges based on its familiarity with the selected precedent transactions and knowledge of the industry in which they occurred.

(acquiror/target)	One-Year Forward	Two-Year Forward
Ultramar Corp. / Diamond Shamrock Inc.	7.4x	6.1x
Phillips Petroleum Co. / Tosco Corp.	6.3x	6.9x
Valero Energy Corp. / Ultramar Diamond Shamrock Corp.	5.4x	6.2x
Valero Energy Corp. / Premcor Inc.	6.8x	6.0x
Marathon Oil Corporation / Marathon Ashland Petroleum LLC	5.2x	4.9x
Western Refining, Inc. / Giant Industries, Inc.	5.9x	5.4x
Holly Corporation / Frontier Oil Corporation	6.8x	8.6x
Energy Transfer Partners, L.P. / Sunoco Logistics Partners L.P.	10.7x	10.6x
Western Refining, Inc. / NTI (Western Refining's purchase of a 38.7% limited partner interest in and, the general partner of, NTI)	5.8x	4.7x
Western Refining, Inc. / NTI (Western Refining's purchase of the remaining limited partner interest in NTI)	5.5x	5.1x
Median	**6.1x**	**6.1x**

Barclays derived implied enterprise value ranges for Western Refining based on the product of (a) the low and high multiples of the one and two-year forward Precedent Transaction Enterprise Value Multiple of EBITDA Reference Range (see above), and (b) 2017 and 2018 estimates of EBITDA for Western Refining based on the Western Refining unaudited forecasted financial information. An implied equity value range for Western Refining was derived by subtracting the total projected consolidated debt of Western Refining at December 31, 2016 (as reflected in the Western Refining unaudited forecasted financial information) from the implied enterprise value ranges, adding the total projected consolidated cash of Western Refining at December 31, 2016 (as reflected in the Western Refining unaudited forecasted financial information) and subtracting the market value as of November 11, 2016 of MLP limited partner units not held by Western Refining. The implied Western Refining equity value range so derived was then converted to an implied Western Refining equity value per share reference range using the then current fully diluted share count provided by Western Refining management.

The results of this analysis implied an equity value per share reference range for shares of Western Refining common stock of $18.75 to $34.00.

Barclays derived implied enterprise value ranges for Tesoro based on the product of (a) the low and high multiples of the one and two-year forward Precedent Transaction Enterprise Value Multiple of EBITDA Reference Range (see above), and (b) 2017 and 2018 estimates of EBITDA for Tesoro based on the Tesoro adjusted unaudited forecasted financial information. An implied equity value range for Tesoro was calculated by subtracting the total expected consolidated debt of Tesoro at December 31, 2016 (as reflected in the Tesoro extended unaudited forecasted financial information) from the implied enterprise value ranges, adding the total expected consolidated cash of Tesoro at December 31, 2016 (as reflected in the Tesoro extended unaudited forecasted financial information) and subtracting the market value as of November 11, 2016 of TLLP limited partner units not held by Tesoro. The implied Tesoro equity value range so derived was then converted to an implied Tesoro equity value per share reference range using the then current fully diluted share count provided by Tesoro management (as approved by Western Refining management for Barclays' use in its analysis).

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The results of this analysis implied an equity value per share reference range for shares of Tesoro common stock of $62.00 to $97.75.

Synergies Analysis

In order to value the synergies expected to be achievable by Tesoro and Western Refining on a combined basis, pro forma for the merger, Barclays analyzed estimated pre-tax synergies, as well as the expected cost to achieve those synergies, both as provided by Tesoro management and confirmed as reasonable by Western Refining management. Based on the guidance from Tesoro management (confirmed as reasonable by Western Refining management), synergies were assumed to reach a "run-rate" by 2019. Annual pre-tax synergies and the cost to achieve, as provided by Tesoro and approved by Western Refining management for Barclays' use in its analysis, are summarized below.

($ in millions)	Annual Pre-Tax Synergies	Cost to Achieve
2017E	$ 140	$ 8
2018E	$ 300	$ 62
2019E	$ 350	$ 8
Thereafter	$ 350	—

Barclays utilized a DCF methodology to derive an implied after-tax valuation range for the synergies, employing marginal tax rate assumptions consistent with guidance provided by Tesoro and confirmed as reasonable by Western Refining. A 1% perpetuity growth rate was utilized to derive a terminal value for the expected synergies beyond 2019. The after-tax synergies, costs of achieving the synergies, and terminal value were discounted back to an assumed January 1, 2017 transaction closing date using an 8.0% to 10.0% discount rate range, based on both the Western Refining and Tesoro WACC analyses performed by Barclays in connection with the aforementioned Western Refining and Tesoro DCF analyses. The implied after-tax valuation range for the synergies was divided by an estimate of the fully diluted share count of Tesoro, pro forma for the merger, to derive an implied synergy value per share reference range. The estimated pro forma fully diluted Tesoro share count employed in this analysis was based on the then current Tesoro fully diluted share count (as provided by Tesoro and approved by Western Refining management for Barclays' use in its analysis), the then current Western Refining fully diluted share count (as provided by Western Refining), and the exchange ratio, illustratively assuming all holders of Western Refining common stock elect to receive the per share merger consideration in the form of Tesoro common stock. The results of this analysis implied a synergy value per share reference range of $13.00-$16.75, relative to a share of Tesoro common stock.

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Exchange Ratio Analysis

Barclays also reviewed the exchange ratio reference ranges implied by the Western Refining and Tesoro equity value per share reference ranges calculated in the analyses set forth above in this section (i.e., the "Discounted Cash Flow Analysis Based on Management Projections," "Discounted Cash Flow Analysis Based on Equity Analyst Estimates," "Selected Comparable Company Analysis," "Sum of Parts Analysis" and "Selected Precedent Transactions Analysis"). Barclays compared these implied exchange ratio reference ranges with the exchange ratio. Barclays also considered its analysis of the synergies in the exchange ratio analysis. Implied exchange ratio reference ranges were evaluated both without synergies and including synergies. The implied exchange ratio reference ranges are summarized below.

	Without Synergies		Including Synergies	
	Low	High	Low	High
DCF Analysis (Western Refining unaudited forecasted financial information; Tesoro adjusted unaudited forecasted financial information)	0.3566x	0.5863x	0.3056x	0.5014x
DCF Analysis (Western Refining unaudited forecasted financial information; Tesoro extended unaudited forecasted financial information)	0.3164x	0.5143x	0.2755x	0.4478x
Analyst-Based DCF	0.2481x	0.4232x	0.2115x	0.3594x
Selected Comparable Company Analysis	0.2403x	0.5017x	0.2067x	0.4252x
Sum of Parts Analysis	0.1775x	0.2941x	0.1593x	0.2652x
Selected Comparable Transactions Analysis	0.1918x	0.5484x	0.1638x	0.4533x

Barclays noted that the exchange ratio is either above or within all of the implied exchange ratio reference ranges implied by Barclays' aforementioned analyses, as summarized in the table above.

Equity Analyst Target Prices Analysis

Barclays reviewed the price targets published by 10 and 13 equity research analysts (as of November 15, 2016) covering Western Refining and Tesoro, respectively. The per share price target range for Western Refining was $22.00 to $35.00 with a median of $29.00, and the per share price target range for Tesoro was $84.00 to $120.00 with a median of $100.00. Equity analyst target prices were used for informational purposes only and were not included in the exchange ratio analysis.

52-Week Share Price Trading Ranges

Barclays reviewed the 52-week high and low intraday share prices for Western Refining and Tesoro, as of November 16, 2016. Western Refining's 52-week low was $18.14; its 52-week high was $46.65. Tesoro's 52-week low was $67.80; its 52-week high was $119.67. 52-week trading ranges were used for informational purposes only and were not included in the exchange ratio analysis.

Other Factors

Barclays observed certain additional factors, including, among other things, the following:

- In order to assess the premium offered to the holders of Western Refining common stock in the merger relative to the premiums offered to stockholders in other transactions, Barclays reviewed the data sourced from FactSet with respect to premiums paid in 232 U.S. corporate transactions, which are referred to as all deals, with implied target company transaction enterprise valuations greater than $4.0 billion since 2010. Of the 232 precedent corporate transactions reviewed, 37 were transactions in which target company stockholders received 100% stock consideration and 80 were transactions in which target company stockholders received stock consideration greater than or equal to 50% of the total consideration received. For each transaction, Barclays analyzed the implied per share premium paid by the acquiror by comparing the announced transaction value per share to the target company's

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historical share price during the following periods: (i) one trading day prior to announcement, (ii) five trading days prior to announcement, (iii) 30 trading days prior to announcement and (iv) the highest closing share price during the 52-week period leading up to announcement of the transaction. The results of Barclays' analysis of premiums paid in precedent transactions are summarized below.

Premiums on All Deals (232 Transactions)

	1-Day Premium	5-Day Premium	30-Day Premium	52-Week High
Median	20.2%	24.6%	29.4%	9.2%
Mean	26.5%	29.0%	33.0%	13.4%*
High	216.8%	211.5%	282.1%	1,150.0%*
Low	(13.4%)	(25.5%)	(30.5%)	(65.5%)

* See discussion below regarding the subsequent correction of this number.

Premiums on All-Stock Deals (37 Transactions)

	1-Day Premium	5-Day Premium	30-Day Premium	52-Week High
Median	11.6%	12.9%	11.2%	(6.0%)
Mean	12.2%	13.9%	17.1%	(9.7%)
High	44.6%	43.1%	55.6%	18.1%
Low	(7.6%)	(10.4%)	(6.7%)	(65.5%)

Premiums on Deals ≥ 50% Stock (80 Transactions)

	1-Day Premium	5-Day Premium	30-Day Premium	52-Week High
Median	19.7%	24.1%	28.9%	7.9%
Mean	17.8%	19.8%	22.2%	0.7%
High	216.8%	211.5%	225.3%	203.1%
Low	(13.4%)	(25.5%)	(30.5%)	(65.5%)

The exchange ratio implied a 22.3% premium to the Western Refining share price as of the close of business on November 16, 2016, and a 31.4% premium to the Western Refining share price as of the close of business 30 trading days prior to November 16, 2016. Barclays noted that these premiums were both higher than the median statistics analyzed above. Subsequent to providing the Western Refining board of directors with its analysis of premiums paid in precedent transactions, Barclays corrected the 52-Week High mean (from 13.4% to 8.4%) and high (from 1,150.0% to 203.1%) for all deals due to a technical error that was identified in the third-party data Barclays relied upon in its calculations. The corrections are not material to Barclays' analysis and were communicated to Barclays' Valuation and Fairness Opinion Committee and the Western Refining board of directors.

- To illustrate the trend in the historical trading prices of Western Refining common stock, Barclays considered historical data with regard to the trading prices of Western Refining common stock for the period from November 16, 2013 to November 16, 2016 and compared such data with the relative stock price performances during the same periods of Tesoro, large-cap peers, mid-cap peers and the S&P 500.

Mid-cap peers are:

(i) HollyFrontier Corporation

(ii) PBF Energy Inc.

Large-cap peers are:

(i) Phillips 66

(ii) Marathon Petroleum Corporation

(iii) Valero Energy Corporation

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The results of Barclays' relative share price performance analysis are summarized below.

% Change (11/16/2016)	Western Refining	Tesoro	Large-Cap Peers	Mid-Cap Peers	S&P 500
Last 3 Years	(21%)	57%	26%	(33%)	21%
Last 2 Years	(26%)	19%	13%	(28%)	7%
Last 12 Months	(31%)	(24%)	(12%)	(38%)	6%
Last 6 Months	39%	10%	12%	(3%)	5%
Last 90 Days	28%	11%	9%	5%	0%
Last 30 Days	12%	5%	8%	21%	2%

- Barclays evaluated the per share premium (or discount) implied by both Western Refining's closing share price as of November 16, 2016 and the per share merger consideration relative to Western Refining's 52-week high price per share, six-month high price per share and six-month volume weighted average price per share as well as to the median of public third-party equity research per share target prices (all as of November 16, 2016) and compared the various implied premiums to comparable statistics evaluated for each of Tesoro, the mid-cap peer median and the large-cap peer median, using the same mid-cap and large-cap peer groups as were used in the historical trading price analysis. The results of Barclays' analysis are summarized below.

	Western Refining				
Implied Price per Share % Premium / (Discount) to:	11/16/2016	Merger Consideration	Tesoro 11/16/2016	Mid-Cap Peers 11/16/2016	Large-Cap Peers 11/16/2016
52-Week High	(35%)	(20%)	(28%)	(42%)	(14%)
6-Month High	(1%)	21%	(3%)	(9%)	(1%)
Median Analyst Target Price	5%	29%	(14%)	(6%)	(2%)
VWAP (last 6 months)	28%	57%	10%	10%	11%

- Barclays reviewed and analyzed the relative contributions of Western Refining and Tesoro to the combined company, pro forma for the merger (excluding the expected impact of the expected synergies), based on a number of operational and financial metrics including refining capacity, EBITDA, net income, and cash flow from operations. With respect to the financial contribution metrics analyzed, Barclays evaluated both (a) 2016-2018 forecasts based on public third-party equity research estimates and FactSet consensus estimates for each of Western Refining and Tesoro, and (b) 2017-2018 forecasts based on the Western Refining unaudited forecasted financial information and the Tesoro adjusted unaudited forecasted financial information. Across all of the various metrics analyzed, Western Refining was estimated to contribute between 21% and 26% of the combined company total, whereas Tesoro was estimated to contribute between 74% and 79% of the combined company total. Barclays calculated the assumed pro forma ownership of the combined company under two different scenarios: (i) a scenario where 100% of Western Refining stockholders elect to receive stock consideration, and (ii) a scenario where the maximum amount of Western Refining stockholders elect to receive cash consideration (10% of Western Refining stockholders). Barclays noted that the combined company, considering the 100% stock elections scenario, would be approximately 28.7% owned by Western Refining stockholders and approximately 71.3% owned by Tesoro stockholders. The combined company, considering the 10% cash elections scenario would be approximately 26.6% owned by Western Refining stockholders and approximately 73.4% owned by Tesoro stockholders. The pro forma ownership analysis considered Western Refining and Tesoro share prices and total shares outstanding as of November 16, 2016.

- Barclays performed a pro forma merger consequences analysis to evaluate the implied per share impact of the transaction on both Western Refining and Tesoro common stockholders. The merger consequences analysis evaluated accretion and/or dilution to Western Refining and Tesoro stockholders on an EPS and CFPS basis, for both 2017 and 2018. For purposes of the pro forma merger consequences analysis, the impact to CFPS was evaluated net of distributions expected to be paid to

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third-party limited partner unitholders of MLP and TLLP in order to isolate the impact on per share cash flows available to common stockholders of Western Refining and Tesoro. The pro forma merger consequences analysis was conducted using three estimates scenarios:

(i) Western Refining: Western Refining unaudited forecasted financial information; Tesoro: Tesoro adjusted unaudited forecasted financial information

(ii) Western Refining: Western Refining unaudited forecasted financial information; Tesoro: Tesoro extended unaudited forecasted financial information

(iii) Western Refining: FactSet consensus; Tesoro: FactSet consensus

All three scenarios considered $140 million and $300 million of pre-tax synergies in 2017 and 2018, respectively, as provided by Tesoro management and confirmed as reasonable by Western Refining management. The analysis evaluated both a 100% stock consideration structure and a 90% stock / 10% cash consideration structure in order to address the range of potential consideration mix alternatives implied by the cash/stock election structure contemplated by the merger agreement. Barclays' analysis of the per share impact to Western Refining stockholders was considered from the perspective of a Western stockholder electing to receive the per share merger consideration entirely in the form of Tesoro common stock. The results of Barclays' pro forma merger consequences analysis are summarized below.

		Western Refining unaudited forecasted financial information / Tesoro adjusted unaudited forecasted financial information		Western Refining unaudited forecasted financial information / Tesoro extended unaudited forecasted financial information		FactSet consensus / FactSet consensus	
		100% Stock	90% Stock / 10% Cash	100% Stock	90% Stock / 10% Cash	100% Stock	90% Stock / 10% Cash
Pro Forma Impact to Tesoro	**2017E EPS**	0.0%	3.1%	(4.1%)	(1.1%)	(2.7%)	0.3%
	2018E EPS	11.7%	15.2%	5.7%	9.0%	8.2%	11.5%
	2017E CFPS	3.7%	6.8%	1.2%	4.3%	(0.5%)	2.5%
	2018E CFPS	13.3%	16.9%	10.3%	13.7%	4.5%	7.7%
Pro Forma Impact to Western Refining	**2017E EPS**	53.5%	58.1%	71.4%	76.6%	40.4%	44.7%
	2018E EPS	49.6%	54.3%	66.7%	71.9%	27.4%	31.3%
	2017E CFPS	15.8%	19.4%	21.8%	25.5%	36.5%	40.7%
	2018E CFPS	14.0%	17.5%	19.3%	23.0%	25.0%	28.8%

General

Barclays is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. The board of directors of Western Refining selected Barclays because of its familiarity with Western Refining and Tesoro, and its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally, as well as substantial experience in transactions comparable to the merger.

Barclays is acting as the exclusive financial advisor to Western Refining in connection with the merger. As compensation for its services in connection with the merger, Western Refining paid Barclays $2.5 million in connection with the delivery of Barclays' opinion, which is referred to as the opinion fee. Additionally, Western Refining will pay Barclays a fee in the amount of 0.50% of the value of the aggregate stock consideration and aggregate cash consideration actually delivered to the holders of shares of Western Refining common stock (other than excluded shares) (such amount determined at closing and estimated to be approximately $28.2 million based on the closing price of Tesoro common stock on November 16, 2016, the last full trading day prior to the

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public announcement of the merger agreement) upon completion of the merger, which amount will be reduced by the amount of the opinion fee. In the event the merger agreement is terminated in circumstances in which the reverse termination fee is payable by Tesoro (as described in the section entitled "*The Merger Agreement—Termination Fees Payable by Tesoro*" beginning on page 166), Western Refining will pay Barclays a fee equal to the lesser of (i) 35% of such reverse termination fee and (ii) 50% of the amount that would otherwise have been paid to Barclays if the merger had been consummated in accordance with the terms of the merger agreement, which payable amount will be reduced by the amount of the opinion fee. In addition, Western Refining has agreed to reimburse Barclays for all of its reasonable and documented out-of-pocket third-party expenses incurred in connection with the merger (subject to an agreed cap) and to indemnify Barclays for certain liabilities that may arise out of its engagement by Western Refining and the rendering of Barclays' opinion. Barclays has performed various investment banking and financial services for Western Refining, Tesoro and their respective affiliates in the past, and is likely to perform such services in the future, and has received, and is likely to receive, customary fees for such services. Specifically, since January 1, 2014, Barclays has performed the following investment banking and financial services for Western Refining:

- acting as lender in Western Refining's revolving credit facilities;
- acting as lender and incremental lender in the revolving credit facilities of MLP;
- acting as underwriter and joint book-running manager to the offering by MLP of 8,625,000 limited partner units in September 2016;
- acting as sole underwriter to the offering by MLP of 4,312,500 limited partner units in May 2016; and
- acting as an initial purchaser for the offering by MLP of $300,000,000 aggregate principal amount of 7.5% senior notes due 2023 in February 2015.

For the foregoing services, Barclays has received a total of approximately $3.4 million in compensation from Western Refining.

Additionally, since January 1, 2014, Barclays has performed the following investment banking and financial services for Tesoro:

- acting as joint lead arranger and joint bookrunner in Tesoro's revolving credit facility;
- acting as co-syndication agent, joint lead arranger and joint bookrunner of the revolving credit facility of TLLP;
- acting as sole underwriter for TLLP's offering of an aggregate of 6,325,000 of its limited partner units in June 2016;
- acting as joint book-running managers and underwriters of TLLP's offering of $250 million aggregate principal amount of 6.125% senior notes due 2021 and $450 million aggregate principal amount of 6.375% senior notes due 2024 in May 2016;
- acting as a manager to an equity distribution agreement executed in August 2015 with TLLP pursuant to which TLLP is permitted to offer and sell common units having an aggregate offering price of up to $750,000,000 from time to time;
- acting as underwriter and joint bookrunner for TLLP's offering of an aggregate of 23,000,000 of its limited partner units in October 2014; and
- acting as joint book-running manager and underwriter of TLLP's offering of $500 million aggregate principal amount of 5.500% senior notes due 2019 and $800 million aggregate principal amount of 6.250% senior notes due 2022 in October 2014.

For the foregoing services, Barclays has received a total of approximately $9.7 million in compensation from Tesoro.

Following the public announcement of the merger, Barclays was invited to participate in a $1.0 billion increase, which is referred to for purposes of this paragraph as the incremental revolver, to Tesoro's existing $2.0

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billion secured revolving credit facility. As referenced above, Barclays was a participant in the existing facility and had received customary commitment fees in connection with the facility. After being informed of the invitation to participate in the incremental revolver, Barclays advised Western Refining and Tesoro that Barclays did not intend to participate in the absence of the consent of Western Refining and the Western Refining board of directors. After consultation with outside counsel, Western Refining and the Western Refining board of directors provided such consent, and Barclays participated in the incremental revolver. Barclays is expected to earn customary commitment fees in connection with the incremental revolver, which are estimated to be an amount equal to or less than $175,000. Barclays has not sought to provide, and Barclays will not provide, "stapled" or acquisition financing in connection with the merger.

Barclays, its subsidiaries and its affiliates engage in a wide range of businesses from investment and commercial banking, lending, asset management and other financial and non-financial services. In the ordinary course of its business, Barclays and its affiliates may actively trade and effect transactions in the equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of Western Refining and Tesoro for its own account and for the accounts of its customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments. As of November 16, 2016, Barclays and its affiliates held, on a proprietary basis, less than 1.0% of the outstanding shares of common stock of each of Western Refining, MLP, Tesoro and TLLP, and did not hold a material amount of the outstanding bonds of Western Refining, MLP, Tesoro or TLLP.

Unaudited Forecasted Financial Information

Tesoro prepared unaudited forecasted financial information for the years 2016 through 2019 for Tesoro on a stand-alone basis and, using Western Refining unaudited forecasted financial information provided by Western Refining, prepared unaudited forecasted financial information for the years 2016 through 2021 for Western Refining on a standalone basis. Western Refining prepared unaudited forecasted financial information for the years 2017 through 2021 for Western Refining on a standalone basis and, using Tesoro unaudited forecasted financial information provided by Tesoro, prepared unaudited forecasted financial information for the years 2017 through 2021 for Tesoro on a standalone basis. The unaudited forecasted financial information does not give effect to the merger. The unaudited forecasted financial information was prepared separately by each of the companies using, in some cases, different assumptions, and is not intended to be added together. Adding the unaudited forecasted financial information together for the two companies would not represent the results the combined company will achieve if the merger is completed and does not represent forecasted financial information for the combined company if the merger is completed.

Neither Tesoro nor Western Refining, as a matter of course, makes public long-term projections as to future revenues, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, the unaudited forecasted financial information set forth below was made available to the Tesoro board of directors, the Western Refining board of directors, Goldman Sachs and/or Barclays in connection with the evaluation of the merger. The inclusion of this information should not be regarded as an indication that any of Tesoro, Western Refining, Goldman Sachs, Barclays or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results. Readers of this document are cautioned not to place undue reliance on the unaudited forecasted financial information.

The unaudited forecasted financial information was, in general, prepared solely for internal use and is subjective in many respects. As a result, there can be no assurance that the forecasted results will be realized or that actual results will not be significantly higher or lower than estimated. Since the unaudited forecasted financial information covers multiple years, such information by its nature becomes less predictive with each successive year. The estimates and assumptions underlying the unaudited forecasted financial information involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions which may not be realized and that are inherently subject to significant uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of Tesoro and/or Western Refining and will be beyond the control of the combined company. Tesoro stockholders and Western Refining stockholders are urged to review the SEC filings of Tesoro for a description

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of risk factors with respect to the business of Tesoro and the SEC filings of Western Refining for a description of risk factors with respect to the business of Western Refining. See the sections entitled "*Cautionary Statement Regarding Forward-Looking Statements*" and "*Where You Can Find More Information*" beginning on pages 42 and 211, respectively. Tesoro stockholders and Western Refining stockholders are also urged to review the section entitled "*Risk Factors*" beginning on page 44. The unaudited forecasted financial information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or GAAP (including because certain metrics are non-GAAP measures) but, in the view of each of Tesoro's and Western Refining's management, as applicable, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of Tesoro and Western Refining, as applicable. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the unaudited forecasted financial information. Neither of the independent registered public accounting firms of Tesoro or Western Refining nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the unaudited forecasted financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and the independent accounting firms of Tesoro and Western Refining assume no responsibility for, and disclaim any association with, the unaudited forecasted financial information. The report of the independent registered public accounting firm of Tesoro contained in Tesoro's Annual Report on Form 10-K for the year ended December 31, 2015 and the report of the independent registered public accounting firm of Western Refining contained in Western Refining's Current Report on Form 8-K dated December 8, 2016 (and filed on December 9, 2016) both of which are incorporated by reference into this document, relate to the historical financial information of Tesoro and Western Refining, respectively. They do not extend to the unaudited forecasted financial information and should not be read to do so. Furthermore, the unaudited forecasted financial information does not take into account any circumstances or events occurring after the date they were prepared.

