



#40838

DATE: MARCH 20, 2017

SUBJECT: ADJUSTED NORTHERN TIER ENERGY LP. – ANTICIPATED FURTHER ADJUSTMENT
ADJUSTED OPTION SYMBOL: WNR1
NEW OPTION SYMBOL: TSO1
DATE: ??? (ELECTION DEADLINE: ???)

Adjusted Northern Tier Energy LP (adjusted option symbol WNR1) options were adjusted on June 24, 2016 (See OCC Information Memo #39444). The new deliverable became 1) 29 Western Refining, Inc. (WNR) Common Shares and 2) \$1,517.59 Cash.

On March 24, 2017, Shareholders of Western Refining, Inc. (WNR) will vote concerning the proposed merger with Tesoro Corporation (TSO).

The Merger: Aggregate Terms

The total number of WNR shares converted into the cash consideration will not exceed 10,843,042 shares less the number of excluded shares, as described in the Proxy Statement dated February 17, 2017 (“Proxy”).

The Merger: Individual Share Elections

Within the terms of the Merger, individual WNR Shareholders may:

- Elect to receive 0.4350 Tesoro Corporation (TSO) Common Shares (Stock Consideration). Cash will be paid in lieu of fractional shares. OR,
- Elect to receive \$37.30 in cash (Cash Consideration). Cash Elections are subject to proration. OR,
- Register no preference by not making an election (Non-electing). Under the terms of the election, shares which are not subject to an effective election will be treated as non-electing shares and converted into the right to receive the Stock Consideration.

Elections must be submitted to the exchange agent, American Stock Transfer & Trust Company. The election deadline will be on a date to be determined. WNR Shareholders must observe all terms and conditions for the election as specified in the Proxy. Among such items, it should be noted that WNR Shares may be delivered pursuant to an election under “Notices of Guaranteed Delivery”, which allows delivery of WNR Shares within **three (3) trading days** of submission of the notices. In all cases, Call option holders exercising in order to obtain stock for an election must exercise in sufficient time to be able to make valid delivery pursuant to the election procedures.

The Merger Consideration: Prorations

The Cash Consideration elections will be subject to proration as described in the Proxy.

If the merger is approved and consummated, adjusted WNR1 options must be further adjusted to reflect the merger consideration as described below.

CONTRACT ADJUSTMENT

EFFECTIVE DATE: Effective the opening of the business day after the merger is consummated. Contract adjustment is anticipated to occur in the first half of 2017.

OPTION SYMBOL: WNR1 becomes TSO1

CONTRACT MULTIPLIER: 1

STRIKE DIVISOR: 1

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 25.00 yields \$2,500.00)

NEW DELIVERABLE PER CONTRACT: The deliverable for previously adjusted WNR1 options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING WNR SHAREHOLDERS (stated in terms of a current 100-Share deliverable).

- 1) 12 Tesoro Corporation (TSO) Common Shares
- 2) Cash in lieu of 0.615 TSO fractional share
- 3) \$1,517.59 Cash

CUSIP: TSO: 881609101

PRICING

Until the cash in lieu amount is determined, the underlying price for TSO1 options will be determined as follows:

$$\text{TSO1} = 0.12615 (\text{TSO}) + 15.1759$$

DELAYED SETTLEMENT

The TSO component of the TSO1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the TSO1 deliverable until the cash in lieu of fractional TSO shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-

Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.