NEITHER TESORO NOR WESTERN REFINING INTEND TO UPDATE OR OTHERWISE REVISE THE UNAUDITED FORECASTED FINANCIAL INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH PROSPECTIVE FINANCIAL INFORMATION ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

Unaudited Forecasted Financial Information Prepared by Tesoro

Tesoro. The following table presents select unaudited forecasted financial information of Tesoro for the fiscal years ending 2016 through 2019 prepared by Tesoro's management and provided to the Tesoro board, Goldman Sachs and Western Refining, which is referred to as the Tesoro unaudited forecasted financial information:

	December 31,				CAGR
(in millions, except per share data) **(a)**	**2016E**	**2017E**	**2018E**	**2019E**	**'17E-'19E**
Income Statement Items					
Earnings before interest, income taxes, and depreciation and amortization expenses ("EBITDA") (b)	$2,134	$2,789	$3,080	$3,572	13.2%
Depreciation and amortization expense	$ 857	$ 893	$ 955	$ 998	
Net earnings attributable to Tesoro	$ 558	$ 856	$ 935	$1,186	17.7%
Weighted average diluted shares outstanding	119.4	116.5	114.5	112.6	
Diluted earnings per share	$ 4.68	$ 7.35	$ 8.17	$10.54	19.8%

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(in millions, except per share data) (a)	December 31, 2016E	2017E	2018E	2019E	CAGR '17E-'19E
Cash Flow Items					
Unlevered free cash flow (c)	—	$ 637	$ 980	$1,310	
Cash flow from operations	$ 1,427	$ 1,647	$ 1,757	$1,984	9.8%
Capital expenditures	(915)	(1,231)	(1,001)	(878)	
Acquisitions	(1,114)	—	—	—	
Leveraged free cash flow	(603)	416	756	1,106	63.1%
Dividends	(250)	(267)	(288)	(312)	
Share buybacks	(250)	(200)	(200)	(200)	
Logistics public distributions	(215)	(294)	(353)	(395)	
Cash flow prior to external financing	$(1,317)	$ (345)	$ (86)	$ 199	N/A

(a) Certain totals in the tables included in this joint proxy statement/prospectus may not sum due to rounding.
(b) EBITDA, which is defined as net earnings plus depreciation and amortization expense, interest and financing costs and income tax expense, is a non-GAAP financial measure as it excludes amounts included in net earnings, the most directly comparable measure calculated in accordance with GAAP. This measure should not be considered as an alternative to net earnings or other measures derived in accordance with GAAP.
(c) Unlevered free cash flows is defined as projected EBITDA, minus taxes, minus projected capital expenditures, minus projected expenditures for turnarounds and branding and minus the projected increase in net working capital, each as provided by Tesoro management.

The following table contains a reconciliation to the most directly comparable GAAP measure of non-GAAP financial forecasts of Tesoro for the fiscal years ending 2016 through 2019 included above:

(in millions, except per share data) (a)	December 31, 2016E	2017E	2018E	2019E
Net earnings	$ 696	$1,092	$1,233	$1,534
Depreciation and amortization expense	857	893	955	998
Interest and financing costs, net	253	281	285	286
Income tax expense	328	523	607	754
EBITDA	$2,134	$2,789	$3,080	$3,572
Net earnings	$ 696	$1,092	$1,233	$1,534
Net earnings attributable to noncontrolling interest	138	236	298	348
Net earnings attributable to Tesoro	$ 558	$ 856	$ 935	$1,186

(a) Certain totals in the tables included in this joint proxy statement/prospectus may not sum due to rounding.

The Tesoro unaudited forecasted financial information is based on various assumptions, including the following principal assumptions:

- Refinery utilization was assumed to range between approximately 93% and approximately 97%, between 2017E and 2019E, driven by turnaround and maintenance with flat refining capacity;
- Gross refining margin was assumed to range between approximately $11 and approximately $12 per barrel, between 2017E and 2019E, with manufacturing costs at approximately $5.50 per barrel;
- Branded marketing volumes were assumed to range between 53% and 57% of refined product sales volumes;
- There were assumed to be 75 new branded jobber sites per year, 42 new retail sites per year and 13 new stores that did not previously exist, which are referred to as new-to-industry sites;

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- TLLP volumes growth was assumed to range between approximately 2% and approximately 6% annually, between 2017E and 2019E, depending on the business line; and
- There were assumed to be annual dropdowns of $50 million of EBITDA from Tesoro's refining segment to TLLP each year between and including 2017E and 2019E.

The estimates and assumptions underlying the Tesoro unaudited forecasted financial information are inherently uncertain and, though considered reasonable by the management of Tesoro as of the date of the preparation of such unaudited forecasted financial information, are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the unaudited forecasted financial information, including, among other things, the matters described in the sections entitled "*Cautionary Statement Regarding Forward-Looking Statements*" and "*Risk Factors*" beginning on pages 42 and 44, respectively. Accordingly, there can be no assurance that the forecasted results are indicative of the future performance of Tesoro, or that actual results will not differ materially from those presented in the Tesoro unaudited forecasted financial information. Inclusion of the Tesoro unaudited forecasted financial information in this joint proxy statement/prospectus should not be regarded as a representation by any person that the results contained in the Tesoro unaudited forecasted financial information will be achieved.

The Tesoro unaudited forecasted financial information is not included in this joint proxy statement/prospectus in order to induce any stockholder to vote in favor of any of the proposals at the Tesoro special meeting or the Western Refining special meeting or to acquire securities of Tesoro.

Western Refining. The following table presents select unaudited forecasted financial information of Western Refining for the fiscal years ending 2016 through 2021 prepared by Tesoro management and provided to the Tesoro board and to Goldman Sachs, which is referred to as the Western Refining modified unaudited forecasted financial information. Such Western Refining modified unaudited forecasted financial information was prepared by Tesoro management from the Western Refining unaudited forecasted financial information provided by Western Refining to Tesoro.

	December 31,						CAGR	
***(in millions, except per share data)* (a)**	**2016E**	**2017E**	**2018E**	**2019E**	**2020E**	**2021E**	**'17E-'19E**	**'17E-'21E**
Income Statement Items								
EBITDA (b)	$ 663	$ 795	$ 939	$1,057	$1,354	$1,426	15.3%	15.7%
Depreciation and amortization expense	$ 267	$ 278	$ 306	$ 320	$ 331	$ 337		
Net income attributable to Western Refining	$ 142	$ 212	$ 267	$ 334	$ 513	$ 548	25.4%	26.7%
Weighted average diluted shares outstanding	100.7	108.9	108.9	108.9	108.9	108.9		
Diluted earnings per share	$ 1.41	$ 1.95	$ 2.45	$ 3.07	$ 4.71	$ 5.03	25.4%	26.7%
Cash Flow Items								
Unlevered Free Cash Flow (c)		$ 275	$ 302	$ 426	$ 804	$ 904		
Cash Flow From Operations	$ 318	$ 483	$ 566	$ 662	$ 925	$ 970	17.1%	19.0%
Capital expenditures		(310)	(371)	(336)	(216)	(161)		
Leveraged Free Cash Flow		173	195	326	709	809	37.5%	47.1%
Dividends		(166)	(166)	(166)	(166)	(166)		
Logistics Public Distributions		(45)	(51)	(52)	(56)	(60)		
Cash Flow Prior to External Financing		$ (38)	$ (22)	$ 109	$ 487	$ 583	N/A	N/A

(a) Certain totals in the tables included in this joint proxy statement/prospectus may not sum due to rounding.

(b) EBITDA, which is defined as net income plus depreciation and amortization expense, interest and financing costs and income tax expense, is a non-GAAP financial measure as it excludes amounts included in net

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income, the most directly comparable measure calculated in accordance with GAAP. This measure should not be considered as an alternative to net income or other measures derived in accordance with GAAP.

(c) Unlevered free cash flows is defined as projected EBITDA, minus taxes, minus projected capital expenditures, minus projected expenditures for turnarounds and branding and minus the projected increase in net working capital, each as provided by Western Refining management and as adjusted by Tesoro management, except that projected depreciation and amortization expenses used in calculating unlevered free cash flows was as set forth in the unaudited forecasted financial information prepared by Western Refining management.

The following table contains a reconciliation to the most directly comparable GAAP measure of non-GAAP financial forecasts of Western Refining for the fiscal years ending 2016 through 2021 included above:

	December 31,					
(in millions, except per share data) **(a)**	**2016E**	**2017E**	**2018E**	**2019E**	**2020E**	**2021E**
Net income	$ 206	$ 243	$ 309	$ 378	$ 571	$ 616
Depreciation and amortization expense	267	278	306	320	331	337
Interest and financing costs and other, net	115	140	154	152	138	135
Income tax expense	75	134	170	208	314	338
EBITDA	$ 663	$ 795	$ 939	$1,057	$1,354	$1,426
Net income	$ 206	$ 243	$ 309	$ 378	$ 571	$ 616
Net income attributable to noncontrolling interest	64	31	42	44	58	68
Net income attributable to Western Refining	$ 142	$ 212	$ 267	$ 334	$ 513	$ 548

(a) Certain totals in the tables included in this joint proxy statement/prospectus may not sum due to rounding.

The Western Refining modified unaudited forecasted financial information is based on various assumptions, including the following principal assumptions:

- Turnaround maintenance expenses were assumed to be capitalized and amortized rather than immediately expensed;
- There was assumed to be no change in annual maintenance capital expenditures between 2018E and 2021E;
- Gross refining margin projections were assumed to range from between approximately $11 and approximately $16 per barrel for 2017E to between approximately $13 and approximately $19 per barrel for 2021E;
- Retail volumes and sales growth were assumed to range between approximately 1% and approximately 2% annually from 2017E to 2019E;
- Western Refining's retail business was assumed to be dropped down to the MLP between 2017E and 2019E;
- There were assumed to be annual dropdowns of $70 million in the aggregate of retail EBITDA to MLP each year between and including 2017E and 2019E;
- There were assumed to be no share repurchases and the aggregate number of diluted shares outstanding was assumed to remain constant;
- Dividend per share and total dividends were assumed to remain constant; and
- Except as otherwise described above, the assumptions described below with respect to the unaudited forecasted financial information of Western Refining prepared by Western Refining and shown below in the section entitled "*The Merger—Unaudited Forecasted Financial Information— Unaudited Forecasted Financial Information Prepared by Western Refining*" beginning on page 124.

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The estimates and assumptions underlying the Western Refining modified unaudited forecasted financial information are inherently uncertain and, though considered reasonable by the management of Western Refining as of the date of the preparation of such forecasted financial information, are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the unaudited forecasted financial information, including, among other things, the matters described in the sections entitled "*Cautionary Statement Regarding Forward-Looking Statements*" and "*Risk Factors*" beginning on pages 42 and 44, respectively. Accordingly, there can be no assurance that the Western Refining modified unaudited forecasted results are indicative of the future performance of Western Refining, or that actual results will not differ materially from those presented in the Western Refining modified unaudited forecasted financial information. Inclusion of the Western Refining modified unaudited forecasted financial information in this joint proxy statement/prospectus should not be regarded as a representation by any person that the results contained in the forecasted financial information will be achieved.

The Western Refining modified unaudited forecasted financial information is not included in this joint proxy statement/prospectus in order to induce any stockholder to vote in favor of any of the proposals at the Tesoro special meeting or the Western Refining special meeting or to acquire securities of Tesoro.

Unaudited Forecasted Financial Information Prepared by Western Refining

Western Refining. The following table presents select unaudited forecasted financial information of Western Refining for the fiscal years ending 2017 through 2021 prepared by Western Refining management and provided to the Western Refining board, Barclays and Tesoro which is referred to as the Western Refining unaudited forecasted financial information:

	December 31,					CAGR	
***(in millions, except per share data)* (a)**	**2017E**	**2018E**	**2019E**	**2020E**	**2021E**	**'17E-'19E**	**'17E-'21E**
Income Statement Items							
Refining Segment Adjusted EBITDA	$ 592	$ 671	$ 784	$1,015	$ 974		
Retail Segment Adjusted EBITDA	$ 49	$ 56	$ 44	$ —	$ —		
WNRL Segment Adjusted EBITDA	$ 170	$ 237	$ 290	$ 352	$ 388		
Corporate/Other Adjusted EBITDA (b)	$ (16)	$ (25)	$ (61)	$ (13)	$ 64		
Total Adjusted EBITDA (c)	$ 795	$ 939	$1,057	$1,354	$1,426	15.3%	15.7%
Depreciation and amortization expense	$ 224	$ 254	$ 269	$ 281	$ 287		
Net income attributable to Western Refining	$ 197	$ 248	$ 339	$ 544	$ 554	31.3%	29.6%
Weighted average diluted shares outstanding	109.9	109.9	109.9	109.9	109.9		
Diluted earnings per share	$ 1.79	$ 2.25	$ 3.09	$ 4.95	$ 5.04	31.3%	29.6%
Cash Flow Items							
Cash Flow From Operations	$ 483	$ 565	$ 662	$ 924	$ 970	17.1%	19.0%
Capital expenditures (d)	(310)	(371)	(336)	(216)	(161)		
Leveraged Free Cash Flow	$ 173	$ 194	$ 326	$ 708	$ 809	37.5%	47.1%

(a) Certain totals in the tables included in this joint proxy statement/prospectus may not sum due to rounding.
(b) Includes (i) Adjusted EBITDA from logistics assets and organic growth projects and (ii) corporate general and administrative expenses.
(c) Adjusted EBITDA, which is calculated as consolidated net earnings before interest, income taxes, depreciation, amortization and annual turnaround expenses, is a non-GAAP financial measure as it excludes amounts included in net earnings, the most directly comparable measure calculated in accordance with GAAP. This measure should not be considered as an alternative to net earnings or other measures derived in accordance with GAAP.
(d) Capital expenditures exclude capital expenditures relating to dropdown transactions.

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The following table presents selected unaudited forecasted financial information of Western Refining for the fiscal year ended 2016 prepared by Western Refining management and provided to the Western Refining board, Barclays and Tesoro:

(in millions)	December 31, 2016
Western Refining and WNRL (1)	
Consolidated Cash	$ 225
Consolidated Debt	$ 1,950

WNRL	Number of Outstanding Units Held as of October 28, 2016 (2)	Value of Outstanding Units Held (based on November 11, 2016 market valuation)
Western Refining	32.0	$ 666
Tesoro	0	$ 0
Public	29.2	$ 606

(1) Includes WNRL cash and debt of $5 and $325, respectively.
(2) Includes unvested units.

The following table contains a reconciliation to the most directly comparable GAAP measure of non-GAAP financial forecasts of Western Refining for the fiscal years ending 2017 through 2021 included above:

	December 31,				
(in millions, except per share data) **(a)**	2017E	2018E	2019E	2020E	2021E
Net income	$ 228	$ 289	$ 383	$ 602	$ 622
Depreciation and amortization expense	224	254	269	281	287
Turnaround expense	78	83	42	2	40
Interest and financing costs, net	140	154	152	138	135
Income tax expense	125	159	211	331	342
Adjusted EBITDA	$ 795	$ 939	$1,057	$1,354	$1,426
Net income	$ 228	$ 289	$ 383	$ 602	$ 622
Net income attributable to noncontrolling interest	31	41	44	58	68
Net income attributable to Western Refining	$ 197	$ 248	$ 339	$ 544	$ 554

(a) Certain totals in the tables included in this joint proxy statement/prospectus may not sum due to rounding.

The Western Refining unaudited forecasted financial information is based on various assumptions, including the following principal assumptions:

- commodity pricing assumptions, including future pricing of various crude oil and natural gas benchmarks, regional differentials between future benchmark commodity prices and realized prices, U.S. Environmental Protection Agency Renewable Identification Numbers and crack spreads as they relate to forecasting refining gross margins at Western Refining's three refineries;
- capacity and throughput at Western Refining's three refineries;
- turnaround schedules and turnaround expenses for Western Refining's three refineries;
- accounting treatment of turnaround maintenance expenses: turnaround maintenance expenses were assumed to be immediately expensed, rather than capitalized and amortized;

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- operating expenses and general and administrative expenses for Western Refining
- depreciation and amortization assumptions;
- maintenance capital expenditures from existing assets and business activities;
- organic growth opportunities, and the amounts and timing of related capital expenditures required to achieve and future EBITDA to be generated from such organic growth opportunities;
- sales of assets from Western Refining to MLP, which are referred to as dropdown transactions, and the amounts and timing of related capital expenditures and future EBITDA to be transferred from such dropdown transactions;
- debt and equity issuance at both Western Refining and MLP during applicable periods, and the availability and cost of debt and equity capital;
- financing required to pursue organic growth opportunities and to complete dropdown transactions, to include equity and debt financing and cash on hand;
- the amount and timing of debt repayments;
- the tax profile of Western Refining;
- share repurchases and aggregate shares outstanding;
- dividend assumptions: dividend per share and total dividends were assumed to remain constant;
- significant accounting practices, including the treatment of the consolidation of MLP; and
- other general business, market and financial assumptions.

The estimates and assumptions underlying the Western Refining unaudited forecasted financial information are inherently uncertain and, though considered reasonable by the management of Western Refining as of the date of the preparation of such unaudited forecasted financial information, are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the unaudited forecasted financial information, including, among other things, the matters described in the sections entitled "*Cautionary Statement Regarding Forward-Looking Statements*" and "*Risk Factors*" beginning on pages 42 and 44, respectively. Accordingly, there can be no assurance that the forecasted results are indicative of the future performance of Western Refining, or that actual results will not differ materially from those presented in the Western Refining unaudited forecasted financial information. Inclusion of the Western Refining unaudited forecasted financial information in this joint proxy statement/prospectus should not be regarded as a representation by any person that the results contained in the Western Refining unaudited forecasted financial information will be achieved.

The Western Refining unaudited forecasted financial information is not included in this joint proxy statement/prospectus in order to induce any stockholder to vote in favor of any of the proposals at the Tesoro special meeting or the Western Refining special meeting.

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Tesoro. The following table presents select unaudited forecasted financial information of Tesoro for the fiscal years ending 2017 through 2021 prepared by Western Refining management and provided to the Western Refining board and to Barclays, which is referred to as the Tesoro adjusted unaudited forecasted financial information. Such Tesoro adjusted unaudited forecasted financial information was prepared by Western Refining management from the Tesoro unaudited forecasted financial information provided by Tesoro to Western Refining.

	December 31,					CAGR	
(in millions, except per share data) **(a)**	**2017E**	**2018E**	**2019E**	**2020E**	**2021E**	**'17E-'19E**	**'17E-'21E**
Income Statement Items							
Refining Segment EBITDA	$ 1,040	$1,108	$1,364	$1,475	$1,229		
Marketing Segment EBITDA	$ 930	$ 949	$ 969	$ 972	$ 969		
Logistics Segment EBITDA	$ 962	$1,083	$1,202	$1,252	$1,302		
Corporate Segment EBITDA	$ (341)	$ (292)	$ (287)	$ (288)	$ (287)		
Total EBITDA (b)	$ 2,591	$2,848	$3,248	$3,411	$3,213	11.9%	5.5%
Depreciation and amortization expense	$ 886	$ 948	$ 991	$ 992	$ 992		
Net income attributable to Tesoro	$ 738	$ 797	$ 992	$1,095	$ 963	15.9%	6.9%
Weighted average diluted shares outstanding	117.0	114.9	113.0	111.1	109.3		
Diluted earnings per share	$ 6.31	$ 6.94	$ 8.78	$ 9.86	$ 8.81	18.0%	8.7%
Cash Flow Items							
Cash Flow From Operations	$ 1,523	$1,611	$1,781	$1,964	$1,870	8.2%	5.3%
Capital expenditures	(1,047)	(975)	(884)	(756)	(727)		
Leveraged Free Cash Flow	$ 476	$ 636	$ 897	$1,207	$1,143	37.3%	24.5%

(a) Certain totals in the tables included in this joint proxy statement/prospectus may not sum due to rounding.
(b) EBITDA, which is calculated as consolidated net earnings before interest, income taxes, depreciation and amortization expense, is a non-GAAP financial measure as it excludes amounts included in net earnings, the most directly comparable measure calculated in accordance with GAAP. This measure should not be considered as an alternative to net earnings or other measures derived in accordance with GAAP.

The following table presents selected unaudited forecasted financial information of Tesoro and TLLP for the fiscal year ended 2016 prepared by Western Refining management from unaudited forecasted financial information provided by Tesoro to Western Refining:

(in millions)	**December 31, 2016**
Tesoro and TLLP (1)	
Consolidated Cash	$ 1,264
Consolidated Debt	$ 5,046

TLLP	**Number of Outstanding Units Held as of September 30, 2016**	**Value of Outstanding Units Held (based on November 11, 2016 market valuation)**
Tesoro	33.2	$ 1,516
Western Refining	0	$ 0
Public	68.9	$ 3,147

(1) Includes TLLP cash and debt of $10 and $3,749, respectively.

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The following table contains a reconciliation to the most directly comparable GAAP measure of non-GAAP financial forecasts of Tesoro for the fiscal years ending 2017 through 2021 included above:

	December 31,				
(in millions, except per share data) **(a)**	**2017E**	**2018E**	**2019E**	**2020E**	**2021E**
Net income	$ 974	$1,095	$1,340	$1,443	$1,311
Depreciation and amortization expense	886	948	991	992	992
Interest and financing costs, net	281	285	285	284	285
Income tax expense	450	520	632	691	626
EBITDA	$2,591	$2,848	$3,248	$3,411	$3,213
Net income	$ 974	$1,095	$1,340	$1,443	$1,311
Net income attributable to noncontrolling interest	236	298	348	348	348
Net income attributable to Tesoro	$ 738	$ 797	$ 992	$1,095	$ 963

(a) Certain totals in the tables included in this joint proxy statement/prospectus may not sum due to rounding.

The Tesoro adjusted unaudited forecasted financial information is based on various assumptions, including the following principal assumptions:

- refinery utilization at each of Tesoro's refineries, driven by turnaround and maintenance schedules and other assumptions about regional refining markets with emphasis on dynamics of the California refining market;
- forecasts of gross refining margins and manufacturing costs;
- accounting treatment of turnaround maintenance expenses: turnaround maintenance expenses were assumed capitalized and amortized, rather than immediately expensed;
- maintenance capital expenditures from existing assets and business activities;
- organic growth opportunities, and the amounts and timing of related capital expenditures required to achieve and future EBITDA to be generated from such organic growth opportunities;
- dropdown transactions from Tesoro to TLLP and the amounts and timing of related capital expenditures and future EBITDA to be transferred from such dropdown transactions;
- financing required to pursue organic growth opportunities and to complete dropdown transactions, to include equity and debt financing and cash on hand;
- incentive distribution right adjustments at TLLP;
- share repurchases and aggregate shares outstanding; and
- other general business, market and financial assumptions.

The estimates and assumptions underlying the Tesoro adjusted unaudited forecasted financial information are inherently uncertain and, though considered reasonable by the management of Western Refining as of the date of the preparation of such unaudited forecasted financial information, are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the unaudited forecasted financial information, including, among other things, the matters described in the sections entitled "*Cautionary Statement Regarding Forward-Looking Statements*" and "*Risk Factors*" beginning on pages 42 and 44, respectively. Accordingly, there can be no assurance that the forecasted results are indicative of the future performance of Tesoro, or that actual results will not differ materially from those presented in the Tesoro adjusted unaudited forecasted financial information. Inclusion of the Tesoro adjusted unaudited forecasted financial information in this joint proxy statement/prospectus should not be regarded as a representation by any person that the results contained in the Tesoro adjusted unaudited forecasted financial information will be achieved.

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The Tesoro adjusted unaudited forecasted financial information is not included in this joint proxy statement/prospectus in order to induce any stockholder to vote in favor of any of the proposals at the Tesoro special meeting or the Western Refining special meeting.

Financing of the Merger and Indebtedness Following the Merger

Tesoro intends to finance the cash portion of the merger consideration and the repayment and redemption of certain outstanding indebtedness of Western Refining and its subsidiaries and pay related fees and expenses in connection with the merger, using a combination of cash on hand, proceeds from the issuance of the new debt securities and proceeds from Tesoro's new incremental revolver under its credit facility, as further described below. Following Tesoro's entry on December 13, 2016 into its amended revolving credit facility and its issuance on December 22, 2016 of the new debt securities, the bridge commitment under the commitment letter with Tesoro and the financial institutions party thereto has been reduced to zero and terminated. The discussions of the financing transactions do not purport to be complete and are qualified in their entirety by reference to Tesoro's amended revolving credit facility and the indenture relating to the new debt securities.

On December 22, 2016, Tesoro closed the offering of the new debt securities. As a result of Tesoro's entry into the amended revolving credit facility and the issuance of the new debt securities, the bridge commitment under the commitment letter was reduced to zero and terminated. See the section entitled "*Financing of the Merger and Indebtedness Following the Merger—Revolving Credit Facility*" beginning on page 129. The material provisions of the terminated bridge credit facility are set forth in term sheets attached as exhibits to the commitment letter. A copy of the amended and restated commitment letter is filed as an exhibit to the Current Report on Form 8-K filed by Tesoro on December 2, 2016. A copy of the indenture governing the new debt securities is filed as an exhibit to the Current Report on Form 8-K filed by Tesoro on December 22, 2016.

For a discussion of the combined company's indebtedness on a pro forma basis giving effect to the business combination financing and the refinancing of existing indebtedness, see the section entitled "*Selected Unaudited Pro Forma Condensed Combined Financial Data*" beginning on page 36.

Revolving Credit Facility

On December 13, 2016, Tesoro amended and restated its existing credit facility by entering into an amendment and incremental facility agreement to its existing credit facility. The amendment and incremental facility agreement is referred to herein as the amendment agreement, and the amended and restated credit facility is referred to herein as the restated credit facility. The restated credit facility provides for a new senior secured incremental revolving tranche in an aggregate principal amount of $1.0 billion, which is referred to as the incremental revolver. Subject to certain conditions, on the closing date of the merger, the incremental revolver may be borrowed to fund the cash consideration payable in connection with the merger, the repayment and redemption of certain outstanding indebtedness of Western Refining and its subsidiaries, and to pay fees and expenses associated with the foregoing. Following the initial borrowing and subject to certain conditions, the incremental revolver will convert into a single tranche with the existing commitments under Tesoro's existing credit facility and will be available for general corporate purposes and working capital. Following the conversion of the incremental revolver, Tesoro will have a single tranche of $3.0 billion of commitments under its existing credit facility. As of February 8, 2017 Tesoro had unused credit availability of approximately 100% of the borrowing capacity under the revolving credit facility.

In addition to the establishment of the incremental revolver, the restated credit facility modifies certain other provisions of Tesoro's existing credit facility in order to permit Tesoro to complete its acquisition of Western Refining pursuant to the merger agreement and certain related transactions.

The conditions precedent to the funding under the incremental revolver are substantially the same as the conditions precedent to the funding of the bridge loan.

Other than with respect to the amendments, the terms of the incremental revolver are substantially the same as the terms of the existing credit facility.

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New Debt Securities

The offering of the new debt securities, which launched on December 15, 2016 and closed on December 22, 2016, consisted of $850 million aggregate principal amount of Tesoro's 4.750% Senior Notes due 2023 and $750 million aggregate principal amount of Tesoro's 5.125% Senior Notes due 2026.

Regulatory Approvals

The completion of the merger is subject to the receipt of antitrust clearance in the United States. Under the HSR Act and the rules promulgated thereunder, the merger may not be completed until notification and report forms have been filed with the FTC and the DOJ, and the applicable waiting period (or any extensions thereof) has expired or been terminated.

On December 8, 2016, notification and report forms under the HSR Act were filed with the FTC and the DOJ, which is referred to as the initial filing, with respect to the proposed merger. The waiting period with respect to the notification and report forms filed under the HSR Act was originally scheduled to expire at 11:59 p.m. Eastern Time on January 9, 2017. Effective January 9, 2017, as permitted by the Merger Agreement, Tesoro voluntarily withdrew its HSR Act notification to provide the FTC and the DOJ an extension beyond the initial 30-day HSR Act waiting period to conduct its review. On January 11, 2017, Tesoro re-filed its HSR Act notification with the FTC and DOJ. The new waiting period under the HSR Act was scheduled to expire at 11:59 p.m. on February 10, 2017. On February 10, 2017, Tesoro and Western Refining received a second request from the FTC in connection with the FTC's review of the transactions contemplated by the merger agreement. Issuance of the second request extends the waiting period under the HSR Act until 30 days after both Tesoro and Western Refining have complied with the second request or such later time as Tesoro and Western refining may agree with the FTC, unless the waiting period is terminated earlier by the FTC.

Under the terms of the merger agreement, Tesoro will not be required to defend litigation or any similar proceeding if the DOJ or the FTC authorizes its staff to seek a preliminary injunction or restraining order to enjoin the completion of the merger. See the section entitled "*The Merger Agreement—Reasonable Best Efforts*; *Regulatory Filings and Other Actions—Reasonable Best Efforts*" beginning on page 159.

Although Tesoro and Western Refining currently believe they should be able to obtain the expiration or termination of the waiting period applicable under the HSR Act in a timely manner, they cannot be certain when or if it will be obtained or, if obtained, whether such expiration or termination will require terms, conditions or restrictions not currently contemplated that will be detrimental to Tesoro or its subsidiaries or the surviving company after the completion of the merger. Tesoro and Western Refining have agreed to take certain actions to obtain the expiration or termination of the waiting period applicable under the HSR Act, except that Tesoro and Western Refining will not be required to take any action constituting a burdensome condition, as defined in the section entitled "*The Merger Agreement—Reasonable Best Efforts*; *Regulatory Filings and Other Actions—Burdensome Condition*" beginning on page 160. See the section entitled "*The Merger Agreement—Reasonable Best Efforts; Regulatory Filings and Other* Actions" beginning on page 159 for a discussion of the parties' obligations in connection with obtaining regulatory approval in connection with the mergers.

Litigation and Regulatory Reviews / Investigations Related to the Merger

On January 4, 2017, a Western Refining stockholder filed a purported class action complaint in the United States District Court for the Western District of Texas, captioned Srini Vasan v. Paul L. Foster, et al., Civil Action No. 3:17-cv-00002, on behalf of himself and all other Western Refining stockholders against Western Refining and the members of its board of directors. Although Tesoro, Tahoe Merger Sub 1, Inc., and Tahoe Merger Sub 2, LLC are included as defendants in the caption of the complaint, the body of the complaints does not identify those entities as defendants, and the complaint does not appear to assert any claims against them. None of the parties included in the caption of the complaint have been served in this action as of the date of this filing. The complaint alleges that the disclosures to Western stockholders made in the initial version of the joint proxy statement/prospectus filed on December 14, 2016 regarding the transaction were inadequate and asserts claims under Section 14(a) and 20(a) of the Securities Exchange Act of 1934 against Western Refining and the members of its board of directors. Among other remedies, the plaintiff seeks to enjoin the merger until additional

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information relating to the transaction is disclosed. The action also seeks to recover costs and disbursements from the defendants, including attorneys' fees and experts' fees. The defendants intend to defend the action vigorously.

On January 5, 2017, a Western Refining stockholder filed a purported class action complaint in the United States District Court for the Western District of Texas, captioned Brian Miller v. Paul L. Foster, et al., Civil Action No. 3:17-cv-00004, on behalf of himself and all other Western Refining stockholders against Western Refining and the members of its board of directors. None of the parties included in the caption of the complaint have been served in this action as of the date of this filing. The complaint alleges that the disclosures made in the initial version of the joint proxy statement/prospectus filed on December 14, 2016 regarding the transaction were inadequate and asserts claims under Section 14(a) and 20(a) of the Securities Exchange Act of 1934 against Western Refining and the members of its board of directors. Among other remedies, the plaintiff seeks to enjoin the merger until additional information relating to the transaction is disclosed. The action also seeks to recover costs and disbursements from the defendants, including attorneys' fees and experts' fees. The defendants intend to defend the action vigorously.

On January 11, 2017, a Western Refining stockholder filed a purported class action complaint in the United States District Court for the Western District of Texas, captioned Gene Love v. Paul L. Foster, et al., Civil Action No. 3:17-cv-00008, on behalf of himself and all other Western Refining stockholders against Western Refining and the members of its board of directors. Although Tesoro, Tahoe Merger Sub 1, Inc., and Tahoe Merger Sub 2, LLC are included as defendants in the caption of the complaint, the body of the complaints does not identify those entities as defendants, and the complaint does not appear to assert any claims against them. None of the parties included in the caption of the complaint have been served in this action as of the date of this filing. The complaint alleges that the disclosures made in the initial version of the joint proxy statement/prospectus filed on December 14, 2016 regarding the transaction were inadequate and asserts claims under Section 14(a) and 20(a) of the Securities Exchange Act of 1934 against Western Refining and the members of its board of directors. Among other remedies, the plaintiff seeks to enjoin the merger until additional information relating to the transaction is disclosed. The action also seeks to recover costs and disbursements from the defendants, including attorneys' fees and experts' fees. The defendants intend to defend the action vigorously.

On January 12, 2017, a Western Refining stockholder filed a purported class action complaint in the United States District Court for the Western District of Texas, captioned Joseph Shomberg v. Paul L. Foster, et al., Civil Action No. 3:17-cv-00014, on behalf of himself and all other Western Refining stockholders against Western Refining and the members of its board of directors. Although Tesoro, Tahoe Merger Sub 1, Inc., and Tahoe Merger Sub 2, LLC are included as defendants in the caption of the complaint, the body of the complaints does not identify those entities as defendants, and the complaint does not appear to assert any claims against them. None of the parties included in the caption of the complaint have been served in this action as of the date of this filing. The complaint alleges that the disclosures made in the initial version of the joint proxy statement/prospectus filed on December 14, 2016 regarding the transaction were inadequate and asserts claims under Section 14(a) and 20(a) of the Securities Exchange Act of 1934 against Western Refining and the members of its board of directors. Among other remedies, the plaintiff seeks to enjoin the merger until additional information relating to the transaction is disclosed. The action also seeks to recover costs and disbursements from the defendants, including attorneys' fees and experts' fees. The defendants intend to defend the action vigorously.

On January 19, 2017, a Western Refining stockholder filed a purported class action complaint in the United States District Court for the Western District of Texas, captioned John Solak v. Paul L. Foster, et al., Civil Action No. 3:17-cv-00020, on behalf of himself and all other Western Refining stockholders against Western Refining and the members of its board of directors. None of the parties included in the caption of the complaint have been served in this action as of the date of this filing. The complaint alleges that the disclosures made in the initial version of the joint proxy statement/prospectus filed on December 14, 2016 regarding the transaction were inadequate and asserts claims under Section 14(a) and 20(a) of the Securities Exchange Act of 1934 against Western Refining and the members of its board of directors. Among other remedies, the plaintiff seeks to enjoin

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the merger until additional information relating to the transaction is disclosed. The action also seeks to recover costs and disbursements from the defendants, including attorneys' fees and experts' fees. The defendants intend to defend the action vigorously.

On January 26, 2017, the parties filed a stipulation to consolidate the five lawsuits and any lawsuits subsequently filed in or transferred to the United States District Court for the Western District of Texas, to appoint the complaint in Brian Miller v. Paul L. Foster, et al. as the operative complaint, and to appoint interim lead counsel. As of February 1, 2017, the stipulation had not been entered by the Court.

On February 7, 2017, a Tesoro stockholder filed a purported class action complaint in the Court of Chancery of the State of Delaware, captioned Carl Arias v. Gregory J Goff, et al., Case No. 2017-0094-, on behalf of himself and all other Tesoro stockholders against the current members of the Tesoro board of directors. The complaint alleges that Tesoro's directors breached their fiduciary duties of care, loyalty, good faith and/or disclosure by failing to disclose to Tesoro stockholders all material information necessary to make an informed decision regarding the Tesoro issuance proposal. Among other remedies, the plaintiff seeks to enjoin the merger and to hold Tesoro's directors liable for allegedly breaching their fiduciary duties. The action also seeks to recover costs and disbursements from the defendants, including attorneys' fees and experts' fees. The defendants intend to defend the action vigorously.

Tesoro and Western Refining have each received a substantially identical letter, dated January 27, 2017, from the Office of the Minnesota AG stating that the Office of the Minnesota AG intends to review the merger under the antitrust laws and requesting that Tesoro and Western Refining provide information regarding the potential competitive effects of the merger in Minnesota. Tesoro and Western Refining are in the process of responding to these letters.

Interests of Tesoro Directors and Executive Officers in the Merger

In considering the recommendation of the Tesoro board with respect to the Tesoro issuance proposal, Tesoro stockholders should be aware that the executive officers and directors of Tesoro have interests in the merger that may be different from, or in addition to, the interests of Tesoro stockholders generally. The members of the Tesoro board of directors were aware of and considered these interests, among other matters, when they approved the merger agreement and recommended that Tesoro stockholders approve the Tesoro issuance proposal.

Tesoro maintains the Tesoro Corporation Board of Directors Deferred Compensation Plan, which permits the deferral of annual retainers and other awards earned by directors. Deferred amounts are fully vested and generally paid out in the year elected by a participant or upon his or her separation from service, with accelerated distribution upon a "change in control" as defined in the plan. If the shares of Tesoro common stock issued in the merger exceed 30% of the total voting power of the stock of Tesoro, it may constitute a "change in control" for purposes of the plan and result in cash payment of amounts outstanding thereunder within 30 days of the merger. As of February 8, 2017, the estimated payments under the plan in the event of a "change in control" would total approximately $4.0 million, including approximately $1.7 million to current directors of Tesoro. All such distributions would represent previously earned and vested amounts.

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Interests of Western Refining Directors and Executive Officers in the Merger

Directors and executive officers of Western Refining may have interests in the merger that are different from, or in addition to, the interests of Western Refining stockholders generally. These interests include, but are not limited to:

- the treatment in the merger of restricted stock units, performance awards and other awards held by Western Refining executive officers and directors as described in the section entitled "*The Merger Agreement—Treatment of Western Refining Stock Plans in the Merger*" beginning on page 142, including accelerated vesting of some awards upon closing of the merger pursuant to their pre-existing terms and vesting of remaining awards upon a qualifying termination of employment during a specified period following the closing of the merger; and
- employment agreements with executive officers that provide for enhanced severance upon a qualifying termination of employment during a specified period following the closing of the merger.

These interests are described in more detail below, and certain of them are quantified in the narrative and tabular disclosure included in the section entitled "*The Merger—Merger-Related Compensation*" beginning on page 135.
The Western Refining Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and approving the Mergers and in determining to recommend to Western Refining stockholders that they adopt the merger agreement. Western Refining stockholders should take these interests into account in deciding whether to adopt the merger agreement.

Potential Accelerated Vesting of Western Refining Awards

Accelerated Vesting of Western Refining RSUs Upon Closing

Pursuant to the pre-existing terms of the Western Refining RSU award agreements granted prior to November 17, 2016 to Western Refining employees (including executive officers) and directors, such awards will vest in full on a change in control, including the closing of the merger. As described above in the section entitled "*The Merger Agreement—Treatment of Western Refining Stock Plans in the Merger*" beginning on page 142, all such vested RSUs will receive the cash consideration of $37.30 per share. RSUs granted on or after November 17, 2016 have double-trigger vesting rather than single-trigger vesting, meaning they will accelerate only upon a qualifying termination of the recipient during a specified period following the closing of the merger, and will be treated as described below in the section entitled "*Potential Double-Trigger Acceleration of Other Assumed Western Refining Awards*".

Potential Double-Trigger Acceleration of Other Assumed Western Refining Awards

As described above in the section entitled "*The Merger Agreement—Treatment of Western Refining Stock Plans in the Merger*" beginning on page 142, any Western Refining equity-based awards other than the vested Western Refining RSU awards will be assumed by Tesoro. In addition, any cash-based awards will remain outstanding. Pursuant to their pre-existing terms, these awards will vest upon a qualifying termination of employment within either one or two years following the merger (depending on the terms of the applicable agreement).

Accelerated Vesting of Awards Held by Western Refining Directors and Executive Officers

The table below sets forth the number of Western Refining RSUs held by members of the Western Refining board of directors (other than Mr. Stevens, who is included in the section entitled "*The Merger—Merger-Related Compensation*" below) as of January 27, 2017 (the assumed date of the closing of the merger solely for purposes of this "*Interests of Western Refining Directors and Executive Officers in the Merger*" disclosure), which, pursuant to their terms, will accelerate upon the closing of the merger (either alone or as a result of a qualifying termination of their service during a specified period following the merger) and be exchanged for the cash

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consideration as described above in the section entitled "*The Merger Agreement—Treatment of Western Refining Stock Plans in the Merger*" beginning on page 142. The estimate of the intrinsic value of such awards (on a pre-tax basis) is based on a price per share of $37.30, which is the per share cash consideration and which will be the amount paid for Western Refining RSUs that accelerate upon the closing of the merger.

	Accelerated Vesting of Western Refining RSUs	
Board of Directors	Number of RSUs (#)	Estimated Intrinsic Value ($)(1)
Sigmund L. Cornelius	12,440	464,012
Paul L. Foster (2)	—	—
L. Frederick Francis	12,440	464,012
Robert J. Hassler	12,440	464,012
Brian J. Hogan	12,440	464,012
Scott D. Weaver (2)	—	—

(1) Each non-employee director holding unvested RSUs also has accrued dividend equivalents on such award of $10,946.
(2) In addition, each of Messrs. Foster and Weaver holds 3,171 MLP unit awards, with an estimated intrinsic value of such awards of $74,994 (based on an assumed per-unit value of $23.65, the closing price of MLP common units on January 26, 2017), which would accelerate upon a qualifying separation of service within two years following the merger, as described below.

As of January 27, 2017, Western Refining's current executive officers as a group (consisting of Messrs. Stevens, Foster, Barfield, Lamp and Ms. Davis) held Western Refining RSUs that, pursuant to their terms, will accelerate upon the closing of the merger and be exchanged for the cash consideration as described above under "*The Merger Agreement—Treatment of Western Refining Stock Plans in the Merger*" with an estimated intrinsic value, including accrued dividend equivalents, of $17,754,216. The estimate of the intrinsic value of such awards (on a pre-tax basis) is based on a price per share of $37.30, which is the per share cash consideration and which will be the amount paid for Western Refining RSUs that accelerate upon the closing of the merger. See "*The Merger—Merger-Related Compensation*" below for more information on awards held by Western Refining named executive officers.

As of January 27, 2017, Western Refining's current executive officers as a group (consisting of Messrs. Stevens, Foster, Barfield, Lamp and Ms. Davis) held (i) the following Western Refining equity-based awards and cash-based awards that will be assumed by Tesoro and would accelerate upon a qualifying termination within one or two years following the merger (depending on the terms of the applicable agreement): phantom awards with an intrinsic value of $3,848,906, PUAs with an intrinsic value of $9,424,695, and cash awards with an intrinsic value of $5,803,326 (each estimated, if applicable, based on a price per share of $37.30, which is the per share cash consideration to be paid in the merger, and including accrued dividend and distribution equivalents); and (ii) MLP unit awards that would accelerate upon a qualifying termination within two years following the merger with an estimated intrinsic value of $2,312,987 (estimated based on a per-unit value of $23.65, which is the closing price of MLP common units on January 26, 2017, and including accrued distribution equivalents). See "*The Merger—Merger-Related Compensation*" below for more information on awards held by Western Refining named executive officers.

Executive Officer Employment Agreements

Pursuant to the terms of the employment agreements with Western Refining's executive officers, generally if an executive officer's employment or service is involuntarily terminated without cause or the officer resigns due to a change in duties (each as defined in the relevant employment agreements) and such termination takes

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place during the two year period following the closing of the merger, the executive officers will be entitled to the following severance benefits, in addition to the accelerated vesting described above:

- *Cash Severance*. The executive officer will be entitled to a severance payment, which generally is an amount equal to two times the sum of (i) the executive officer's annual base salary in effect on the date of the involuntary termination and (ii) for executive officers excluding the chief executive officer, an annual bonus amount (as defined in the relevant employment agreement, based on past annual bonus amounts).
- *Benefits*. The executive officer will be entitled to continue participating in health plans for a period of up to two years at no greater cost to the executive officer than a similarly situated Western Refining employee.

Under the agreements, any payments or benefits payable to the executive officer will be cut back to the extent that such payments or benefits would result in the imposition of excise taxes under Section 4999 of the Code if such reduction results in a better net after-tax benefit to the executive.

The estimated aggregate amount of cash severance and continued health benefits that would be payable to Western Refining's executive officers as a group (consisting of Messrs. Stevens, Foster, Barfield, Lamp and Ms. Davis) under their respective employment agreements if the effective time of the merger were to occur and they were to experience a qualifying termination on January 27, 2017 is $12,025,036.

Merger-Related Compensation

This section sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation of each of Western Refining's named executive officers, that is based on or otherwise relates to the merger and that will or may become payable to the named executive officers at the closing of the merger or on a qualifying termination of employment upon or following the consummation of the merger. This compensation is referred to as "golden parachute" compensation by the applicable SEC disclosure rules, and in this section we use such term to describe the merger-related compensation payable to the Western Refining named executive officers. The "golden parachute" compensation payable to these individuals is subject to a non-binding advisory vote of Western Refining stockholders. The "named executive officers" are the individuals listed as such in Western Refining's most recent annual proxy statement. In addition, the current Chief Financial Officer and the current President and Chief Operating Officer, who were not "named executive officers" in the most recent proxy statement because they were not officers of Western Refining at such time, are included in the table below.

As described above, pursuant to the pre-existing terms of the award agreements granted to Western Refining employees, awards will vest on either a single-trigger basis at closing of the merger or on a double-trigger basis upon a qualifying termination of the individual's employment within a specified period following the merger. For details on the treatment of outstanding Western Refining awards, see the section entitled "*The Merger Agreement—Treatment of Western Refining Stock Plans in the Merger*" beginning on page 142. Each of the individuals named in the table below also has an existing employment agreement with Western Refining that provides for severance benefits in the event of a qualifying termination of such individual's employment in connection with the merger, as described in more detail in the section entitled "*The Merger—Executive Officer Employment Agreements*" beginning on page 134.

The amounts set forth in the table below assume the following:

- the closing of the merger occurred on January 27, 2017;
- the individual is terminated without "cause" immediately following the closing of the merger; and
- the per share value of each Western Refining RSU subject to accelerated vesting is $37.30 per share, which is the per share cash consideration to be paid in the merger and with respect to vested Western Refining RSUs.

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The amounts reported in the table below are estimates based on multiple assumptions that may or may not actually occur, including assumptions described in this joint proxy statement/prospectus, and do not reflect compensation actions that may occur following the filing of this joint proxy statement/prospectus, base compensation increases or annual equity award grants in the ordinary course prior to the effective time of the merger. The amounts reported below also include any equity or cash-based awards that may vest after January 27, 2017 but before the actual closing of the merger. As a result, the actual amounts, if any, to be received by a Western Refining named executive officer may differ materially from the amounts set forth below. In addition, some of the amounts reflected in the table below are attributable to double-trigger arrangements (*i.e.*, the amounts are payable only in the event of a qualifying termination of the named executive officer's employment during a specified period following the consummation of the merger).

Golden Parachute Compensation

	Cash ($) (1)	Equity ($) (2)	Benefits ($) (3)	Other ($) (4)	Total ($)
Jeff A. Stevens, Chief Executive Officer	2,226,860	13,812,845	20,620	4,961,790	21,022,115
Karen B. Davis, Chief Financial Officer	2,368,100	1,024,998	22,508	1,537,449	4,953,055
Lowry Barfield, Executive Vice President	2,069,171	3,727,553	20,620	1,840,905	7,658,249
Jeffrey S. Beyersdorfer, Senior Vice President	1,594,694	2,494,816	20,620	1,751,614	5,861,744
Gary R. Dalke, former Chief Financial Officer	—	3,702,497	—	1,347,680	5,050,177
David L. Lamp, President and Chief Operating Officer	5,265,540	5,273,071	31,617	6,887,877	17,458,105
Mark J. Smith, Executive Vice President	2,901,283	4,679,676	20,620	3,170,467	10,772,046

(1) Represents the following double-trigger cash severance payments under the applicable officer's employment agreement on a pre-tax basis: (i) for Mr. Stevens, an amount equal to two times his annual base salary (assuming his salary on the date of his involuntary termination is his salary as of January 27, 2017); (ii) for Ms. Davis and Messrs. Barfield, Beyersdorfer, Lamp and Smith, a lump sum payment equal to two times the officer's annual base salary (assuming such salary on the date of his involuntary termination is his or her salary as of January 27, 2017) and two times a specified annual bonus amount (as defined in the relevant employment agreement, based on the highest of (x) the most recent actual annual bonus for such officer, (y) the average of the most recent three annual bonuses for such officer, or (z) a fixed percentage of salary (75% for Messrs. Barfield and Smith and 100% for Ms. Davis and Messrs. Beyersdorfer and Lamp)).

(2) Represents the following:

- Single-trigger vesting upon closing of the merger of Western Refining RSUs granted prior to the date of this joint proxy statement/prospectus and outstanding as of January 27, 2017 (including, for Mr. Stevens, RSUs that previously vested but for which settlement was delayed) and double-trigger vesting for RSUs granted in January 2017 as set forth in the following table, together with the value of accrued dividend equivalents on such RSUs:

	RSUs (# Shares)	Value ($)	Dividend equivalents ($)
Stevens	308,550	11,508,915	645,321
Dalke	76,090	2,838,157	210,774
Barfield	79,319	2,958,599	192,218
Beyersdorfer	51,635	1,925,986	142,811
Smith	96,987	3,617,615	268,665
Davis	11,465	427,645	4,357
Lamp	53,534	1,996,818	20,343

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- Double-trigger vesting of the following awards assuming a qualifying termination of employment following the closing of the merger:
  - Western Refining phantom awards, which were assumed by Western Refining upon its acquisition of NTI, that represent both (i) the right to receive the value of a specified number of Western Refining shares on the vesting date and (ii) cash distribution equivalents accrued prior to and after the NTI acquisition.

	Phantom Shares (#)	Value ($)	Distribution equivalents ($)
Davis	14,709	548,646	44,350
Lamp	80,817	3,014,474	241,436

  - MLP unit awards, assuming a per-unit value of $23.65, which is the closing price of MLP common units as of January 26, 2017, as set forth in the following table, together with the value of accrued distribution equivalents on such unit awards:

	MLP Units (#)	Value ($)	Distribution equivalents ($)
Stevens	61,462	1,453,576	205,033
Dalke	24,155	571,266	82,300
Barfield	21,310	503,982	72,754
Beyersdorfer	15,721	371,802	54,217
Smith	29,285	692,590	100,806

(3) Represents the estimated value of continued participation in employee health plans for a period of up to two years.

(4) Represents the following cash-based awards which are subject to double-trigger vesting assuming a qualifying termination of employment following the closing of the merger:

- Western Refining PUAs, assuming that awards for each of the three-year performance periods ending December 31, 2017, 2018 and 2019 are deemed earned at 100% of target pursuant to their terms, as set forth in the following table.

	2015 PUAs (2015-2017) ($)	2016 PUAs (2016-2018) ($)	2017 PUAs (2017-2019) ($)
Stevens	1,621,500	1,670,145	1,670,145
Dalke	663,882	683,798	—
Barfield	591,645	609,394	639,866
Beyersdorfer	460,934	483,980	—
Smith	846,191	871,576	—
Davis	—	—	637,500
Lamp	—	—	1,984,500

- Western Refining cash awards, which represent NTI awards that were assumed as a combination of time-based cash awards, performance-based cash awards and cash distribution equivalents accrued on NTI units at the time of the NTI acquisition, assuming that performance-based cash awards will be deemed earned at 100% of target pursuant to their terms, as set forth in the following table.

	2015 Cash Awards (2015-2017) ($)	2016 Cash Awards (2016-2018) ($)	Distribution equivalents ($)
Davis	460,207	335,760	103,982
Lamp	2,475,886	1,866,479	561,012

- Cash-based Key Contributor Awards (KCAs) for the 2017-2019 period as follows:

(i) for Mr. Beyersdorfer, $806,700 and

(ii) for Mr. Smith, $1,452,700.

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Indemnification and Insurance

The parties to the merger agreement have agreed that, from and after the effective time of the merger, Tesoro and the surviving entity in the merger will indemnify and hold harmless (and subject to certain conditions to provide advancement of expenses to) each present and former director and officer of Western Refining and its subsidiaries and each other person or entity who, at the request or for the benefit of Western Refining or any of its subsidiaries, is or was previously serving as a director or officer, MLP employee or fiduciary of any other person or entity or any benefit plan of Western Refining or any benefit plan of any of Western Refining's subsidiaries (determined at the effective time), from and against any costs or expenses, judgments, fines, losses, claims, damages, penalties, amounts paid in settlement or liabilities incurred in connection with any claim, action, suit, proceeding or investigation arising out of matters existing or occurring at or prior to the effective time of the merger, to the fullest extent that Western Refining or the applicable subsidiary of Western Refining would have been permitted under Delaware law and under its certificate of incorporation or bylaws or other governing documents in effect on November 16, 2016 to indemnify such person. The parties to the merger agreement have also agreed that the surviving entity's certificate of incorporation and bylaws or limited liability company agreement, as applicable, will include provisions regarding the elimination of liability of directors, the indemnification of officers, directors, employees, fiduciaries and agents and advancement of fees, costs and expenses that are no less advantageous to the intended beneficiaries than the corresponding provisions in the organizational documents of Western Refining in effect on November 16, 2016.

In addition, the merger agreement contains certain obligations related to the purchase of directors' and officers' liability insurance "tail" policies with respect to matters existing or occurring at or prior to the effective time of the merger for persons who are covered under Western Refining's existing policies. For additional information see the section entitled "*The Merger Agreement—Indemnification; Directors' and Officers' Insurance*" beginning on page 168.

Reimbursement for Fees

The merger agreement provides that, following the merger, Tesoro will increase the size of its board of directors in order to cause Paul Foster and Jeff Stevens to be appointed to Tesoro's board of directors at such time and, subject to fiduciary obligations under applicable law, use its best efforts to cause Paul Foster and Jeff Stevens to be elected to the board of directors of Tesoro at the first annual meeting of stockholders of Tesoro with a proxy mailing date after the effective time of the merger, which the Western Refining board determined to be in the best interests of Western Refining and its stockholders. Due to, among other things, their role as directors of Tesoro following completion of the merger and their receipt of the stock consideration, Messrs. Stevens and Foster will be required to file a notification and report form under the HSR Act with the FTC and the DOJ. In order to facilitate their service on the Tesoro board of directors following the completion of the merger, the Western Refining board of directors has unanimously determined it advisable and in the best interests of Western Refining and its stockholders to reimburse Messrs. Stevens and Foster for all cost incurred by them as a result of any filings required to be made by them under the HSR Act, or other applicable laws as a result of their prospective appointment to the Tesoro board of directors and receipt of the stock consideration in the merger.

Listing of Tesoro Shares; Delisting and Deregistration of Western Refining Shares

If the merger is completed, the shares of Tesoro common stock to be issued in the merger will be listed for trading on the NYSE, Western Refining common stock will be delisted from the NYSE and deregistered under the Exchange Act, and Western Refining will no longer be required to file periodic reports with the SEC.

Accounting Treatment of the Merger

Tesoro prepares its financial statements in accordance with U.S. GAAP. The accounting guidance for business combinations, which is referred to as Accounting Standards Codification (ASC) 805, requires the use of the acquisition method of accounting for the merger, which requires the determination of the acquirer, the purchase price, the acquisition date, the fair value of assets and liabilities of the acquiree and the measurement of goodwill. Tesoro will be treated as the acquirer for accounting purposes.

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THE MERGER AGREEMENT

This section describes the material terms of the merger agreement, which was executed on November 16, 2016. The description of the merger agreement in this section and elsewhere in this joint proxy statement/prospectus is qualified in its entirety by reference to the complete text of the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. You are encouraged to read the merger agreement carefully and in its entirety, because it is the legal document that governs the merger.

Explanatory Note Regarding the Merger Agreement

The merger agreement and this summary are included solely to provide you with information regarding the terms of the merger agreement. Factual disclosures about Tesoro, Western Refining, or any of their respective subsidiaries or affiliates contained in this joint proxy statement/prospectus or in Tesoro's or Western Refining's public reports filed with the SEC may supplement, update or modify the factual disclosures about Tesoro or Western Refining, as applicable, contained in the merger agreement. The representations, warranties and covenants made in the merger agreement by Tesoro, Western Refining, Merger Sub 1 and Merger Sub 2 were made solely for the purposes of the merger agreement and as of specific dates and were qualified and subject to important limitations agreed to by Tesoro, Western Refining, Merger Sub 1 and Merger Sub 2 in connection with negotiating the terms of the merger agreement. In particular, in your review of the representations and warranties contained in the merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purposes of establishing the circumstances in which a party to the merger agreement may have the right not to complete the merger if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise, and allocating risk between the parties to the merger agreement, rather than establishing matters as facts. The representations and warranties may also be subject to a contractual standard of materiality different from those generally applicable to stockholders and reports and documents filed with the SEC, and in some cases were qualified by the matters contained in the respective disclosure letters that Tesoro and Western Refining delivered to each other in connection with the merger agreement, which disclosures were not reflected in the merger agreement. Moreover, information concerning the subject matter of the representations and warranties, which do not purport to be accurate as of the date of this joint proxy statement/prospectus, may have changed since the date of the merger agreement. Investors should not rely on the merger agreement representations, warranties, covenants or any descriptions thereof as characterizations of the actual state of facts of Tesoro, Western Refining, Merger Sub 1, Merger Sub 2 or any of their respective subsidiaries or affiliates.

The Merger

Pursuant to the merger agreement, Tesoro will acquire Western Refining. The merger agreement provides that, upon the terms and subject to the conditions in the merger agreement, and in accordance with the DGCL, at the effective time, Merger Sub 1 will merge with and into Western Refining in the first merger. As a result of the first merger, the separate corporate existence of Merger Sub 1 will cease, and Western Refining will continue as the surviving corporation and a wholly owned subsidiary of Tesoro, which is referred to as the surviving corporation.

The merger agreement also provides that if either Tesoro or Western Refining reasonably believes, based on the receipt of an opinion of Davis Polk & Wardwell LLP (or another nationally recognized law firm selected by Western Refining), that it is necessary to enable the merger to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code, then it may, prior to the closing, elect to deliver a notice to the other party, which election is referred to as a second merger election, requiring that, immediately following the effective time of the first merger, upon the terms and subject to the conditions in the merger agreement, and in accordance with the DGCL and the Limited Liability Company Act of the State of Delaware, which is referred to

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as the LLC Act, the surviving corporation from the first merger be merged with and into Merger Sub 2, which is referred to as the second merger. If a second merger is effected, the first merger and the second merger are referred to together as the merger. If the second merger occurs, the separate corporate existence of Western Refining will cease as a result, and Merger Sub 2 will continue as the surviving company and a wholly owned subsidiary of Tesoro, which is referred to as the surviving company.

Closing and Effective Time of the Merger

Unless otherwise mutually agreed to in writing between Tesoro and Western Refining, the closing of the merger will take place on the fifth business day following the day on which the last to be satisfied or waived of the conditions to completion of the merger, described in the section entitled "*The Merger Agreement—Conditions to the Completion of the Merger*" beginning on page 163, has been satisfied or waived (other than those conditions which by their nature are to be satisfied at or immediately prior to the closing of the merger, but subject to the fulfillment or waiver of those conditions); except that if the marketing period (as defined below) has not ended at the time of satisfaction or waiver of the conditions described above then the closing of the merger will occur instead on the earlier to occur of the following two dates, unless another date is agreed to in writing by Tesoro and Western Refining:

- any business day during or before the expiration of the marketing period as may be specified by Tesoro on no fewer than three business days' prior written notice to Western Refining; and
- the date that is three business days after the final day of the marketing period.

Assuming timely satisfaction of the necessary closing conditions, the parties currently expect the closing of the merger to occur in the first half of 2017. The first merger will become effective at the time when the certificate of merger for the first merger has been duly filed with the Secretary of State of the State of Delaware, or at such later date or time as Tesoro and Western Refining may agree in writing and specify in the certificate of merger for the first merger. If a second merger election is made, the second merger will become effective at the time when the certificate of merger for the second merger has been duly filed with the Secretary of State of the State of Delaware, or at such later date or time as Tesoro and Western Refining may agree in writing and specify in the certificate of merger for the second merger.

Marketing Period

The merger agreement required the completion of a 15 consecutive business day marketing period commencing no earlier than the first business day following January 15, 2017. The parties have agreed that the marketing period was completed on December 22, 2016.

Merger Consideration

As a result of the first merger, each share of Western Refining common stock issued and outstanding immediately prior to the effective time of the first merger, other than excluded shares, will be converted into the "per share merger consideration" of either $37.30 in cash, which is referred to as cash consideration, or 0.4350, which is referred to as the exchange ratio, of a share of Tesoro common stock, which is referred to as stock consideration, in each case without interest. As further described below in the section entitled "*The Merger Agreement—Election and Exchange Procedures*" beginning on page 143, and in more detail in the merger agreement, each Western Refining stockholder will until the election deadline be entitled to elect to receive either cash consideration, which is referred to as a cash election, or stock consideration, which is referred to as a stock election, in exchange for each share of Western Refining common stock held by him or her that was issued and outstanding immediately prior to the election deadline (other than any excluded shares), subject to the adjustment and proration procedures described below and in further detail in the merger agreement. Western Refining stockholders (other than holders of excluded shares) who make no election or an untimely election (or who otherwise are deemed not to have submitted an effective form of election) will be deemed to have made a stock

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election. Tesoro has reasonable discretion to determine whether stock elections or cash elections have been made or deemed made in respect of any shares of Western Refining common stock. For more information regarding the election deadline, see the section entitled "*The Merger Agreement—Election and Exchange Procedures*" beginning on page 143.

Stock elections are not subject to proration. Cash elections are subject to the adjustment and proration procedures set forth in the merger agreement to ensure that the total number of shares of Western Refining common stock converted into cash consideration will not exceed 10,843,042 shares of Western Refining common stock *less* the number of excluded shares, which is referred to as the cash election number. In the event that the aggregate number of shares of Western Refining common stock in respect of which cash elections have been made, which are referred to as cash election shares, exceeds the cash election number, all cash election shares shall be converted into the right to receive stock consideration or cash consideration as follows:

- the cash election shares held by each record holder of shares of Western Refining common stock will be deemed converted into shares in respect of which stock elections have been made, on a pro rata basis based on the ratio that the number of cash election shares held by such holder bears to the total number of shares of Western Refining common stock in respect of which cash elections have been made, such that the aggregate number of cash election shares so deemed converted, when added to the number of other shares of Western Refining common stock in respect of which stock elections have been made, will equal as closely as practicable the total number of shares of Western Refining common stock issued and outstanding immediately prior to the effective time of the first merger *less* the cash election number *less* the number of excluded shares;
- any remaining cash election shares will be converted into the right to receive cash consideration; and
- the number of cash election shares of a holder of Western Refining common stock that are to remain cash election shares pursuant to the calculation described above will be rounded downward where needed.

Western Refining stockholders will not be entitled to receive any fractional shares of Tesoro common stock in the merger, and no Western Refining stockholders will be entitled to dividends, voting rights or any other rights in respect of any fractional shares of Tesoro common stock. Western Refining stockholders that would have otherwise been entitled to receive a fractional share of Tesoro common stock will instead be entitled to receive, in lieu of fractional shares, an amount in cash, without interest, equal to the product of the average of the closing prices per share of Tesoro common stock on the NYSE, as reported by The Wall Street Journal (or if not reported thereby, as reported in another authoritative source), for the five full trading days ending on the second business day immediately preceding the date on which the effective time of the first merger occurs, *multiplied by* the fraction of a share of Tesoro common stock (after taking into account all of the shares of Western Refining common stock held by the holder at the effective time of the first merger and rounded to the nearest one thousandth) to which the holder would otherwise be entitled.

At the effective time, all shares of Western Refining common stock will cease to be outstanding, will be cancelled and will cease to exist, and each certificate formerly representing any shares of Western Refining common stock, and each non-certificated share of Western Refining common stock represented by book-entry (other than, in each case, those representing excluded shares) will thereafter represent only the right to receive, without interest, the applicable per share merger consideration, and (with respect to the stock consideration) the right, if any, to receive cash in lieu of fractional shares into which such shares have been converted and any distribution or dividend on shares of Tesoro common stock issued in the merger payable after the effective time of the first merger.

Each excluded share will, at the effective time of the first merger, be cancelled and cease to exist, with no consideration paid therefor.

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Treatment of Western Refining Stock Plans in the Merger

Treatment of Vested Western Refining Restricted Stock Units

At the effective time of the first merger, each outstanding restricted stock unit granted under the Western Refining stock plans, which is referred to as a Western Refining RSU, that is vested as of the effective time of the first merger (after application of any vesting acceleration provisions set forth in the terms of such Western Refining RSU, if any) will automatically be cancelled and will only entitle the holder of such vested Western Refining RSU to receive (without interest), as soon as reasonably practicable after the effective time of the first merger, an amount in cash equal to the number of shares subject to such vested Western Refining RSU immediately prior to the effective time of the first merger *multiplied by* the cash consideration, less applicable taxes required to be withheld with respect to such payment. To the extent that any such payment would cause a tax or penalty under Section 409 of the Internal Revenue Code, such payments will be made at the earliest time permitted under the stock plans and applicable award agreement that would not cause a tax or penalty under Section 409A of the Internal Revenue Code.

Treatment of Unvested Western Refining Restricted Stock Units

At the effective time of the first merger, each outstanding Western Refining RSU that is not vested as of the effective time of the first merger (after application of any vesting acceleration provisions set forth in the terms of the Western Refining RSU, if any) will automatically cease to represent a restricted stock unit denominated in Western Refining shares and will be converted into a restricted stock unit denominated in shares of Tesoro common stock, which is referred to as a Tesoro RSU. The number of shares of Tesoro common stock subject to each such Tesoro RSU will be equal to the product (rounded down to the nearest whole number) of the number of shares of Western Refining common stock subject to such Western Refining RSU immediately prior to the effective time of the first merger *multiplied by* the exchange ratio. Following the effective time of the first merger, except as specifically provided by the merger agreement, each such Tesoro RSU will continue to be governed by the same terms and conditions (including vesting terms) as were applicable to the applicable Western Refining RSU immediately prior to the effective time of the first merger.

Treatment of Western Refining Performance Unit Awards

At the effective time of the first merger, each outstanding performance unit award, which is referred to as a Western Refining PUA, whether vested or unvested, will, automatically and without any action on the part of the holder thereof, remain a performance unit award denominated in the same cash value as the Western Refining PUA, except that any references in such Western Refining PUA to shares of Western Refining common stock will be to shares of Tesoro common stock, which is referred to as a Tesoro PUA. Following the effective time of the first merger, except as specifically provided by the merger agreement, each Tesoro PUA will continue to be governed by the same terms and conditions (including vesting terms) as were applicable to the applicable Western Refining PUA immediately prior to the effective time of the first merger, provided that Western Refining will adjust the performance metrics to reflect the first merger, with such adjustment being subject to the approval of Tesoro.

Treatment of Other Company Awards

At the effective time of the first merger, each right of any kind, contingent or accrued, to acquire or receive shares of Western Refining common stock or benefits measured by the value of shares of Western Refining common stock, and each award of any kind consisting of shares of Western Refining common stock that may be held, awarded, outstanding, payable or reserved for issuance under the stock plans and any other Western Refining benefit plans other than Western Refining RSUs and Western Refining PUAs, which are referred to collectively as the company awards, will be converted into the right to acquire or receive benefits measured by the value of (as the case may be) the number of shares of Tesoro common stock equal to the product (rounded down to the nearest whole number) of the number of shares of Western Refining common stock subject to such

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company award immediately prior to the effective time of the first merger *multiplied by* the exchange ratio, and to the extent such company award provides for payments to the extent the value of the shares of Western Refining common stock exceeds a specified reference price, at a reference price per share (rounded to the nearest whole cent) equal to the reference price per share of Western Refining common stock immediately prior to the effective time of the first merger *divided by* the exchange ratio. Following the effective time of the first merger, except as specifically provided by the merger agreement, each such right will otherwise be subject to the same terms and conditions (including, as applicable, vesting and exercisability terms) as were applicable to the rights under the relevant plan immediately prior to the effective time of the first merger, provided that Western Refining will adjust any applicable performance metrics to reflect the first merger, with such adjustment being subject to the approval of Tesoro.

Election and Exchange Procedures

Tesoro has selected American Stock Transfer & Trust Company to serve as the exchange agent and to handle the exchange of shares of Western Refining common stock for the per share merger consideration, as described above.

At the effective time, Tesoro will deposit with the exchange agent cash constituting at least the amount necessary for the aggregate amount of cash consideration, and certificates (or at Tesoro's option, evidence of non-certificated shares of Tesoro common stock in book-entry form) constituting at least the amount necessary for the aggregate amount of stock consideration. In addition, Tesoro will deposit with the exchange agent, as necessary from time to time after the effective time of the first merger, if applicable, cash, dividends or other distributions with respect to the shares of Tesoro common stock to be issued in the first merger, as further described in the section entitled "*The Merger Agreement—Dividends and Distributions on Shares of Tesoro Common Stock*" beginning on page 145.

Prior to the closing of the merger, the exchange agent will provide a form of election and appropriate transmittal materials to holders of record of shares of Western Refining common stock (other than holders of excluded shares and shares represented by Western Refining RSUs, Western Refining PUAs and company awards) advising such holders of the procedure for exercising their right to make an election.

Western Refining stockholders should not return their stock certificates with the enclosed proxy card, and Western Refining stockholders should not forward their stock certificates to the exchange agent without a valid form of election and other appropriate transmittal materials.

To be effective, a form of election must be properly completed, signed and submitted to the exchange agent by 5:00 PM (Eastern Time) on the business day that is two trading days prior to the closing date for the first merger, or such other date and time as Tesoro may publicly announce with the consent of Western Refining, which is referred to as the election deadline. Each form of election submitted to the exchange agent must be accompanied by:

- for book-entry shares of Western Refining common stock, customary evidence of ownership of such shares as determined by the exchange agent by the election deadline, and
- for certificated shares of Western Refining common stock, the certificate representing such shares (or affidavits of loss in lieu of such certificates or an appropriate guarantee of delivery of such certificates by a financial institution that is a participant in the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program, followed in the case of guarantees of delivery within three trading days after the date of execution of such guarantee of delivery by delivery to the exchange agent of the certificates represented by such guarantee of delivery) and a letter of transmittal by the election deadline.

A Western Refining stockholder may revoke his or her merger consideration election by written notice received by the exchange agent prior to the election deadline. A holder of shares of Western Refining common

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stock who has validly revoked his or her merger consideration election and has not properly submitted a new duly completed form of election will be deemed to have made a stock election. Tesoro will determine, in its reasonable discretion, which discretion and authority it may delegate in whole or in part to the exchange agent, whether forms of election (and where applicable, appropriate transmittal materials) have been properly completed, signed and submitted or revoked, and the decision of Tesoro (or the exchange agent, as the case may be) in such matters will be conclusive and binding.

From and after the effective time of the first merger, there will be no further transfers on the stock transfer books of Western Refining of the shares of Western Refining common stock that were outstanding immediately prior to the effective time of the first merger. If, after the effective time of the first merger, any certificate of a share of Western Refining common stock is presented to the surviving corporation, surviving company, Tesoro or the exchange agent for transfer, it will be canceled and exchanged for the per share merger consideration to which the holder of the certificate is entitled pursuant to the merger agreement.

Termination of the Exchange Fund

Any portion of the exchange fund that remains unclaimed by Western Refining stockholders for 180 days after the effective time of the first merger will be delivered to Tesoro. Thereafter, Western Refining stockholders will be entitled to look only to Tesoro with respect to the payment of any per share merger consideration (and/or cash in lieu of fractional shares and/or dividends or distributions with respect to such per share merger consideration, as contemplated by the merger agreement), without any interest thereon. None of the surviving corporation, surviving company, Tesoro, the exchange agent or any other person shall be liable to any former holder of shares of Western Refining common stock for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws. Immediately before any portion of the exchange fund would otherwise escheat to, or become the property of, any governmental authority, such amount will, to the extent permitted by law, become the property of Tesoro.

Lost, Stolen or Destroyed Share Certificates

If a certificate for shares of Western Refining common stock has been lost, stolen or destroyed, then, before a Western Refining stockholder will be entitled to receive the per share merger consideration (and/or cash in lieu of fractional shares and/or dividends or distribution with respect to such per share merger consideration, as contemplated by the merger agreement), such holder will need to make an affidavit of that fact and, if requested by Tesoro, post a bond (in such amount as is customary and upon such terms as may be required by Tesoro) as indemnity against any claim that may be made against Tesoro, the exchange agent or any of Tesoro's subsidiaries with respect to such certificate.

Adjustments to Prevent Dilution

In the event that, prior to the effective time of the first merger, either Tesoro or Western Refining changes the number of shares of Tesoro common stock (or securities convertible or exchangeable into or exercisable for Tesoro common stock) or Western Refining common stock (or securities convertible or exchangeable into or exercisable for Western Refining common stock), as the case may be, issued and outstanding, by reason of any reclassification, stock split (including a reverse stock split), stock dividend or distribution, recapitalization, merger, issuer tender or exchange offer, or another similar transaction, then the per share merger consideration and the cash election number shall be equitably adjusted, without duplication, to proportionally reflect such change.

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Organizational Documents; Directors, Managers and Officers; NYSE Listing

Organizational Documents

At the effective time of the first merger, the certificate of incorporation of the surviving corporation will be amended and restated in its entirety to read as set forth in Exhibit 1 to the merger agreement, until thereafter amended as provided therein or by applicable law.

In the event that a second merger election is made, the certificate of formation and limited liability company agreement of Merger Sub 2 in effect immediately prior to the effective time of the second merger will be the certificate of formation and limited liability company agreement of the surviving company from and after the effective time of the second merger until thereafter as provided therein or by applicable law.

Directors, Managers and Officers

The board of directors of Merger Sub 1 immediately prior to the effective time of the first merger will be the directors of the surviving corporation from and after the effective time of the first merger, until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the certificate of incorporation and bylaws of the surviving corporation. The officers of Western Refining immediately prior to the effective time of the first merger will be the officers of the surviving corporation from and after the effective time of the first merger until their successors have been duly appointed or until their earlier death, resignation or removal in accordance with the certificate of incorporation and bylaws of the surviving corporation.

If a second merger election is made, the managers of Merger Sub 2 immediately prior to the effective time of the second merger will be the managers of the surviving company from and after the effective time of the second merger, and the officers of Western Refining immediately prior to the effective time of the first merger will be the officers of the surviving company from and after the effective time of the second merger.

NYSE Listing

As promptly as practicable following the completion of the first merger, Western Refining common stock will be delisted from the NYSE, deregistered under the Exchange Act and cease to be publicly traded.

Dividends and Distributions on Shares of Tesoro Common Stock

Any dividend or other distribution with respect to shares of Tesoro common stock for which shares of Western Refining common stock are to be exchanged in connection with the first merger will not be paid (but will nevertheless accrue) until the certificates representing such shares of Western Refining common stock (or affidavits of loss in lieu of such certificates), or, as applicable, book-entry shares representing such shares of Western Refining common stock, are properly surrendered for exchange in accordance with the merger agreement. Following the surrender of such book-entry shares, certificates or affidavits of loss in lieu of such certificates, there will be issued or paid in respect of each whole share of Tesoro common stock into which the shares of Western Refining common stock represented by such book-entry shares, certificates or affidavits of loss have been converted, without interest:

- at the time of such surrender, the dividends or other distributions with a record date after the effective time for the first merger theretofore payable with respect to such whole shares of Tesoro common stock and not paid; and
- at the appropriate payment date, the dividends and other distributions payable with respect to such whole shares of Tesoro common stock with a record date after the effective time for the first merger and a payment date subsequent to the time of such surrender.

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No holder of Western Refining certificates or book-entry shares that have been converted into cash consideration will be entitled to receive any such dividend or other distribution in respect of such Western Refining certificates or book-entry shares.

Representations and Warranties

The merger agreement contains customary and, in certain cases, reciprocal, representations and warranties by Western Refining and Tesoro that are subject, in some cases, to specified exceptions and qualifications contained in the merger agreement, in forms, statements, certifications, reports or other documents filed with or furnished to the SEC by Western Refining or Tesoro, as applicable, from December 31, 2013 and prior to November 16, 2016 or in the disclosure letters delivered by Western Refining and Tesoro to each other in connection with the merger agreement. These representations and warranties relate to, among other things:

- organization, good standing and qualification to do business;
- capitalization, including regarding:
  - the number of shares of common stock, preferred stock and/or other capital stock of Tesoro and TLLP (or as applicable, Western Refining and MLP) issued, outstanding and/or reserved for issuance;
  - the absence of securities convertible into or exchangeable or exercisable for, or giving any person a right to subscribe for or acquire, any securities of Tesoro and its subsidiaries (or as applicable Western Refining and its subsidiaries);
  - the absence of pre-emptive rights and other rights giving any persons the right to acquire, or requiring Tesoro or its subsidiaries (or as applicable, Western Refining and its subsidiaries) to sell, any securities of Tesoro and its subsidiaries (or as applicable, Western Refining and its subsidiaries) or any securities convertible into or exchangeable or exercisable for, or giving any person a right to subscribe for or acquire, any such securities;
  - the absence of obligations of Tesoro or its subsidiaries (or as applicable, Western Refining and its subsidiaries) to repurchase, redeem or otherwise acquire any securities of it or its affiliates or any securities convertible into or exchangeable or exercisable for, or giving any person a right to subscribe for or acquire, any such securities;
  - the absence of any bonds, debentures, notes or other obligations the holders of which have the right to vote, or which are convertible into or exercisable for securities having the right to vote with the stockholders of Tesoro and its subsidiaries (or as applicable, Western Refining and its subsidiaries) on any matter; and
  - ownership of subsidiaries;
- corporate authority and approval relating to the execution, delivery and performance of the merger agreement and the voting agreements, including regarding the approval by the boards of Tesoro and Western Refining of the merger agreement, the voting agreements and the transactions contemplated by the merger agreement and the voting agreements;
- receipt by Tesoro (or as applicable, Western Refining) of a fairness opinion from its financial advisor regarding the fairness of the per share merger consideration;
- governmental notices, reports, filings, consents, registrations, approvals, permits and authorizations required in connection with the execution, delivery and performance of the merger agreement and the voting agreements and the completion of the merger;
- the absence of a breach or violation of, or default under Tesoro's (or as applicable, Western Refining's) organizational documents as a result of entering into and performing under the merger agreement and the voting agreements;

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- the absence of a breach or violation of, or default under, the creation or acceleration of any obligations under, the loss of any benefits under, or the creation of a lien on any of the assets of Tesoro or any of its subsidiaries (or as applicable, Western Refining or any of its subsidiaries), pursuant to, (i) any contracts binding upon it or its subsidiaries or (ii) any law to which it or any of its subsidiaries is subject;
- the absence of any change in the rights or obligations under contracts to which it or any of its subsidiaries is subject as a result of its entering into and performing under the merger agreement and the voting agreements;
- filings with the SEC since December 31, 2013 and the financial statements included therein;
- compliance with NYSE rules and regulations;
- compliance with disclosure controls and procedures required under the Exchange Act and the Sarbanes-Oxley Act of 2002;
- the conduct of business in the ordinary course consistent with past practice since December 31, 2015, and the absence since December 31, 2015 of changes in the financial condition, properties, assets, liabilities, business or results of operations or any circumstance, occurrence or development of Tesoro and its subsidiaries (or as applicable, of Western Refining and its subsidiaries) that would have a "material adverse effect" (as defined below);
- the absence of changes since December 31, 2015 in accounting methods and practices;
- the absence of certain legal proceedings, investigations and governmental orders against Tesoro and its subsidiaries (or as applicable, against Western Refining and its subsidiaries);
- the absence of certain undisclosed liabilities;
- compliance with applicable laws, the absence of governmental investigations and the possession of and compliance with licenses and permits necessary for the conduct of business;
- inapplicability of anti-takeover laws;
- tax matters;
- environmental matters;
- intellectual property matters; and
- the absence of any undisclosed broker's or finder's fees.

The merger agreement also contains additional representations and warranties by Western Refining relating to the following, among other things:

- the number of and vesting schedule for Western Refining equity awards;
- the absence of material increases since December 31, 2015 in officer and employee compensation;
- employee benefit plan and labor matters;
- insurance;
- certain material contracts;
- compliance with anti-corruption laws;
- hedging arrangements;
- real and personal property; and
- top ten customers and top ten suppliers.

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The merger agreement also contains additional representations and warranties by Tesoro, Merger Sub 1 and Merger Sub 2 relating to the following, among other things:

- financing arrangements and the availability of cash; and
- the capitalization of Merger Sub 1 and Merger Sub 2.

Many of the representations and warranties contained in the merger agreement are qualified by a “parent material adverse effect” or a “company material adverse effect” standard (that is, they would not be deemed untrue or incorrect unless their failure to be true and correct, individually or in the aggregate, has had or would reasonably be expected to have a parent material adverse effect on Tesoro or a company material adverse effect on Western Refining) and/or by a general materiality standard or by a knowledge standard.

A “parent material adverse effect” on Tesoro or a “company material adverse effect” on Western Refining, as applicable, means a material adverse effect on the financial condition, properties, assets, liabilities, business or results of operations of (with respect to the definition of a parent material adverse effect) Tesoro and its subsidiaries, taken as a whole, or (with respect to the definition of a company material adverse effect) Western Refining and its subsidiaries, taken as a whole, excluding any effect to the extent resulting from any of the following:

- the announcement or (subject to certain exceptions) completion of the transactions contemplated by the merger agreement;
- any litigation brought by or on behalf of any current or former holder of shares of (with respect to the definition of parent material adverse effect) Tesoro common stock or (with respect to the definition of company material adverse effect) Western Refining common stock, in their capacities as such, arising from allegations of any breach of fiduciary duty or violation of law relating to the merger agreement or merger; and
- any action taken (or omitted to be taken) at the written request of (with respect to the definition of company material adverse effect) Tesoro or (with respect to the definition of parent material adverse effect) Western Refining, or that is expressly required by the merger agreement, or the failure to take any specific action expressly prohibited by the merger agreement for which (with respect to the definition of company material adverse effect) Tesoro or (with respect to the definition of parent material adverse effect) Western Refining declined to consent.

The definitions of “company material adverse effect” and “parent material adverse effect” also exclude any effect to the extent resulting from any of the following, provided that such exclusions will not prevent or otherwise affect a determination that any change, effect, circumstance or development underlying such matter has resulted in, or contributed to, a “company material adverse effect” or as applicable, a “parent material adverse effect”:

- any failure by (with respect to the definition of parent material adverse effect) Tesoro and its subsidiaries or (with respect to the definition of company material adverse effect) Western Refining and its subsidiaries to meet any estimates or projections of financial performance for any period ending on or after the date of the merger agreement and prior to the closing; and
- a decline in the price or trading volume of Western Refining common stock or the equity securities of any subsidiary of Western Refining (or as applicable, of Tesoro common stock or the equity securities of any subsidiary of Tesoro) on the NYSE.

Except to the extent that they primarily relate only to, have the effect of primarily relating only to, or disproportionately adversely affect (with respect to the definition of parent material adverse effect) Tesoro or its subsidiaries or (with respect to the definition of company material adverse effect) Western Refining and its

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subsidiaries, the following are also excluded from the definition of a "parent material adverse effect" or, as applicable, a "company material adverse effect":

- changes in the economy or financial markets generally in the United States or any other country or changes that are the results of acts of war, sabotage or terrorism or of natural disasters;
- changes that are the result of factors generally affecting the petrochemical refining or pipeline industries;
- changes in law or in U.S. GAAP after the date of the merger agreement; and
- changes in the price of natural gas, crude oil, refined petroleum products, other hydrocarbon products or natural gas liquids or products produced from hydrocarbon products, natural gas liquids or crack spreads.

Interim Operations of Western Refining and Tesoro Pending the Merger

Under the terms of the merger agreement, Western Refining has agreed, subject to certain exceptions in the merger agreement and the disclosure letter it delivered to Tesoro in connection with the merger agreement, that, after November 16, 2016 until the earlier of the completion of the first merger and the termination of the merger agreement, unless Tesoro gives its approval in writing (such approval not to be unreasonably withheld, conditioned or delayed), and except as otherwise expressly contemplated by the merger agreement or as required by applicable law:

- the business of Western Refining and its subsidiaries will be conducted in the ordinary and usual course; and
- Western Refining and its subsidiaries will use their respective reasonable best efforts to preserve their business organizations intact and maintain existing relations and goodwill with governmental entities, customers, suppliers, distributors, creditors, lessors, employees and business associates and keep available the services of its and its subsidiaries' then-present officers, employees and agents and maintain their material tangible assets in good working order.

In addition, Western Refining has agreed, subject to certain exceptions set forth in the merger agreement and the disclosure letter it delivered to Tesoro in connection with the merger agreement, that, from November 16, 2016 until the earlier of the completion of the first merger or the termination of the merger agreement, except as otherwise expressly required by the merger agreement, as Tesoro may approve in writing (such approval not to be unreasonably withheld, conditioned or delayed) Western Refining will not, and will not permit its subsidiaries to do the following, among other things:

- amend its certificate of incorporation or bylaws or the applicable governing documents of any subsidiary or the terms of any security of Western Refining or its subsidiaries;
- merge or consolidate itself or any of its subsidiaries with any other person, restructure, reorganize or completely or partially liquidate or sell or otherwise dispose of Western Refining's interests in MLP, or in the general partner of MLP;
- acquire securities or assets (i) that constitute a business; (ii) outside the ordinary course of business with a value or purchase price exceeding $50 million in any transaction or series of related transactions (subject to exceptions for acquisitions pursuant to contracts already in effect and disclosed to Tesoro); or (iii) in connection with dropdown transactions that have not been listed in the disclosure letter Western Refining delivered to Tesoro in connection with the merger agreement (subject to exceptions for acquisitions pursuant to contracts already in effect and disclosed to Tesoro);
- issue, sell, pledge, dispose of, grant, transfer, or encumber shares of capital stock of Western Refining or any of its subsidiaries or securities convertible into or exchangeable or exercisable for any such shares of capital stock or any options, warrants or other rights of any kind to acquire any shares of such

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capital stock or such convertible or exchangeable securities, subject to certain exceptions, including in connection with issuances of Western Refining common stock or MLP common units in connection with equity award plans, issuances of common units of MLP in the ordinary course of business, consistent with past practice (provided that such issuance does not have as its purpose or effect a significant dilution of Western Refining's equity interest in MLP);

- make any loans, advances or capital contributions to or investments in any person in excess of $1 million in the aggregate, subject to certain limited exceptions for trade credit and similar loans and advances made to employees, customers and suppliers in the ordinary course of business consistent with past practice;
- declare, set aside or pay any dividend or other distribution in respect of its capital stock, subject to certain exceptions, including for regular quarterly cash dividends by Western Refining not in excess of $0.38 per share of Western Refining common stock per fiscal quarter and for cash distributions by MLP to the holders of its common units at such times and in such amounts as is consistent with MLP's past practice;
- enter into any agreement with respect to the voting of its capital stock;
- reclassify, split, combine, subdivide or redeem, purchase or otherwise acquire any of its capital stock or securities convertible or exchangeable into or exercisable for any shares of its capital stock;
- incur indebtedness for borrowed money, guarantee indebtedness for borrowed money of another person, or issue or sell debt securities, warrants or other rights to acquire debt securities of Western Refining or any of its subsidiaries, except (i) for indebtedness for borrowed money incurred in the ordinary course of business pursuant to Western Refining's existing revolving, swingline or letter of credit facilities not to exceed $50 million outstanding at any time (in addition to amounts outstanding under such arrangements as of September 30, 2016), (ii) in replacement of existing indebtedness for borrowed money on terms as or more beneficial to Western Refining and its subsidiaries than the indebtedness being replaced, (iii) certain guarantees by Western Refining or its affiliates and (iv) in connection with certain derivative arrangements;
- make or authorize capital expenditures, except for (i) capital expenditures that do not, in any calendar year, exceed the aggregate capital expenditure amount for such year set forth in Western Refining's most recent budget made available to Tesoro prior to November 16, 2016, and (ii) additional capital expenditures that do not exceed $5 million in the aggregate during any 12-month period;
- amend, modify, terminate or waive any material right under certain types of "material contracts" (as defined in the merger agreement) or, subject to certain exceptions, enter into any contract that would have been a material contract (as defined in the merger agreement) if it had been entered into before the merger agreement was executed;
- make any material changes with respect to accounting policies or procedures, except as required by changes in U.S. GAAP after the date of the merger agreement, or any changes in its fiscal year, or any material changes in internal accounting controls or disclosure controls and procedures that could reasonably be expected to negatively affect Western Refining or MLP;
- settle, propose to settle or compromise any action before a governmental entity, if such settlement, proposed settlement or compromise (i) involves the payment of money damages in excess of $2.5 million in the aggregate (together with all other settlements or compromises after the date of the merger agreement), net of insurance, (ii) imposes any material equitable or non-monetary relief, penalty or restriction on Western Refining or any of its subsidiaries or (iii) would reasonably be expected to affect the rights or defenses available to Western Refining or its subsidiaries in certain related or similar claims;
- make or change any material tax election, change or consent to any change in its or its subsidiaries' material method of accounting for tax purposes (except as required by applicable tax law), settle or

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compromise any material tax liability, claim or assessment, enter into any material closing agreement or waive or extend any statute of limitations with respect to material taxes;

- transfer, sell, lease, license, mortgage, pledge, surrender, encumber, divest, cancel, abandon or allow to lapse or expire or otherwise dispose of any of its material assets, product lines or businesses or those of any of its subsidiaries, including any equity interests of any of its subsidiaries, subject to certain limited exceptions including (i) in connection with goods or services provided in the ordinary course of business and sales of obsolete assets, (ii) certain dispositions of assets with a fair market value not in excess of $5 million in the aggregate, (iii) certain dropdown transactions or (iv) pursuant to certain contracts in effect prior to November 16, 2016;
- except as required pursuant to the terms of any Western Refining benefit plans in effect as of November 16, 2016 or as set forth in the disclosure letter Western Refining delivered to Tesoro, grant or provide severance or termination payments or benefits to directors, officers or employees, except in the ordinary course of business consistent with past practice; increase the compensation, bonus, pension, welfare, severance or other benefits of any of its directors, officers or employees; establish, adopt or materially amend or terminate certain Western Refining benefit plans; grant any new awards, or amend or modify the terms of any outstanding awards, under any company benefit plan; take any action to accelerate the vesting or payment of compensation or benefits; materially change any actuarial or other assumptions used to calculate funding obligations with respect to Western Refining benefit plans; forgive any loans to directors, officers or employees; hire any employee, other than an employee with an aggregate annual salary of less than $250,000 hired to replace a departed employee; terminate the employment of any executive officer other than for cause; or become a party to, amend or terminate any collective bargaining agreement;
- effectuate a "plant closing" or "mass layoff" as those terms are defined in the Worker Adjustment and Retraining Notification Act and the regulations promulgated thereunder; or
- agree, authorize or commit to do any of the above.

In addition, Tesoro has agreed, subject to certain exceptions set forth in the merger agreement and the disclosure letter it delivered to Western Refining in connection with the merger agreement, that, from November 16, 2016 until the earlier of the completion of the first merger and the termination of the merger agreement, except as otherwise expressly required by the merger agreement, or as Western Refining may approve in writing (such approval not to be unreasonably withheld, conditioned or delayed) Tesoro will not, among other things:

- amend its certificate of incorporation or bylaws or the applicable governing documents of any subsidiary or the terms of any security of Tesoro;
- reclassify, split, combine, subdivide or redeem, purchase or otherwise acquire any of its capital stock;
- declare, set aside or pay any dividend or other distribution in respect of its capital stock, subject to certain exceptions, including for regular quarterly cash dividends by Tesoro not in excess of $0.55 per share of Tesoro common stock per fiscal quarter and for cash distributions by TLLP to the holders of its common units at such times and in such amounts as is consistent with the past practice of TLLP;
- repurchase any shares of Tesoro common stock at a premium;
- restructure, reorganize or completely or partially liquidate, subject to exceptions, including for any restructuring, reorganization or complete or partial liquidation of TLLP;
- acquire any person or any business or division thereof, or otherwise acquire any assets, unless such acquisition or the entering into of a definitive agreement relating to or the completion of such transaction would not reasonably be expected to (i) impose any material delay in the obtaining of, or increase in any material respect the risk of not obtaining, any authorizations, consents, orders, declarations or approvals of any governmental entity necessary to complete the merger or the

expiration or termination of any applicable waiting or approval period, (ii) increase the risk in any material respect of any governmental entity entering an order prohibiting the completion of the merger or (iii) increase in any material respect the risk of not being able to remove any such order on appeal or otherwise;

- issue, sell, pledge, dispose of, grant, transfer, or encumber shares of capital stock of Tesoro or any of its subsidiaries or securities convertible into or exchangeable or exercisable for any such shares of capital stock or any options, warrants or other rights of any kind to acquire any shares of such capital stock or such convertible or exchangeable securities, subject to certain exceptions, including in connection with issuances of Tesoro common stock in connection with equity award plans, issuances of common units of TLLP in the ordinary course of business, consistent with past practice (provided that such issuance does not have as its purpose or effect a significant dilution of Tesoro's equity interest in TLLP) and certain grants of new equity awards; or
- agree, authorize or commit to do any of the above.

Western Refining has also agreed that prior to making any written communications generally disseminated to the employees of Western Refining or its subsidiaries pertaining to compensation, benefit or other matters related to the transactions contemplated by the merger agreement, it will provide Tesoro with a reasonable period of time to review and comment on the communication, and Western Refining and Tesoro will cooperate in providing any such mutually agreeable communication.

Non-Solicitation of Acquisition Proposals; Changes of Recommendation

Non-Solicitation

The merger agreement contains detailed provisions outlining the circumstances in which Tesoro and Western Refining may respond to acquisition proposals received from third parties. Under these provisions, each of Tesoro and Western Refining has agreed that it and its subsidiaries will not (and that it and its subsidiaries will cause their subsidiaries and their and their subsidiaries' respective officers, directors, employees, investment bankers, attorneys, accountants and other advisors or representatives, collectively referred to as representatives, not to), directly or indirectly:

- initiate, solicit or knowingly encourage or facilitate the making of any proposal or offer that constitutes, or would reasonably be expected to lead to, an "acquisition proposal" (as described below);
- participate in any discussions or negotiations relating to, or that would reasonably be expected to lead to, an acquisition proposal, with any third party that is reasonably likely to be considering or seeking to make, or has made since November 16, 2015, an acquisition proposal;
- make available to any third party that is reasonably likely to be considering or seeking to make, or has made since November 16, 2015, an acquisition proposal, any non-public information or data relating to, or that would reasonably be expected to lead to, an acquisition proposal; or
- enter into any contract relating to, or that would reasonably be expected to lead to, an acquisition proposal.

Notwithstanding the above restrictions, Tesoro and Western Refining and their respective representatives are permitted to seek to clarify the terms and conditions of any inquiry or proposal to determine whether it constitutes or would reasonably be expected to lead to a superior proposal (as defined below) and are permitted to inform third parties making acquisition proposals of the restrictions imposed by the "no shop" or "non-solicitation" provisions of the merger agreement.

Each of Tesoro and Western Refining is required not to, and is required to cause its subsidiaries not to, terminate, waive, amend, release or modify any standstill or other similar provision of any confidentiality agreement to which they are a party in connection with an acquisition proposal or other proposal, inquiry or offer that would reasonably be expected to lead to an acquisition proposal, and is required to enforce the provisions of any such confidentiality agreements to the fullest extent permitted under the law, except in each case if its board of directors determines in good faith, after consultation with its outside legal counsel, that the failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties under Delaware law.

Tesoro Restrictions on Changes of Recommendation

Subject to certain exceptions described below, the Tesoro board of directors (and each committee thereof) may not:

- fail to include in this joint proxy statement/prospectus its recommendation that Tesoro stockholders approve the Tesoro issuance proposal;
- withhold or withdraw, or qualify or modify in a manner that is adverse to Western Refining, its recommendation that Tesoro stockholders approve the share issuance proposal, or its approval of the merger agreement or the merger, or publicly propose to do so;
- make any public recommendation in connection with a tender offer or exchange offer other than a recommendation against such offer or a "stop, look and listen" communication of the type contemplated by Rule 14d-9(f) under the Exchange Act or fail to recommend against acceptance of such tender or exchange offer by close of business on the earlier of the 10th business day after the commencement of such offer and the second business day prior to the Tesoro special meeting;
- adopt, approve, recommend to its stockholders, endorse or otherwise declare advisable any acquisition proposal for Tesoro, or resolve, agree or publicly propose to do so, except as set forth below; or
- except with respect to tender and exchange offers (discussed above), fail to publicly reaffirm its recommendation that Tesoro stockholders approve the Tesoro issuance proposal within three business days following receipt of a written notice from Western Refining requesting such reaffirmation delivered after the public announcement of an acquisition proposal for Tesoro (or if earlier, by the date that is two business days prior to the Tesoro special meeting).

The taking of any of the actions described in any of the five bullets above is referred to as an adverse Tesoro recommendation change.

Western Refining Restrictions on Changes of Recommendation

Similarly, and subject to certain exceptions described below, the Western Refining board (and each committee thereof) may not:

- fail to include in this joint proxy statement/prospectus its recommendation that Western Refining stockholders approve the merger proposal;
- withhold or withdraw, or qualify or modify in a manner that is adverse to Tesoro, Merger Sub 1 or Merger Sub 2, its recommendation that Western Refining stockholders approve the merger proposal, or its approval of the merger agreement or the merger, or publicly propose to do so;
- make any public recommendation in connection with a tender offer or exchange offer other than a recommendation against such offer or a "stop, look and listen" communication of the type contemplated by Rule 14d-9(f) under the Exchange Act or fail to recommend against acceptance of such tender or exchange offer by close of business on the earlier of the 10th business day after the commencement of such offer and the second business day prior to the Western Refining special meeting;
- adopt, approve, recommend to its stockholders, endorse or otherwise declare advisable any acquisition proposal for Western Refining, or resolve, agree or publicly propose to do so, except as set forth below; or

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- except with respect to tender and exchange offers (discussed above), fail to publicly reaffirm its recommendation that Western Refining stockholders approve the merger proposal within three business days following receipt of a written notice from Tesoro requesting such reaffirmation delivered after the public announcement of an acquisition proposal for Western Refining (or if earlier, by the date that is two business days prior to the Western Refining special meeting).

The taking of any of the actions described in any of the bullets above is referred to as an adverse Western Refining recommendation change.

Tesoro: No-Shop Exceptions; Permitted Changes of Recommendation and Permitted Termination to Enter into a Superior Proposal

At any time prior to the time that the Tesoro issuance proposal has been approved by Tesoro stockholders, if Tesoro receives a *bona fide* acquisition proposal that did not result from a breach of the no-shop provisions of the merger agreement, Tesoro may take any of the following actions if its board of directors determines in good faith (after consultation with outside counsel where required by the merger agreement) that failure to take such actions would be inconsistent with their fiduciary duties under Delaware law:

- engage in negotiations or discussions with the third party making the acquisition proposal, furnish to such third party or its representatives information relating to it and its subsidiaries, and afford such third party and its representatives access to its and its subsidiaries' business, properties, assets, books and records pursuant to a confidentiality agreement with confidentiality terms that are no less restrictive, in the aggregate, than those contained in the confidentiality agreement between Western Refining and Tesoro; provided that Tesoro's board of directors reasonably believes, after consultation with its outside legal counsel and financial advisor, that the acquisition proposal constitutes or would reasonably be expected to result in a "superior proposal". Tesoro and its subsidiaries are required to, and to cause their representatives to, terminate any such permitted negotiations, discussion and information access promptly (and in any event within 24 hours) following the time that Tesoro's board of directors determines in good faith that the acquisition proposal does not constitute and would not reasonably be expected to result in a superior proposal; and
- (1) make an adverse Tesoro recommendation change in respect of an acquisition proposal, or (2) terminate the merger agreement, pay the termination fee and enter into an alternative acquisition agreement with respect to an acquisition proposal, if (i) Tesoro's board of directors determines in good faith, after consultation with its outside counsel and financial advisor that such acquisition proposal constitutes a superior proposal and (ii) Tesoro's board of directors complied with the match right obligations described below.

Prior to effecting an adverse Tesoro recommendation change or terminating the merger agreement in the situation described in the immediately preceding bullet, Tesoro is required to comply with certain "match right" obligations. Specifically, Tesoro's board of directors must (i) have given Western Refining four business days' notice of its intention to make such an adverse Tesoro recommendation change or so terminate the merger agreement and include certain specified information in such notice, (ii) have negotiated in good faith with Western Refining (to the extent Western Refining so wished to negotiate) during that four business day period concerning any revisions to the merger agreement and voting agreements proposed by Western Refining and (iii) following such negotiations, have determined that a failure to effect such an adverse Tesoro recommendation change or so terminate the merger agreement in response to the superior proposal, taking into account any changes committed by Western Refining in writing to be made to the merger agreement and the voting agreements, continues to be inconsistent with the fiduciary duties of Tesoro's board of directors under Delaware law. The four business day match right period described above will be renewed for further three business day periods each time any revisions are made to the financial or other material terms of the superior proposal that is the subject of the match right obligation.

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Tesoro: Permitted Changes of Recommendation in Connection with Intervening Events

At any time prior to the time that the Tesoro issuance proposal has been approved by Tesoro stockholders, if a Tesoro intervening event (as defined below) occurs and the board of directors of Tesoro determines in good faith, after consultation with its outside legal counsel and financial advisor, that the failure to effect an adverse Tesoro recommendation change in response to such Tesoro intervening event would be inconsistent with its fiduciary duties under Delaware law, the board of directors of Tesoro may make an adverse Tesoro recommendation change in response to such Tesoro intervening event provided that the following procedures are complied with. In order to effect an adverse Tesoro recommendation change in response to a Tesoro intervening event, Tesoro's board of directors must (i) have given Western Refining four business days' notice of such intention, (ii) have negotiated in good faith with Western Refining (to the extent Western Refining so wished to negotiate) during that four business day period concerning any revisions to the merger agreement and voting agreements proposed by Western Refining and (iii) following such negotiations, have determined that a failure to effect an adverse Tesoro recommendation change in response to the Tesoro intervening event, taking into account any changes committed by Western Refining in writing to be made to the merger agreement and the voting agreements, continues to be inconsistent with the fiduciary duties of Tesoro's board of directors under Delaware law.

A "Tesoro intervening event" is any material change, development or occurrence that (i) first became known to Tesoro's board of directors after November 16, 2016 and was not reasonably foreseeable by Tesoro's board of directors as of November 16, 2016 or (ii) if known (or reasonably foreseeable) as of November 16, 2016, the consequences of such change, development or occurrence were not known to or reasonably foreseeable by Tesoro's board of directors as of November 16, 2016. Certain matters are specifically excluded from being Tesoro intervening events, as further specified in the merger agreement, including the receipt, existence or terms of any acquisition proposal or any change in the price and/or trading volume of Western Refining common stock, Tesoro common stock or the equity of any subsidiary of Western Refining or Tesoro on the NYSE. In addition, an opportunity to acquire any assets, securities, properties or businesses, or enter into any licensing, collaboration or similar arrangement, will not constitute or be deemed to contribute to or otherwise be taken into account in determining whether there has been a Tesoro intervening event.

Western Refining: No-Shop Exceptions; Permitted Changes of Recommendation and Permitted Termination to Enter into a Superior Proposal

At any time prior to the time that the merger proposal has been approved by Western Refining stockholders, if Western Refining receives a *bona fide* acquisition proposal that did not result from a breach of the no-shop provisions of the merger agreement, Western Refining may take any of the following actions if its board of directors determines in good faith (after consultation with outside counsel where required by the merger agreement) that failure to take such actions would be inconsistent with their fiduciary duties under Delaware law:

- engage in negotiations or discussions with the third party making the acquisition proposal, furnish to such third party or its representatives information relating to it and its subsidiaries, and afford such third party and its representatives access to its and its subsidiaries' business, properties, assets, books and records pursuant to a confidentiality agreement with confidentiality terms that are no less restrictive, in the aggregate, than those contained in the confidentiality agreement between Western Refining and Tesoro; provided that Western Refining's board of directors reasonably believes, after consultation with its outside legal counsel and financial advisor, that the acquisition proposal constitutes or would reasonably be expected to result in a "superior proposal." Western Refining and its subsidiaries are required to, and to cause their representatives to, terminate any such permitted negotiations, discussion and information access promptly (and in any event within 24 hours) following the time that Western Refining's board of directors determines in good faith that the acquisition proposal does not constitute and would not reasonably be expected to result in a superior proposal; and
- (1) make an adverse Western Refining recommendation change in respect of an acquisition proposal, or (2) terminate the merger agreement, pay the termination fee and enter into an alternative acquisition

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agreement with respect to an acquisition proposal, if (i) Western Refining's board of directors determines in good faith, after consultation with its outside counsel and financial advisor that such acquisition proposal constitutes a superior proposal and (ii) Western Refining's board of directors has complied with the match right obligations described below.

Prior to effecting an adverse Western Refining recommendation change or terminating the merger agreement in the situation described in the immediately preceding bullet, Western Refining is required to comply with certain "match right" obligations. Specifically, Western Refining's board of directors must (i) have given Tesoro four business days' notice of its intention to make such an adverse Western Refining recommendation change or so terminate the merger agreement and include certain specified information in such notice, (ii) have negotiated in good faith with Tesoro (to the extent Tesoro so wished to negotiate) during that four business day period concerning any revisions to the merger agreement and voting agreements proposed by Tesoro and (iii) following such negotiations, have determined that a failure to effect such an adverse Western Refining recommendation change or so terminate the merger agreement in response to the superior proposal, taking into account any changes committed by Tesoro in writing to be made to the merger agreement and the voting agreements, continues to be inconsistent with the fiduciary duties of Western Refining's board of directors under Delaware law. The four business day match right period described above will be renewed for further three business day periods each time any revisions are made to the financial or other material terms of the superior proposal that is the subject of the match right obligation.

Western Refining: Permitted Changes of Recommendation in Connection with Intervening Events

At any time prior to the time that the merger proposal has been approved by Western Refining stockholders, if a Western Refining intervening event (as defined below) occurs and the board of directors of Western Refining determines in good faith, after consultation with its outside legal counsel and financial advisor, that the failure to effect an adverse Western Refining recommendation change in response to such Western Refining intervening event would be inconsistent with its fiduciary duties under Delaware law, the board of directors of Western Refining may make an adverse Western Refining recommendation change in response to such Western Refining intervening event provided that the following procedures are complied with. In order to effect an adverse Western Refining recommendation change in response to a Western Refining intervening event, Western Refining's board of directors must (i) have given Tesoro four business days' notice of such intention, (ii) have negotiated in good faith with Tesoro (to the extent Tesoro so wished to negotiate) during that four business day period concerning any revisions to the merger agreement and voting agreements proposed by Tesoro and (iii) following such negotiations, have determined that a failure to effect an adverse Western Refining recommendation change in response to the Western Refining intervening event, taking into account any changes committed in writing to be made to the merger agreement and the voting agreements, continues to be inconsistent with the fiduciary duties of Western Refining's board of directors under Delaware law.

A "Western Refining intervening event" is any material change, development or occurrence that (i) first became known to Western Refining's board of directors after November 16, 2016 and was not reasonably foreseeable by Western Refining's board of directors as of November 16, 2016 or (ii) if known (or reasonably foreseeable) as of November 16, 2016, the consequences of such change, development or occurrence were not known to or reasonably foreseeable by Western Refining's board of directors as of November 16, 2016. Certain matters are specifically excluded from being Western Refining intervening events, as further specified in the merger agreement, including the receipt, existence or terms of any acquisition proposal or any change in the price and/or trading volume of Western Refining common stock, Tesoro common stock or the equity of any subsidiary of Western Refining or Tesoro on the NYSE.

Certain Permitted Disclosure

Nothing in the merger agreement prevents Western Refining or Tesoro or either of their boards of directors from taking and disclosing to its stockholders a position contemplated by applicable Exchange Act rules with

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regard to an acquisition proposal or from making any legally required disclosure to stockholders with regard to the transactions contemplated by the merger agreement; however, if such disclosure does not reaffirm, in the case of Tesoro, Tesoro's recommendation that its stockholders vote in favor of the Tesoro issuance proposal or, in the case of Western Refining, Western Refining's recommendation that its stockholders vote in favor of the merger proposal, such disclosure will be deemed to be an adverse Tesoro recommendation change, or as applicable, an adverse Western Refining recommendation change, and the other party will have the right to terminate the merger agreement in connection with such change of recommendation.

Definition of Acquisition Proposal

For purposes of the merger agreement, the term "acquisition proposal" means, with respect to Tesoro:

- any proposal or offer from any third party with respect to a merger, joint venture, partnership, consolidation, dissolution, liquidation, tender offer, recapitalization, reorganization, share exchange, business combination or similar transaction involving Tesoro and/or its subsidiaries with respect to assets that constitute more than 50% of the assets, revenues or net income of Tesoro and/or its subsidiaries, taken as a whole;
- any acquisition by a third party resulting in, or proposal or offer (including any tender offer or exchange offer) from a third party that if consummated would result in, a third party becoming the beneficial owner of, directly or indirectly, in one transaction or a series of related transactions, more than 50% of the consolidated total assets (including equity securities of Tesoro's subsidiaries, as applicable), revenues or net income of Tesoro; or
- any acquisition by a third party resulting in, or proposal or offer (including any tender offer or exchange offer) from a third party that if consummated would result in, a third party becoming the beneficial owner of, directly or indirectly, in one transaction or a series of related transactions, more than 50% of the total voting power of, or of any class of, equity securities of Tesoro or any of its subsidiaries.

Proposals and offers with respect to dropdown transactions between Tesoro or any of its subsidiaries on the one hand and TLLP and its subsidiaries on the other hand, are deemed not to be acquisition proposals.

For purposes of the merger agreement, the term "acquisition proposal" means, with respect to Western Refining:

- any proposal or offer from any third party with respect to a merger, joint venture, partnership, consolidation, dissolution, liquidation, tender offer, recapitalization, reorganization, share exchange, business combination or similar transaction involving Western Refining and/or its subsidiaries with respect to assets that constitute 15% or more of the assets, revenues or net income of Western Refining and/or its subsidiaries, taken as a whole;
- any acquisition by a third party resulting in, or proposal or offer (including any tender offer or exchange offer) from a third party that if consummated would result in, a third party becoming the beneficial owner of, directly or indirectly, in one transaction or a series of related transactions, 15% or more of the consolidated total assets (including equity securities of Western Refining's subsidiaries, as applicable), revenues or net income of Western Refining; or
- any acquisition by a third party resulting in, or proposal or offer (including any tender offer or exchange offer) from a third party that if consummated would result in, a third party becoming the beneficial owner of, directly or indirectly, in one transaction or a series of related transactions, 15% more of the total voting power of, or of any class of, equity securities of Western Refining or any of its subsidiaries.

Proposals and offers with respect to dropdown transactions between Western Refining or any of its subsidiaries on the one hand and MLP and its subsidiaries on the other hand, are deemed not to be acquisition proposals.

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Definition of Superior Proposal

For purposes of the merger agreement, the term "superior proposal" means a *bona fide* written acquisition proposal not solicited in violation of the "no-shop" provisions of the merger agreement that the board of directors of Western Refining and/or Tesoro, as applicable, has determined in its good faith judgment, after consultation with its outside legal counsel and financial advisor, (i) is reasonably capable of being consummated in accordance with its terms and (ii) if consummated, would be more favorable to its stockholders from a financial point of view than the transaction contemplated by the merger agreement, taking into account any revisions to the merger agreement and the voting agreements committed to in writing by the other party to the merger agreement.

In determining whether an acquisition proposal is more favorable to its stockholders for purposes of the preceding paragraph, the board of directors of Tesoro and/or Western Refining, as applicable, is required to take into account:

- the terms and conditions of the acquisition proposal and all other relevant factors (including all legal, financial and regulatory aspects of the acquisition proposal and the person making the acquisition proposal); and
- the certainty of completion and the time likely to be required to consummate such acquisition proposal.

For purposes of determining whether an acquisition proposal is a superior proposal, only acquisition proposals involving (i) 50% of more of the assets, revenues or net income of Western Refining and its subsidiaries (or as applicable, Tesoro or its subsidiaries) or (ii) 50% or more of the total voting power of, or of any class of equity securities of, Western Refining or its subsidiaries (or as applicable, Tesoro or its subsidiaries) may be considered.

Notice

Under the terms of the merger agreement, each of Tesoro and Western Refining has also agreed to notify the other promptly (but in no event later than 24 hours) after receipt by it (or any of its representatives) of any (i) acquisition proposal, (ii) inquiry, proposal or offer that would reasonably be expected to lead to an acquisition proposal or (iii) request for information relating to such party or any of its subsidiaries or for access to the business, properties, assets, books or records of such party or any of its subsidiaries, in each case by any person that is reasonably likely to be considering or seeking to make, or has made within the 12 months preceding November 16, 2016, a Tesoro acquisition proposal or a Western Refining acquisition proposal, as applicable. Such notice must include the material terms and conditions of the applicable acquisition proposal, inquiry, proposal, offer or request, copies of any material written communications and draft documentation received relating to such acquisition proposal and indicating the name of the person making such acquisition proposal, inquiry, proposal, offer or request, and thereafter the notifying party shall keep the other party reasonably informed, on a timely basis, of the status and material terms of any such acquisition proposal, inquiry, proposal, offer or request (including any amendments thereto) and the status of any discussions or negotiations with such third party or its affiliates and provide copies of all material written communications and draft documentation received relating to such acquisition proposal.

Special Meetings

Tesoro special meeting

Tesoro has agreed to convene and hold a meeting of its stockholders to consider and vote upon the Tesoro issuance proposal as soon as reasonably practicable, but in any event within 35 days, after the commencement of mailing of this joint proxy statement/prospectus. Tesoro may make one or more postponements or adjournments of its special meeting to the extent that Tesoro believes in good faith that such a postponement or adjournment is necessary to ensure that any required supplement or amendment to this joint proxy statement/prospectus is provided to Tesoro stockholders within a reasonable amount of time in advance of the Tesoro special meeting, to

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allow reasonable time to solicit additional proxies necessary to obtain the approval of the merger proposal from Tesoro stockholders (subject to a 20 business day limit in connection with any individual commencement of a Tesoro acquisition proposal that is a tender offer or an exchange offer), to ensure that there are sufficient Tesoro shares represented (either in person or by proxy) and voting to constitute a quorum necessary to conduct the business of the Tesoro special meeting or otherwise where required to comply with applicable law. The Tesoro special meeting must be held even if there is an adverse Tesoro recommendation change or an adverse Western Refining recommendation change, unless the merger agreement has been terminated. Unless there has been an adverse Tesoro recommendation change, Tesoro's board of directors is required to take all lawful action necessary, proper or advisable on its part to solicit the approval by Tesoro stockholders of the Tesoro issuance proposal.

Western Refining special meeting

Western Refining has agreed to convene and hold a meeting of its stockholders to consider and vote upon the merger proposal as soon as reasonably practicable, but in any event within 35 days, after the commencement of mailing of this joint proxy statement/prospectus. Western Refining may make one or more postponements or adjournments of its special meeting to the extent that Western Refining believes in good faith that such a postponement or adjournment is necessary to ensure that any required supplement or amendment to this joint proxy statement/prospectus is provided to Western Refining stockholders within a reasonable amount of time in advance of the Western Refining special meeting, to allow reasonable time to solicit additional proxies necessary to obtain the approval of the merger proposal from Western Refining stockholders (subject to a 20 business day limit in connection with any individual commencement of a Western Refining acquisition proposal that is a tender offer or an exchange offer), to ensure that there are sufficient Western Refining shares represented (either in person or by proxy) and voting to constitute a quorum necessary to conduct the business of the Western Refining special meeting or otherwise where required to comply with applicable law. The Western Refining special meeting must be held even if there is an adverse Western Refining recommendation change or an adverse Tesoro recommendation change, unless the merger agreement has been terminated. Unless there has been an adverse Western Refining recommendation change, Western Refining's board of directors is required to take all lawful action necessary, proper or advisable on its part to solicit the approval by Western Refining stockholders of the merger proposal.

Timing of special meetings

Under the terms of the merger agreement, Tesoro and Western Refining are required to cooperate to schedule and convene the Tesoro special meeting and the Western Refining special meeting on the same day, and to establish the same record date for both the Tesoro special meeting and the Western Refining special meeting.

Reasonable Best Efforts; Regulatory Filings and Other Actions

Reasonable Best Efforts

Tesoro and Western Refining have agreed in the merger agreement to cooperate with each other and use (and cause their respective subsidiaries to use) their respective reasonable best efforts to take all actions reasonably necessary, proper or advisable on their respective parts under the merger agreement and applicable laws to complete and make effective the merger and the other transactions contemplated by the merger agreement as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party and/or any governmental entity in order to complete the merger or any other transaction contemplated by the merger agreement, including filing a Notice and Report Form with the FTC and the Antitrust Division under the HSR Act, as amended. That initial HSR Act filing was made on December 8, 2016. The merger agreement also states that at the written request of Tesoro, Tesoro and Western Refining will, on a one-time basis, agree to extend the waiting period with respect to the merger under the HSR Act for up to 30 days and/or pull and promptly refile the HSR Act notice and report forms filed in respect of the merger. Effective January 9, 2017, as permitted by the merger agreement, Tesoro voluntarily withdrew its HSR Act notification to provide the FTC and

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the DOJ an extension beyond the initial 30-day HSR Act waiting period to conduct its review, and on January 11, 2017, Tesoro re-filed its HSR Act notification with the FTC and DOJ. On February 10, 2017, Tesoro and Western Refining each received a second request from the FTC.

Burdensome Condition

The parties have agreed that nothing in the merger agreement, including the reasonable best efforts obligation mentioned above, requires or will be construed to require Tesoro to agree to or to take an action (or consent to Western Refining or any Western Refining subsidiary agreeing to take, or taking, any action) that would constitute a burdensome condition. A "burdensome condition" includes any terms, conditions, liabilities, obligations or commitments that would obligate or require Tesoro, Western Refining or any of their respective subsidiaries to proffer or agree to sell, divest, lease, license, transfer, dispose of or otherwise encumber or hold separate, any assets, licenses, operations, rights, product lines, businesses or interest therein, or agree to any material changes (including through a licensing arrangement) or restriction on, or other impairment of Tesoro's or Western Refining's ability to own or operate, any assets, licenses, operations, rights, product lines, businesses or interest therein, other than, in each case, for any sales, divestments, leases, licenses, transfers, disposals, encumbrances or holding separate of, and agreements to material changes, restrictions or impairments on, any assets, licenses, operations, rights, product lines, businesses or interests therein of Tesoro, Western Refining or any of their respective subsidiaries that generated no more than $25 million of EBITDA (calculated as earnings before interest, taxes, depreciation and amortization) in the aggregate (taking into account all other such proffers or agreements made), in the most recently completed fiscal year for which financial information is available.

Western Refining may not take or agree to take any action constituting a burdensome condition without Tesoro's written consent, which may be granted or withheld in Tesoro's sole discretion; however, Western Refining has agreed to take or agree to take such actions if Tesoro so requests in writing, to the extent the taking of such action is conditioned upon the occurrence of the merger.

Litigation

The parties have agreed that nothing in the merger agreement requires or will be construed to require, Tesoro or any of its affiliates to defend any litigation or any similar proceeding if the DOJ or the FTC authorizes its staff to seek a preliminary injunction or a restraining order to enjoin the completion of the merger. Tesoro has agreed that if it chooses to defend any litigation brought by the FTC, the Antitrust Division of the DOJ or any state attorney general in connection with their review of the merger, it will reimburse Western Refining for any reasonable and documented expenses and costs (including out-of-pocket auditor's and attorney's fees and expenses) incurred in connection with the involvement of Western Refining or its subsidiaries with such litigation.

Tesoro and Western Refining have each received a substantially identical letter, dated January 27, 2017, from the Office of the Minnesota AG stating that the Office of the Minnesota AG intends to review the merger under the antitrust laws and requesting that Tesoro and Western Refining provide information regarding the potential competitive effects of the merger in Minnesota. Tesoro and Western Refining are in the process of responding to these letters.

Control and Information Sharing

The merger agreement gives Tesoro the right to direct all matters with any governmental entity in connection with the merger agreement, the merger and the other transactions contemplated by the merger agreement, subject to applicable law and certain consultation obligations.

In addition, subject to certain exceptions specified in the merger agreement, Western Refining and Tesoro have agreed to keep each other apprised of the status of matters relating to completion of the transactions contemplated by the merger agreement and to furnish each other, upon request, with all information concerning itself, its subsidiaries, affiliates, directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with any statement, filing, notice or application made by or on behalf of

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Tesoro, Western Refining, or their respective subsidiaries to any third party and/or governmental entity in connection with the merger and other transactions contemplated by the merger agreement.

Takeover Laws

Tesoro and Western Refining have agreed in the merger agreement that if any takeover statute is or may become applicable to the merger or the other transactions contemplated by the merger agreement or any voting agreement, each of them and their respective boards will grant such approvals and take such actions as are necessary so that such transactions may be completed as promptly as practicable on the terms contemplated by the merger agreement and the voting agreements and otherwise act to eliminate (or to the extent elimination is not possible, to minimize) the effects of such statute or regulation on such transactions.

Employee Matters

The merger agreement provides that during the period commencing at the effective time of the first merger until the 12-month anniversary of the effective time of the first merger, Tesoro will provide to each individual who is employed as of the effective time of the first merger by Western Refining or its subsidiaries and who remains employed by Western Refining or its subsidiaries, which is referred to as a continuing employee, with base salary or base wage no less favorable than the base salary or base wage provided to the employee immediately prior to the effective time of the merger.

During the period commencing at the effective time of the first merger and ending on December 31 of the year in which the effective time of the first merger occurs, Tesoro will provide each continuing employee with the following:

- target annual cash bonus opportunities and severance benefits, in each case, that are no less favorable than provided to the employee immediately prior to the effective time of the first merger; and
- retirement and welfare benefits (other than defined benefit plan and retiree welfare benefits) that are no less favorable in the aggregate than provided to the employee immediately prior to the effective time of the first merger.

During the period commencing on January 1 of the year following the year in which the effective time of the first merger occurs and ending on the 12-month anniversary of the effective time of the first merger, Tesoro will provide to each continuing employee with the following:

- target annual cash bonus opportunities and severance benefits, in each case, that are substantially comparable to those provided to similarly situated employees of Tesoro; and
- retirement and welfare benefits (other than defined benefit plan and retiree welfare benefits) that are substantially comparable in the aggregate to those provided to similarly situated employees of Tesoro; provided that, until such time as Tesoro fully integrates the continuing employees into its plans, participation in the Western Refining benefit plans will be deemed to satisfy each of the foregoing standards.

If requested in writing by Tesoro at least five business days prior to the effective time of the first merger, Western Refining will terminate any Western Refining benefit plans that contain a cash or deferred arrangement intended to qualify under Section 401(k) of the Section 368(a) of the Internal Revenue Code. In the event that Tesoro requests that such plan(s) be terminated, Tesoro will permit each eligible continuing employee to become a participant in an “eligible retirement plan” (within the meaning of Section 401(a)(31) of the Internal Revenue Code) of Tesoro or any of its subsidiaries, which is referred to as the Tesoro 401(k) Plan, and make rollover contributions of “eligible rollover distributions” (within the meaning of Section 401(a)(31) of the Internal Revenue Code) in cash or notes in an amount equal to the eligible rollover distribution portion of the account balance distributed to each such continuing employee from such plan to the Tesoro 401(k) Plan.

In addition, the merger agreement further provides that that Tesoro will:

- use its reasonable best efforts to cause any pre-existing conditions or limitations and eligibility waiting periods under any group health plans of Tesoro or its affiliates to be waived with respect to the continuing employees and their eligible dependents;

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- use its reasonable best efforts to give each continuing employee credit for the plan year in which the effective time of the first merger occurs towards applicable deductibles and annual out-of-pocket limits for medical expenses incurred prior to the effective time of the merger for which payment has been made; and
- give each continuing employee service credit for such continuing employee's employment with Western Refining and its subsidiaries for purposes of vesting, benefit accrual and eligibility to participate under each applicable Tesoro benefit plan, as if such service had been performed with Tesoro, except for benefit accrual under defined benefit pension plans, or to the extent it would result in a duplication of benefits.

Transaction Litigation

Under the terms of the merger agreement, Western Refining will control the defense and settlement of any litigation or other legal proceedings against Western Refining or any of its directors relating to the merger agreement, the merger, or other transactions contemplated by the merger agreement, except that Western Refining is required to give Tesoro the opportunity to participate in Western Refining's defense or settlement of any stockholder litigation against Western Refining and/or its directors or executive officers relating to the transactions contemplated by the merger agreement, including the merger. Western Refining has agreed that it will not settle or offer to settle any litigation commenced against Western Refining or its directors, executive officers or similar persons by any stockholder of Western Refining relating to the merger agreement, the merger, or any other transaction contemplated by the merger agreement without the prior written consent of Tesoro, which may not be unreasonably withheld, conditioned or delayed. For further information regarding litigation filed in connection with the transaction, see the section entitled "*The Merger—Litigation and Regulatory Reviews/Investigations Related to the Merger*" beginning on page 130.

Access and Reports

Subject to certain exceptions, and upon reasonable notice, Western Refining has agreed to afford Tesoro reasonable access to all of its and its subsidiaries' employees, properties, assets, books, contracts and records during normal business hours throughout the period prior to the effective time of the merger, and to furnish promptly to Tesoro all information concerning its business, properties and personnel as may reasonably be requested.

Election to Tesoro Board of Directors

Under the terms of the merger agreement, promptly after the effective time of the first merger, Tesoro will increase the size of its board of directors in order to cause Paul Foster and Jeff Stevens to be appointed to Tesoro's board of directors at such time and, subject to fiduciary obligations under applicable law, will use its best efforts to cause Paul Foster and Jeff Stevens to be elected to the board of directors of Tesoro at the first annual meeting of stockholders of Tesoro with a proxy mailing date after the effective time of the merger. The directors of Tesoro immediately prior to the effective time of the merger will remain directors of Tesoro after the effective time of the merger.

Messrs. Foster and Stevens are not currently "independent" directors of Western Refining under the applicable NYSE rules regarding director independence. However, as neither Messrs. Foster or Stevens is expected to be employed by Tesoro following the closing of the transaction, they will not be precluded from being "independent" directors of Tesoro under the applicable NYSE rules regarding director independence and the Tesoro board will make a determination as to their independence at the time of their appointment to the Tesoro board.

Dividend Cooperation

Western Refining has agreed to coordinate with Tesoro the declaration, setting of record dates and payment dates of dividends on shares of Western Refining common stock so that holders of shares of Western Refining

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common stock do not receive dividends on both shares of Western Refining common stock and shares of Tesoro common stock received in the merger in respect of any calendar quarter or fail to receive a dividend on either shares of Western Refining common stock or shares of Tesoro common stock received in the merger in respect of any calendar quarter.

Tax Treatment

Tesoro and Western Refining have agreed to use their reasonable best efforts (i) not to take any action that would reasonably be expected to prevent or impede the treatment of the merger as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code and (ii) to cooperate with one another in obtaining the tax opinion referred to in the last bullet in the section entitled "*The Merger Agreement—Conditions to the Completion of the Merger*" beginning on page 163.

Company Debt Arrangements

From November 16, 2016 through the effective time of the merger, at Tesoro's written request and subject to certain conditions, Western Refining will use its reasonable best efforts to cooperate with, and provide all reasonable assistance to, Tesoro in connection with any steps Tesoro may, in its sole discretion, determine are necessary or desirable to take in order for Tesoro to retire, repay, defease, repurchase or redeem, effective at or after the effective time of the merger, some or all amounts of outstanding Western Refining debt (other than MLP's credit agreement).

Financing

Tesoro's Obligations With Respect to the Commitment Letter

In connection with the merger, Tesoro entered into a commitment letter to obtain committed debt financing in connection with the merger. Following Tesoro's entry on December 13, 2016 into its amended revolving credit facility and its issuance on December 22, 2016 of the new debt securities, the bridge commitment under the commitment letter with Tesoro and the financial institution party thereto has been reduced to zero and terminated. See the section entitled "The Merger—Financing of the Merger and Indebtedness Following the Merger" beginning on page 129.

Conditions to the Completion of the Merger

Under the merger agreement, the respective obligations of Tesoro, Western Refining, Merger Sub 1 and Merger Sub 2 to complete the merger are subject to the satisfaction or waiver at or prior to the effective time of the first merger of the following conditions:

- *Tesoro Stockholder Approval*. The Tesoro issuance proposal must have been approved by the affirmative vote of a majority of votes cast by Tesoro stockholders present in person or by proxy at the Tesoro special meeting and entitled to vote on the proposal.
- *Western Refining Stockholder Approval*. The merger proposal must have been approved by holders of a majority of the outstanding shares of Western Refining common stock entitled to vote thereon at the Western Refining special meeting.
- *NYSE Listing.* The shares of Tesoro common stock issuable to Western Refining stockholders pursuant to the merger agreement must have been authorized for listing on the NYSE, upon the official notice of issuance.
- *Regulatory Consents.* The waiting period under the HSR Act applicable to the completion of the merger and the other transactions contemplated by the merger agreement must have expired or been terminated without the imposition of, or requirement to agree to, any terms, conditions, liabilities, obligations or commitments that, individually or in the aggregate, constitute a burdensome condition, as defined in the section entitled "*The Merger Agreement—Reasonable Best Efforts; Regulatory*

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Filings and Other Actions—Burdensome Condition" beginning on page 160. For purposes of this condition as it applies to Western Refining's obligation to effect the merger, the reference to $25 million in the definition of burdensome condition is deemed to be $75 million.

- *Litigation*. There must not have been enacted, issued, promulgated, enforced or entered by a court or other governmental entity of competent jurisdiction any applicable law that is in effect and restrains, enjoins or otherwise prohibits completion of the merger or the other transactions contemplated by the merger agreement.
- *Effectiveness of the Registration Statement.* The registration statement of which this joint proxy statement/prospectus forms a part must have become effective under the Securities Act and must not be the subject of any stop order issued by the SEC or any pending proceedings initiated by the SEC seeking such a stop order.

Under the merger agreement, the obligations of Tesoro, Merger Sub 1 and Merger Sub 2 to complete the merger are subject to the satisfaction or waiver of the following additional conditions:

- certain representations and warranties of Western Refining regarding aspects of its capitalization and the capitalization of MLP must be true and correct as of the date of the merger agreement and as of the closing as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of another date, in which case such representation and warranty will only be required to be so true and correct as of such other date), except for such inaccuracies as would not in the aggregate be material in amount or effect;
- the representations and warranties of Western Refining regarding the absence of any material adverse effect on Western Refining and its subsidiaries must be true and correct as of the date of the merger agreement and as of the closing as though made on and as of such date and time;
- certain representations and warranties of Western Refining regarding due organization and validity of existence; corporate authority; approval and fairness; non-contravention with respect to the organizational documents of Western Refining or its subsidiaries; takeover statutes; and broker's and finder's fees must be true and correct in all material respects as of the date of the merger agreement and as of the closing as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of another date, in which case such representation and warranty will only be required to be so true and correct as of such other date);
- the other representations and warranties of Western Refining must be true and correct, without regard to materiality, Western Refining material adverse effect, or similar qualifiers, as of the date of the merger agreement and as of the closing as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of another date, in which case such representation and warranty will only be required to be so true and correct as of such other date), other than for such failures to be so true and correct that, individually or in the aggregate, have not had and would not reasonably be expected to have a Western Refining material adverse effect;
- Western Refining must have performed and complied with in all material respects all of its obligations under the merger agreement required to be performed or complied with at or prior to the closing; and
- Tesoro must have received a certificate signed by an executive officer of Western Refining to the effect that the foregoing closing conditions have been satisfied.

Under the merger agreement, the obligation of Western Refining to complete the merger is subject to the satisfaction or waiver of the following additional conditions:

- certain representations and warranties of Tesoro, Merger Sub 1 and Merger Sub 2 regarding due organization and validity of existence; capital structure; corporate authority; approval and fairness; non-contravention with respect to the organizational documents of Tesoro or its subsidiaries; and broker's and finder's fees must be true and correct in all material respects as of the date of the merger

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agreement and as of the closing as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of another date, in which case such representation and warranty will only be required to be so true and correct as of such other date);

- the representations and warranties of Tesoro, Merger Sub 1 and Merger Sub 2 regarding the absence of any material adverse effect on Tesoro and its subsidiaries must be true and correct as of the date of the merger agreement and as of the closing as though made on and as of such date and time;
- the other representations and warranties of Tesoro, Merger Sub 1 and Merger Sub 2 must be true and correct without regard to materiality, Tesoro material adverse effect, or similar qualifiers, as of the date of the merger agreement and as of the closing as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of another date, in which case such representation and warranty will only be required to be so true and correct as of such other date), other than for such failures to be so true and correct that, individually or in the aggregate, have not had and would not be reasonably be expected to have a Tesoro material adverse effect;
- Tesoro, Merger Sub 1 and Merger Sub 2 must have performed and complied with in all material respects all of their respective obligations under the merger agreement required to be performed or complied with by them at or prior to the closing;
- Western Refining must have received a certificate signed by an executive officer of Tesoro on behalf of Tesoro, Merger Sub 1, and Merger Sub 2 to the effect that the foregoing closing conditions have been satisfied; and
- Western Refining must have received a written opinion from Davis Polk & Wardwell LLP (or another nationally recognized law firm selected by Western Refining) substantially to the effect that for U.S. federal income tax purposes, either (i) if a second merger election has not been made, the first merger, without regard to the second merger, will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, or (ii) if the second merger election has been made, the mergers, taken collectively, will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and, in either case, Tesoro and Western Refining will each be a "party to the reorganization" within the meaning of Section 368(b) of the Internal Revenue Code.

Termination

Termination Rights

Tesoro and Western Refining may terminate the merger agreement and abandon the merger at any time prior to the effective time of the first merger by mutual written consent of Tesoro and Western Refining.

The merger agreement may also be terminated by either Tesoro or Western Refining at any time prior to the effective time of the first merger in any of the following situations if the terminating party has not breached in any material respect its obligations under the merger agreement in any manner that has proximately contributed to the failure of a condition to the completion of the first merger or the failure of the completion of the first merger to occur:

- the completion of the first merger does not occur by November 16, 2017, which is referred to as an end date termination event;
- the Tesoro special meeting is held and the Tesoro stockholders do not approve the Tesoro issuance proposal at such meeting or at any permitted adjournment or postponement of such meeting, which is referred to as a Tesoro stockholder approval termination event;
- the Western Refining special meeting is held and the Western Refining stockholders do not approve the merger proposal at such meeting or at any permitted adjournment or postponement of such meeting, which is referred to as a Western Refining stockholder approval termination event; or

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- any law or order permanently restraining, enjoining or otherwise prohibiting the completion of the merger becomes final and non-appealable.

In addition, the merger agreement may be terminated by Tesoro:

- prior to the approval of the Tesoro issuance proposal by Tesoro stockholders, in order for Tesoro to enter into an alternative acquisition agreement providing for the consummation of a superior proposal in compliance with the procedures described in the second bullet in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation—Tesoro: No-Shop Exceptions; Permitted Changes of Recommendation and Permitted Termination to Enter into a Superior Proposal*" beginning on page 154, after having fully complied with the match right and other no-shop obligations under the merger agreement, provided that Tesoro pays the reverse termination fee prior to or concurrently with termination of the merger agreement;
- prior to the effective time of the first merger, if an adverse Western Refining recommendation change has occurred; or
- prior to the effective time of the first merger, if there is a breach of any representation, warranty, covenant or agreement made by Western Refining in the merger agreement, or any such representation and warranty or covenant becomes untrue after the date of the merger agreement, such that the condition to closing above relating to the accuracy of the representations and warranties of Western Refining or the condition to closing above relating to the covenants or agreements of Western Refining would not be satisfied, and such breach or condition is not curable, or, if curable, is not cured prior to the earlier of 30 days after written notice thereof is given by Tesoro to Western Refining and the fifth business day prior to November 16, 2017, which is referred to as the Western Refining breach termination event.

Further, the merger agreement may be terminated by Western Refining:

- prior to the adoption of the merger agreement by Western Refining stockholders, in order for Western Refining to enter into an alternative acquisition agreement providing for the consummation of a superior proposal in compliance with the procedures described in the second bullet in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation—Western Refining: No-Shop Exceptions; Permitted Changes of Recommendation and Permitted Termination to Enter into a Superior Proposal*" beginning on page 155, after having fully complied with the match right and other no-shop obligations under the merger agreement, provided that Western Refining pays the termination fee prior to or concurrently with termination of the merger agreement;
- prior to the effective time of the first merger, if an adverse Tesoro recommendation change has occurred; or
- prior to the effective time of the first merger, if there is a breach of any representation, warranty, covenant or agreement made by Tesoro, Merger Sub 1 or Merger Sub 2 in the merger agreement, or any such representation and warranty or covenant becomes untrue after the date of the merger agreement, such that the condition to closing above relating to the accuracy of the representations and warranties of Tesoro, Merger Sub 1 and Merger Sub 2 or the condition to closing above relating to the covenants or agreements of Tesoro, Merger Sub 1 and Merger Sub 2 would not be satisfied, and such breach or condition is not curable, or, if curable, is not cured prior to the earlier of either 30 days after written notice thereof is given by Western Refining to Tesoro and the fifth business day prior to November 16, 2017, which is referred to as a Tesoro breach termination event.

Termination Fees Payable by Tesoro

The merger agreement requires Tesoro to pay Western Refining a termination fee of $240 million, which is referred to as the reverse termination fee, if:

- Western Refining terminates the merger agreement due to an adverse Tesoro recommendation change;

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- Western Refining terminates the merger agreement due to a Tesoro breach termination event following a willful and material breach by Tesoro or its representatives of Tesoro's "no shop" obligations under the merger agreement as described in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation*" beginning on page 152 which is referred to as a Tesoro no-shop breach termination event;
- Tesoro terminates the merger agreement to enter into an alternative acquisition agreement providing for the consummation of a superior proposal in accordance with the merger agreement; or
- Tesoro or Western Refining terminates the merger agreement because there has been an end date termination event, a Tesoro stockholder approval termination event or a Tesoro breach termination event (other than a Tesoro no-shop breach termination event), an acquisition proposal with respect to Tesoro was publicly announced after November 16, 2016 and not unconditionally withdrawn before the Tesoro special meeting, and within 12 months following the date of such termination:
  - the Tesoro board recommends that Tesoro stockholders vote in favor of or tender into a Tesoro acquisition proposal (as defined with respect to Tesoro above);
  - Tesoro enters into an alternative acquisition agreement providing for a Tesoro acquisition proposal (as defined with respect to Tesoro above); or
  - a Tesoro acquisition proposal (as defined with respect to Tesoro above) is consummated.

Further, the merger agreement requires Tesoro to pay Western Refining $41.1 million if Tesoro or Western Refining terminates the merger agreement due to a Tesoro stockholder approval termination event (which payment will be credited against the payment of the reverse termination fee if the reverse termination fee subsequently becomes payable).

In no event will Tesoro be required to pay the reverse termination fee on more than one occasion.

Termination Fees Payable by Western Refining

The merger agreement requires Western Refining to pay Tesoro a termination fee of $120 million, which is referred to as the termination fee, if:

- Tesoro terminates the merger agreement due to an adverse Western Refining recommendation change;
- Tesoro terminates the merger agreement due to a Western Refining breach termination event following a willful and material breach by Western Refining or its representatives of Western Refining's "no shop" obligations under the merger agreement as described in the section entitled "*The Merger Agreement—Non-Solicitation of Acquisition Proposals; Changes of Recommendation*" beginning on page 152 which is referred to as a Western Refining no-shop breach termination event;
- Western Refining terminates the merger agreement to enter into an alternative acquisition agreement providing for the consummation of a superior proposal in accordance with the merger agreement; or
- Tesoro or Western Refining terminates the merger agreement because there has been an end date termination event, a Western Refining stockholder approval termination event or a Western Refining breach termination event (other than a Western Refining no-shop breach termination event), an acquisition proposal with respect to Western Refining was publicly announced after November 16, 2016 and not unconditionally withdrawn before the Western Refining special meeting, and within 12 months following the date of such termination:
  - the Western Refining board recommends that Western Refining stockholders vote in favor of or tender into a Western Refining acquisition proposal (substituting "50%" for "15%" in the definition of acquisition proposal for these purposes);

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- Western Refining enters into an alternative acquisition agreement providing for a Western Refining acquisition proposal (substituting "50%" for "15%" in the definition of acquisition proposal for these purposes); or
- a Western Refining acquisition proposal (substituting "50%" for "15%" in the definition of acquisition proposal for these purposes) is consummated.

Further, the merger agreement requires Western Refining to pay Tesoro $41.1 million if Tesoro or Western Refining terminates the merger agreement due to a Western Refining stockholder approval termination event (which payment will be credited against the payment of the termination fee if the termination fee subsequently becomes payable).

In no event will Western Refining be required to pay the termination fee on more than one occasion.

Expenses

Except as otherwise provided in the merger agreement, whether or not the merger is completed, all costs and expenses incurred in connection with the merger agreement, the merger and the other transactions contemplated by the merger agreement will be paid by the party incurring the expense, except that certain expenses in connection with the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part will be shared equally by Tesoro and Western Refining.

Indemnification; Directors' and Officers' Insurance

The parties to the merger agreement have agreed that, from and after the effective time of the merger, Tesoro and the surviving entity in the merger will indemnify and hold harmless (and subject to certain conditions to provide advancement of expenses to) each present and former director and officer of Western Refining and its subsidiaries and each other person or entity who, at the request or for the benefit of Western Refining or any of its subsidiaries, is or was previously serving as a director or officer, MLP employee or fiduciary of any other person or entity or any benefit plan of Western Refining or any benefit plan of any of Western Refining's subsidiaries (determined at the effective time), from and against any costs or expenses, judgments, fines, losses, claims, damages, penalties, amounts paid in settlement or liabilities incurred in connection with any claim, action, suit, proceeding or investigation arising out of matters existing or occurring at or prior to the effective time of the merger, to the fullest extent that Western Refining or the applicable subsidiary of Western Refining would have been permitted under Delaware law and under its certificate of incorporation or bylaws or other governing documents in effect on November 16, 2016 to indemnify such person. The parties to the merger agreement have also agreed that the surviving entity's certificate of incorporation and bylaws or limited liability company agreement, as applicable, will include provisions regarding the elimination of liability of directors, the indemnification of officers, directors, employees, fiduciaries and agents and advancement of fees, costs and expenses that are no less advantageous to the intended beneficiaries than the corresponding provisions in the organizational documents of Western Refining in effect on November 16, 2016.

In addition, Tesoro or Western Refining is required to obtain and fully pay for a six-year "tail" insurance policy with benefits and levels of coverage no less favorable in any material respect to the indemnified parties than Western Refining's existing policies, subject to a premium cap. If Tesoro and Western Refining fail to obtain such "tail" insurance policies as of the effective time of the merger, the surviving entity in the merger will (and Tesoro will cause the surviving entity in the merger to) continue to maintain in effect for a period of at least six years from and after the effective time of the merger the Western Refining D&O insurance in place as of November 16, 2016 with benefits and levels of coverage no less favorable in any material respect to the indemnified parties than that provided in Western Refining's existing policies as of November 16, 2016, subject to a premium cap.

The indemnified persons described in the first paragraph of this section will have the right to enforce the provisions of the merger agreement relating to their indemnification.

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Modification and Amendment

The merger agreement may be amended, modified or supplemented in writing at any time; however, after the approval by Western Refining stockholders of the merger approval or the approval by Tesoro stockholders of the Tesoro issuance proposal, no amendment or waiver may be made which requires further approval by Western Refining stockholders or Tesoro stockholders under applicable law unless such further approval is obtained.

Remedies

In the event of termination of the merger agreement pursuant to the provisions described in the section entitled "*The Merger Agreement—Termination*" beginning on page 165, the merger agreement (other than certain provisions as set forth in the merger agreement) will become void and of no effect with no liability on the part of any party to the merger agreement (or of any of its representatives or affiliates). However, except as otherwise expressly provided in the merger agreement, no termination of the merger agreement will relieve any party to the merger agreement of any liability or damages to the other parties resulting from any willful material breach of the merger agreement.

If either Tesoro or Western Refining receives the full amount of the termination fee or the reverse termination fee, as applicable, in the circumstances contemplated by the merger agreement, such payment will be the sole and exclusive remedy of the receiving party against the paying party and its subsidiaries and their respective former, current or future partners, stockholders, managers, members, affiliates, representatives and the financing sources.

The parties are entitled to an injunction or injunctions to prevent breaches of the merger agreement, and to enforce specifically the terms of the merger agreement without proof of actual damages.

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VOTING AND SUPPORT AGREEMENTS

This section describes the material terms of the voting agreements, which were executed on November 16, 2016. The description in this section and elsewhere in this joint proxy statement/prospectus is qualified in its entirety by reference to the complete text of the voting agreements, copies of which are attached as Annexes B, C and D to this joint proxy statement/prospectus and are incorporated by reference herein in its entirety. This summary does not purport to be complete and may not contain all of the information about the voting agreements that is important to you. You are encouraged to read each voting agreement carefully and in its entirety.

In connection with the execution of the merger agreement, and as a condition to Tesoro's willingness to enter into the merger agreement, the founders and Franklin Mountain Investments, LP have entered into three separate voting and support agreements with Tesoro, Merger Sub 1 and Merger Sub 2. Based on information provided by each of the founders and Franklin Mountain Investments, LP to Tesoro and Western Refining, as of the date of the voting agreements:

- Mr. Foster beneficially owned in the aggregate 19,564,047 shares of Western Refining common stock, representing approximately 18% of the outstanding shares of Western Refining common stock as of February 8, 2017, 16,129,581 shares of which were beneficially owned by Franklin Mountain Investments, LP (Mr. Foster is the sole member and president of Franklin Mountain G.P., LLC, the general partner of Franklin Mountain Investments, LP, and as such, may be deemed to have voting and dispositive power over the shares owned by Franklin Mountain Investments, LP);
- Mr. Stevens beneficially owned in the aggregate 3,556,456 shares of Western Refining common stock, representing approximately 3.3% of the outstanding shares of Western Refining common stock as of February 8, 2017; and
- Mr. Weaver beneficially owned in the aggregate 1,307,229 shares of Western Refining common stock, representing approximately 1.2% of the outstanding shares of Western Refining common stock as of February 8, 2017.

The foregoing shares are referred to as the existing shares, and together with any shares of Western Refining common stock or other voting capital stock of Western Refining of which the founders and Franklin Mountain Investments, LP acquire beneficial ownership on or after the date hereof, are referred to as the subject shares.

Voting

At the Western Refining special meeting and any other meeting or in any written consent solicitation or action of Western Refining stockholders called in relation to any of the following matters, each of the founders and Franklin Mountain Investments, LP have agreed to be present and vote or cause to be voted their shares as follows:

(A) in favor of the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and any related proposal in furtherance thereof;

(B) in favor of any proposal to adjourn or postpone the Western Refining special meeting to a later date if there are not sufficient votes to adopt the merger agreement and/or if there are not sufficient shares present in person or by proxy at the Western Refining special meeting to constitute a quorum;

(C) in favor of any other matter necessary to complete the transactions contemplated by the merger agreement;

(D) against any merger, tender offer, exchange offer, sale of all or substantially all assets, recapitalization, reorganization, consolidation, share exchange, business combination, liquidation, dissolution or similar transaction or series of transactions involving Western Refining, any of its subsidiaries and any other person (including any acquisition proposal), other than the merger; and

(E) against any other action or agreement that would reasonably be expected to impede, frustrate, interfere with, delay, postpone or adversely affect the merger or any other transaction contemplated by the merger agreement, including the completion thereof.

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In the event of a failure by a founder or Franklin Mountain Investments, LP to act in accordance with his or its obligations pursuant to his or its respective voting agreement, such founder or Franklin Mountain Investments, LP, as applicable, irrevocably grants to and appoints Tesoro and any of its designees as his or its proxy and attorney-in-fact to represent such founder's or Franklin Mountain Investments, LP's, as applicable, subject shares and vote, execute written consents and otherwise act with respect to such founder's subject shares regarding the matters described above until termination of the applicable voting agreement.

Prohibition on Transfers

Until the termination of their respective voting agreements, each founder and Franklin Mountain Investments, LP will not, directly or indirectly:

- transfer, assign, sell, pledge, encumber, hypothecate or otherwise dispose of any of his or its subject shares;
- grant any proxies or power of attorney, or any other authorization or consent with respect to any or all of his or its subject shares in respect of any matter covered by the respective voting agreement;
- deposit any of his or its subject shares into a voting trust or enter into a voting agreement or arrangement with respect to any of such subject shares or grant any proxy or power of attorney with respect thereto that is inconsistent with the respective voting agreement;
- enter into any contract with respect to the transfer, assignment, sale, pledge, encumbrance, hypothecation or other disposal of his or its subject shares; or
- take any other action that would restrict, limit or interfere with the performance of his or its obligations under the respective voting agreement.

Under the terms of each voting agreement, any purported transfer, assignment, sale, pledge, encumbrance, hypothecation or other disposal of applicable founder's subject shares without Tesoro's consent is null and void *ab initio*.

Termination

The voting agreements will terminate automatically upon the earlier of the termination of the merger agreement or the effective time of the merger.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

The following discussion addresses the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Western Refining common stock. The discussion is based on the provisions of the Internal Revenue Code, its legislative history, U.S. Treasury regulations, administrative rulings and judicial decisions, all as currently in effect as of the date hereof and all of which are subject to change (possibly with retroactive effect) and all of which are subject to differing interpretations. Tax considerations under foreign, state, local or federal laws other than those pertaining to income tax are not addressed in this joint proxy statement/prospectus.

For purposes of this discussion, the term "U.S. holder" refers to a beneficial owner that is:

- an individual citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any of its political subdivisions;
- a trust that (i) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or
- an estate that is subject to U.S. federal income taxation on its income regardless of its source.

This discussion applies only to Western Refining stockholders that hold their Western Refining common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code (generally, property held for investment), and does not address any consequences arising under the unearned income Medicare contribution tax or all aspects of U.S. federal taxation that may be relevant to a particular U.S. holder in light of its personal circumstances or to U.S. holders subject to special treatment under the U.S. federal income tax laws, including:

- financial institutions;
- investors in pass-through entities;
- persons liable for the alternative minimum tax;
- insurance companies;
- tax-exempt organizations;
- dealers in securities;
- traders in securities that elect to use a mark-to-market method of accounting;
- persons that hold Western Refining common stock as part of a straddle, hedge, constructive sale or conversion transaction;
- regulated investment companies;
- real estate investment trusts;
- persons whose "functional currency" is not the U.S. dollar;
- persons who are not citizens or residents of the United States; and
- stockholders who acquired their shares of Western Refining common stock through the exercise of an employee stock option, as a restricted stock award, or otherwise as compensation.

If a partnership or other entity taxed as a partnership holds Western Refining common stock, the tax treatment of a partner in the partnership will depend upon the status of the partner and the activities of the partner and partnership. Partnerships and partners in such a partnership should consult their tax advisors about the tax consequences of the merger to them.

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The actual tax consequences of the merger to you may be complex and will depend on your specific situation and on factors that are not within Tesoro's or Western Refining's control. You should consult with your own tax advisor as to the tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws and of changes in those laws.

Based on certain representations, covenants and assumptions described below, all of which must continue to be true and accurate in all material respects as of the effective time of the merger, it is the opinion of Davis Polk & Wardwell LLP that (i) for U.S. federal income tax purposes the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and (ii) Tesoro and Western Refining will each be a "party to the reorganization" within the meaning of Section 368(b) of the Internal Revenue Code, which opinion is referred to as the reorganization opinion. It is a condition to Western Refining's obligation to complete the merger that Western Refining receives a written opinion of its counsel, Davis Polk & Wardwell LLP (or another nationally recognized law firm selected by Western Refining), dated as of the closing date, confirming this opinion, which opinion is referred to as the closing date opinion.

The reorganization opinion has been, and the closing date opinion will be, based on certain assumptions, including the assumption that the merger will be completed in the manner set forth in the merger agreement and the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part, and on representation letters provided by Tesoro and Western Refining. The reorganization opinion has been, and the closing date opinion will also be, based on the assumption that the representations found in the representation letters are, as of the effective time, true and complete without qualification (including representations regarding the relative values of the Tesoro stock consideration and cash consideration on the closing date) and that the representation letters are executed by appropriate and authorized officers of Tesoro and Western Refining, as applicable. In addition, the reorganization opinion has assumed, and counsel's ability to provide the closing date opinion will depend on, the making of a second merger election by either Western Refining or Tesoro if such election is necessary in order for the merger to qualify as a reorganization and the absence of changes in existing facts or in law between the date of this joint proxy statement/prospectus and the closing date of the merger. If any of the assumptions or representations upon which such opinions are based are inconsistent with the actual facts with respect to the merger, the U.S. federal income tax consequences of the merger could be different from those described herein.

In addition, the opinions will not be binding on the Internal Revenue Service or any court. Neither Tesoro nor Western Refining intends to request any ruling from the Internal Revenue Service as to the U.S. federal income tax consequences of the merger, and consequently, there is no guarantee that the Internal Revenue Service will treat the merger as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code or that a court would not sustain a position to the contrary to any of the positions set forth herein.

Based on the reorganization opinion and subject to the qualifications set forth above, the following are the material U.S. federal income tax consequences of the merger.

U.S. Federal Income Tax Consequences to Tesoro, Merger Sub 1, Merger Sub 2 and Western Refining

None of Tesoro, Merger Sub 1, Merger Sub 2 and Western Refining will recognize any gain or loss for U.S. federal income tax purposes as a result of the merger.

U.S. Federal Income Tax Consequences to Western Refining Stockholders

Exchange of Western Refining Common Stock Solely for Cash

Western Refining stockholders who exchange all of their Western Refining common stock solely for cash will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis of the Western Refining shares exchanged. The amount and character of gain or loss will be determined

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separately for each block of Western Refining common stock that was purchased by the Western Refining stockholders in the same transaction. Any recognized gain or loss will generally be capital gain or loss and any such capital gain or loss will be (i) long term if, as of the date of sale or exchange, such stockholder has held the Western Refining common stock for more than one year, or (ii) short term if, as of such date, such Western Refining stockholder has held the Western Refining common stock for one year or less. The deductibility of capital losses is subject to limitations. In certain circumstances, it is possible that, instead of recognizing gain or loss, a Western Refining stockholder may be required to treat all or part of the cash received in the merger as dividend income. A Western Refining stockholder with a relatively minimal stock interest in Western Refining and Tesoro that experiences a reduction in its proportionate interest in Tesoro as a result of the merger generally should not be treated as recognizing dividend income as a result of the merger.

Exchange of Western Refining Common Stock Solely for Tesoro Common Stock

Western Refining stockholders who exchange all of their Western Refining common stock solely for Tesoro common stock will not recognize gain or loss for U.S. federal income tax purposes, except with respect to cash, if any, they receive upon the sale of a fractional share of Tesoro common stock (see below for tax treatment of such cash received for a fractional share). Each Western Refining stockholder's aggregate tax basis in the Tesoro common stock received will be the same as such Western Refining common stockholder's aggregate tax basis in the Western Refining shares surrendered in the transaction, reduced by the basis attributable to any fractional share of Tesoro common stock deemed sold (as discussed below under the heading "Receipt of Cash Upon the Deemed Sale of a Fractional Share"). The holding period of the Tesoro common stock received by a Western Refining stockholder will include the holding period of the Western Refining common stock surrendered. If a Western Refining stockholder has differing tax bases and/or holding periods in respect of Western Refining common stock, such Western Refining stockholders should consult with a tax advisor with respect to the determination of the tax bases and/or holding periods of the particular shares of Tesoro common stock received.

Exchange of Western Refining Common Stock for Tesoro Common Stock and Cash

Western Refining stockholders who exchange Western Refining common stock for a combination of Tesoro common stock and cash will recognize gain, but not loss, in such exchange. The gain, if any, recognized will equal the lesser of (a) the amount of cash received in the transaction (excluding any cash received in respect of fractional shares) and (b) the amount of gain realized in the transaction. The amount of gain that is realized in the exchange will equal the excess of (i) the sum of the cash plus the fair market value of the Tesoro common stock, including any fractional share of Tesoro common stock, received in the exchange over (ii) the tax basis of the Western Refining shares surrendered in the exchange. For this purpose, a Western Refining stockholder must calculate gain or loss separately for each identifiable block of Western Refining common stock that such Western Refining stockholder surrenders pursuant to the transaction. Any recognized gain will generally be long-term capital gain if the Western Refining stockholder's holding period for the shares of Western Refining common stock surrendered is more than one year at the effective time of the merger. It is possible, however, that a Western Refining stockholder would instead be required to treat all or part of such gain as dividend income if such stockholder's percentage ownership in Tesoro (including shares that the stockholder is deemed to own under certain attribution rules) after the merger is not meaningfully reduced from what the stockholder's percentage ownership would have been if the stockholder had received solely shares of Tesoro common stock rather than a combination of cash and Tesoro common stock in the merger, which is referred to as a dividend equivalent transaction. A Western Refining stockholder with a relatively minimal stock interest in Western Refining and Tesoro that experiences a reduction in its proportionate interest in Tesoro as a result of the merger generally should not be regarded as having had a dividend equivalent transaction as a result of the merger.

The aggregate tax basis of the Tesoro common stock received (including the basis in any fractional share deemed sold for cash) will be equal to the aggregate tax basis in the Western Refining shares surrendered in the transactions, decreased by the amount of cash received (other than cash received in respect of fractional shares) and increased by the amount of gain, if any, recognized (but excluding any gain realized in connection with the

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deemed sale of a fractional share of Tesoro common stock as discussed below). The holding period of the Tesoro common stock received by a holder of Western Refining shares will include the holding period of the Western Refining shares surrendered in exchange therefor. If a Western Refining stockholder has differing tax bases and/or holding periods in respect of Western Refining common stock, such Western Refining stockholder should consult with a tax advisor with respect to allocation of the Tesoro common stock and cash consideration as between such blocks of Western Refining common stock, the amount of any gain to be recognized and the possibility of recognizing any loss, and the determination of the tax bases and/or holding periods of the particular shares of Tesoro common stock received.

Receipt of Cash Upon the Deemed Sale of a Fractional Share

A U.S. holder of Western Refining common stock who receives cash in lieu of a fractional share of Tesoro common stock will be treated as having received the fractional share pursuant to the merger and then as having sold the fractional share for cash in a redemption by Tesoro. As a result, such U.S. holder will generally recognize gain or loss equal to the difference between the amount of cash received and the basis in his or her fractional share interest as set forth above. This gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, such U.S. holder's holding period for such share is greater than one year. For U.S. holders of Western Refining common stock that are non-corporate holders, long-term capital gain generally will be taxed at a U.S. federal income tax rate that is lower than the rate for ordinary income or for short-term capital gains. The deductibility of capital losses is subject to limitations.

Consequences to Western Refining Stockholders if the Merger is Not Treated as a Reorganization

If the merger is not treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, then, except as described below, a Western Refining stockholder will recognize gain or loss equal to the excess of (i) the sum of the fair market value of the Tesoro stock consideration and cash consideration received over (ii) such Western Refining stockholder's tax basis in the Western Refining common stock surrendered in the exchange. Such gain or loss would generally be long-term capital gain or loss if the Western Refining common stock was held for more than one year at the time of the exchange. In such event, the tax basis of Tesoro common stock received would equal its fair market value at the time of the exchange and the holding period of such Tesoro common stock would commence the day after such exchange. It is possible, however, that in certain circumstances a Western Refining stockholder would instead be required to treat all or part of the cash received in the merger as a dividend, as discussed above in the section entitled "*Material U.S. Federal Income Tax Consequences of the Merger—Exchange of Western Refining Common Stock Solely for Cash*" beginning on page 173.

Backup Withholding and Information Reporting

Payments of cash to a U.S. holder of Western Refining common stock pursuant to the merger are subject to information reporting unless the U.S. holder is an exempt recipient and may, under certain circumstances, be subject to backup withholding, unless such stockholder provides Tesoro with its taxpayer identification number and otherwise complies with the backup withholding rules. Any amounts withheld from payments to a U.S. holder of Western Refining common stock under the backup withholding rules are not additional tax and generally will be allowed as a refund or credit against such U.S. holder's federal income tax liability; provided that such U.S. holder timely furnishes the required information to the Internal Revenue Service.

A U.S. holder of Western Refining common stock who receives Tesoro common stock as a result of the merger will be required to retain records pertaining to the merger. Each U.S. holder of Western Refining common stock who is required to file a U.S. federal income tax return and who is a "significant holder" that receives Tesoro common stock in the merger will be required to file a statement with such U.S. federal income tax return in accordance with Treasury Regulations Section 1.368-3 setting forth information regarding the parties to the merger, the date of the merger, such holder's basis in the Western Refining common stock

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surrendered and the fair market value of Tesoro common stock and cash received in the merger. A "significant holder" is a holder of Western Refining common stock who, immediately before the merger, owned at least 5% of the outstanding stock of Western Refining or securities of Western Refining with a basis for federal income tax purposes of at least $1 million.

The preceding discussion is intended only as an overview of the material U.S. federal income tax consequences of the merger. It is not a complete analysis or discussion of all potential tax effects that may be important to you. Thus, you are strongly encouraged to consult your tax advisor as to the specific tax consequences resulting from the merger, including tax return reporting requirements, the applicability and effect of federal, state, local and other tax laws and the effect of any proposed changes in the tax laws.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements, which are referred to as the unaudited pro forma financial statements, present the combination of the historical consolidated financial statements of Tesoro and Western Refining adjusted to give effect to the merger and related transactions. The unaudited pro forma condensed statements of combined operations, which are referred to as the unaudited pro forma statements of operations, for the year ended December 31, 2015, and the nine months ended September 30, 2016, combine the historical statements of consolidated operations of Tesoro and Western Refining, giving effect to the merger and related transactions as if they had been consummated on January 1, 2015, the beginning of the earliest period presented. The unaudited pro forma condensed combined balance sheet, which is known as the unaudited pro forma balance sheet, combines the historical condensed consolidated balance sheets of Tesoro and Western Refining as of September 30, 2016, giving effect to the merger as if it had been consummated on September 30, 2016. The historical consolidated financial statements of Western Refining have been adjusted to reflect certain reclassifications in order to conform to Tesoro's condensed financial statement presentation.

The unaudited pro forma financial statements were prepared using the acquisition method of accounting with Tesoro considered the acquirer of Western Refining. See the section entitled *"The Merger—Accounting Treatment of the Merger"* beginning on page 138. Under the acquisition method of accounting, the purchase price is allocated to the underlying Western Refining tangible and intangible assets acquired and liabilities assumed based on their respective fair market values with any excess purchase price allocated to goodwill.

As of the date of this joint proxy statement/prospectus, Tesoro has not completed the detailed valuation study necessary to arrive at the required final estimates of the fair value of the Western Refining assets to be acquired and the liabilities to be assumed and the related allocations of purchase price, nor has it identified all adjustments necessary to conform Western Refining's accounting policies to Tesoro's accounting policies. A final determination of the fair value of Western Refining's assets and liabilities, including intangible assets with both indefinite or finite lives, will be based on the actual net tangible and intangible assets and liabilities of Western Refining that exist as of the closing date of the merger and, therefore, cannot be made prior to the completion of the merger. In addition, the value of the consideration to be paid by Tesoro upon the consummation of the merger will be determined based on the closing price of Tesoro's common stock on the closing date of the merger. As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analysis is performed. The preliminary pro forma adjustments have been made solely for the purpose of providing the unaudited pro forma financial statements presented below. Tesoro estimated the fair value of Western Refining's assets and liabilities based on discussions with Western Refining's management, preliminary valuation studies, due diligence and information presented in Western Refining's SEC filings. Until the merger is completed, both companies are limited in their ability to share certain information. Upon completion of the merger, a final determination of fair value of Western Refining's assets and liabilities will be performed. Any increases or decreases in the fair value of assets acquired and liabilities assumed upon completion of the final valuations will result in adjustments to the unaudited pro forma balance sheet and/or statements of operations. The final purchase price allocation may be materially different than that reflected in the pro forma purchase price allocation presented herein.

Assumptions and estimates underlying the adjustments to the unaudited pro forma financial statements, which are referred to as the pro forma adjustments, are described in the accompanying notes. The historical consolidated financial statements have been adjusted in the unaudited pro forma financial statements to give effect to pro forma events that are: (1) directly attributable to the merger; (2) factually supportable; and (3) with respect to the unaudited pro forma statements of operations, expected to have a continuing impact on the combined results of Tesoro and Western Refining following the merger. The unaudited pro forma financial statements have been presented for illustrative purposes only and are not necessarily indicative of the operating results and financial position that would have been achieved had the merger occurred on the dates indicated. Further, the unaudited pro forma financial statements do not purport to project the future operating results or financial position of the combined company following the merger.

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The unaudited pro forma financial statements, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, do not reflect the benefits of expected cost savings (or associated costs to achieve such savings), opportunities to earn additional revenue, or other factors that may result as a consequence of the merger and, accordingly, do not attempt to predict or suggest future results. Specifically, the unaudited pro forma statements of operations exclude projected synergies expected to be achieved as a result of the merger, which are described in the section entitled *"The Merger—Recommendation of Tesoro's Board of Directors and Reasons for the Merger*" beginning on page 81, nor do they include any associated costs that may be required to be incurred to achieve the identified synergies. The unaudited pro forma statements of operations also exclude the effects of transaction costs associated with the merger, costs associated with any restructuring, integration activities or asset dispositions resulting from the merger, impacts that would have occurred had the revaluation of inventory been performed as of January 1, 2015, and expenses associated with accelerated vesting of compensation awards as they are currently not known, and to the extent they occur, are expected to be non-recurring and will not have been incurred at the closing date of the merger. However, such costs could affect the combined company following the merger in the period the costs are incurred or recorded. Further, the unaudited pro forma financial statements do not reflect the effect of any regulatory actions that may impact the results of the combined company following the merger.

The unaudited pro forma financial statements have been developed from and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma financial statements;
- the historical audited consolidated financial statements of Tesoro for the year ended December 31, 2015, included in Tesoro's Annual Report on Form 10-K and incorporated by reference into this document;
- the historical unaudited condensed financial statements of Tesoro as of and for the nine months ended September 30, 2016, included in Tesoro's Quarterly Report on Form 10-Q and incorporated by reference into this document;
- the historical audited consolidated financial statements of Western Refining for the year ended December 31, 2015, included in Western Refining's Current Report on Form 8-K dated December 8, 2016 (and filed on December 9, 2016) and incorporated by reference into this document;
- the historical unaudited condensed consolidated financial statements of Western Refining as of and for the nine months ended September 30, 2016, included in Western Refining's Quarterly Report on Form 10-Q, and incorporated by reference into this document; and
- other information relating to Tesoro and Western Refining contained in or incorporated by reference into this document. See the sections entitled "*Where You Can Find More Information*" and "*Selected Historical Consolidated Financial Data of Tesoro*" and "*Selected Historical Consolidated Financial Data of Western Refining*" beginning on pages 211, 32 and 34, respectively.

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TESORO CORPORATION
UNAUDITED PRO FORMA CONDENSED STATEMENT OF COMBINED OPERATIONS
NINE MONTHS ENDED SEPTEMBER 30, 2016
(in millions, except per share information)

	Historical		Pro Forma	
	Tesoro	Western Refining	Adjustments	Notes